

Do it Best Corp.

Vendor Compliance Requirements Contents

Overview	1
Vendor Program Guidelines	4
Presenting Your Program to Do it Best Corp.....	5
Quoting Costs.....	5
Price Changes	6
Private Label Packaging	6
Payment Terms.....	6
Rebates.....	6
Co-op Advertising Programs.....	7
Images	7
Color Images	7
Line Art Images.....	8
Planogram Images	8
Unlimited Right of Return.....	11
Merchandising Programs	11
New Program Launches	12
Discontinued Product.....	13
Defective Merchandise Policy	13
Product Liability Insurance	13
Vendor Insurance Matrix.....	14
Promotional Programs	16
Do it Best Corp. Markets and Expo	18
Alliance International	19
Order Processing.....	21
Retail Service Center Orders	22
Drop Shipment Orders	22
Shipping and Marking Standards.....	25
Retail Service Center Shipping and Marking Standards.....	26
Retail Service Center Routing Instructions	30
Vendor Report Card.....	Error! Bookmark not defined.
Vendor Call Sheet	Error! Bookmark not defined.
Barcode Standards	43
EDI Processing	65
Vendor Performance Standards.....	68

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

Use this section as a guide to completing the Vendor Information Guide (see "Forms" section)

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 of the *Vendor Information Guide***, 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 (*see the "Forms" section*).
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. *Complete the “Member Co-op Program Form”.*

Images

(See the “New Stock Item Record” in the “Forms” section)

Complete all the necessary information on the New Stock Item Record form. Stocking items will be cataloged in the Do it Best InfoPlus CD ROM and internet catalogs.

IMPORTANT: Items will not be assigned SKUs or be ordered until an acceptable image is provided. If you are unable to provide an acceptable image Do it Best will create the image and charge back the cost.

Please provide the following for proper cataloging:

Color Images

- Product should be shot out of package and clipped (silhouetted).
 - “Glamour shot” (3/4 view), taken at angle to represent depth of product.
- File format
 - Encapsulated postscript (*.eps) for PC (not Mac).
 - Color mode = CMYK
 - JPEG (*.jpg)
 - TIFF (*.tif)
 - Original image capture resolution should be at least 300 Dots per inch
 - Physical printed size at 100% should be 3" at it's smallest dimension
- Image file name should be model #, UPC # or Do it Best SKU #.
- Unacceptable image formats:
 - Microsoft Word (*.doc)
 - Microsoft Excel (*.xls)
 - Microsoft Power Point (*.ppt)
 - Microsoft Publisher
 - Images copied from the internet
 - Images less than 300 DPI (any format)
 - BMP (*.bmp)
 - GIF (*.gif)

Life Style and Propped Images

In addition to the product image above, life style images may be provided. A life style image contains the product in a typical setting along with a professional model. A propped image contains the product in a typical setting without a model. These images must follow the above specifications except for:

- Image size – 8” x 10” preferred
- Glamour shot – this will vary depending on the shot

Line Art Images

In addition to the product image above, eps vector line art may be supplied to show detail. Please do not send rasterized line art images.

Promotional Copy

- Complete product description (catalog copy)
- Short description (circular copy)
- Save in a txt or Word format using the model #, UPC # or Do it Best SKU # in the file name.

Transmitting information to the Merchandising Manager

- Email
 - Our corporate e-mail system has a limit of 3 MB per e-mail
- CD-ROM – Mail to:
 - Attn: (Merchandising Manager Name)
 - Do it Best Corp.
 - 6502 Nelson Road
 - Fort Wayne, IN 46803
- FTP – contact Merchandising Manager
- Vendor’s website if images matching the above specifications are available for download

Planogram Images

All images provided by vendors for planograms must comply with our image specifications. Do it Best Corp. will notify vendors of any compliance issues.

Required Specifications for Planogram Images

Product types for imaging include the following:

- 1) **Packaged product** (75% of all planogram images)
 - A) package product depth (front to back) > 1” - 3 views, front, top, left side
Ex. tape measure, vent gable mount, electric drill, motor oil bottle
 - B) package product depth (front to back) < 1” - front view
Ex. sandpaper, saw blade, drill bits, hinge
 - C) package product “full case” - 3 views, front, top, left side

Ex. Motor Oil case

2) **“No package” product**

A) Depth (front to back) > 1” - 3 views, front, top, left side

Ex. paint roller, hammer, Christmas wreath, cooking spatula, wastebasket

B) Depth (front to back) < 1” - front view

Ex. saw blade, mailing envelope, gloves

C) Loose Bulk - front view

Ex. pipe fittings, electrical outlet, underground sprinkler head

3) **Display product** - limited views

Out-of-package product (sample): - 3 views, front, top, left side

Ex. electric drill, vacuum, toaster, humidifier, fan, leaf blower

4) **Specialty display** - limited views

A) display rack only (for out-of-package product i.e. electric drill) - front view
or display rack only (for packaged products i.e. drill bits)

B) assembled display on fixture with sample products on display - front view

Ex. lighting, silent salesman, shower curtains

C) header cards, shelf danglers, how-to guides - front view

D) assembled display rack w/ “no package” product included on rack - front view

Ex. bulk steel, drawer pulls, bulk carpet runner, bulk chain, bulk rope, welcome mat & rack

5) **Image Filename** - Images must be named with 14 digit UPC/GTIN number.

1. Naming primary images are named with 14 digit UPC/GTIN number followed with either .1 (front view), .2 (side view), .3 (top view)

2. Naming secondary images (case, display or alternative) are named with 14 digit UPC/GTIN number followed by (C)=Case,

(D)=Display, (A)=Alternative then either .1 (front view), .2 (side view), .3 (top view)

- Images for contour products must appear with solid black background and cropped to products' edge.
- Images for non-contour products must be cropped to products' edge.
- No props or additional products are allowed within the primary image areas.
- Image size should be no larger than 3 inches in the longest dimension for products with a physical dimension **no longer than** 24 inches in the longest dimension (this guideline may vary depending upon paper size).
- Image size should be no larger than 6 inches in the longest dimension for products with a physical dimension **longer than** 24 inches in the longest dimension (this guideline may vary depending upon paper size).
- Image resolution must be 72 dpi
- Image formats must be PNG (Portable Network Graphics) allow for transparent background within the shelf set

Packaged Product

Requirements for Planogram Dimensional Data Fields: All packaged product dimensional data is to be in a comma delimited text file by 14 digit UPC/GTIN number as reference.

- UPC/GTIN – dimensional data must reference 14 digit UPC/GTIN number
- Package Product Height (top to bottom) [measure to 2 decimal places.]
Example: 6 ¾ inch = 6.75
- Package Product Width (left to right) [measure to 2 decimal places.]
Example: 4 5/8 inch = 4.63
- Package Product Depth (front to back) [measure to 2 decimal places.]
Example: 2 inch = 2.00
- Package Style (Box, Holed)
- Quantity of peg holes in packaged product
- Peg hole X (horizontal) dimension from left package edge
- Peg hole Y (vertical) dimension from top package edge
 - 2nd Peg hole X (horizontal) dimension from left package edge
 - 2nd Peg hole Y (vertical) dimension from top package edge
- Package Product “full case” height
- Package Product “full case” width
- Package Product “full case” depth

“No Package” Product

Requirements for Planogram Dimensional Data Fields: All “no package” product dimensional data is to be in a comma delimited text file by 14 digit UPC/GTIN number as reference.

- UPC/GTIN – dimensional data must reference 14 digit UPC/GTIN number
- “No Package” Product Height (top to bottom) [measure to 2 decimal places.]
Example: 6 ¾ inch = 6.75
- “No Package” Product Width (left to right) [measure to 2 decimal places.]
Example: 4 5/8 inch = 4.63
- “No Package” Product Depth (front to back) [measure to 2 decimal places.]
Example: 2 inch = 2.00
- Package Style (Box, Holed)
- Quantity of peg holes for “No Package” Product
- Peg hole X (horizontal) dimension from left “No Package” edge
- Peg hole Y (vertical) dimension from top “No Package” edge
 - 2nd Peg hole X (horizontal) dimension from left “No Package” edge
 - 2nd Peg hole Y (vertical) dimension from top “No Package” edge
- Nesting height for “No Package” Product
- Nesting depth for “No Package” Product

Display Product

Requirements for Planogram Dimensional Data Fields: (All display product dimensional data is to be in a comma delimited text file by 14 digit UPC/GTIN number as reference)

- UPC/GTIN – dimensional data must reference 14 digit UPC/GTIN number
- Out-of-Package Product Height (top to bottom) [measure to 2 decimal places.]

- Example: 6 ¾ inch = 6.75
- Out-of-Package Product Width (left to right) [measure to 2 decimal places.]
Example: 4 5/8 inch = 4.63
- Out-of-Package Product Depth (front to back) [measure to 2 decimal places.]
Example: 2 inch = 2.00
- Package Style (Box, Holed)

Specialty Display

Requirements for Planogram Dimensional Data Fields

All specialty display dimensional data is to be in a comma delimited text file referencing specialty display number.

- Dimensional data must reference specialty display number
- Display Rack Only Height (top to bottom)
- Display Rack Only Width (left to right)
- Display Rack Only Depth (front to back)

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:

- Info Plus™ Internet Catalog
- Info Plus™ CD Catalog
- Semi-Annual Paper Catalogs

To help offset the costs to produce these catalogs, an annual fee (based on product space) is charged to vendors.

Opportunity Program® – 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 Coordinators and vendors, we provide members with unique planograms based on store size and category focus.

Your support of the Opportunity® Program conversion allowance provides the incentives to for members update product assortments and to place your product on their shelves throughout the year. (*See the Opportunity® Program Conversion Allowance form in the “Forms” section for details*)

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. (See the RetailSTART!® Conversion Allowance form in the “Forms” section for details)

Do it Best Planogram CD Library – Do it Best provides members with a CD library of Do it Best planograms. This continually updated library allows members to remerchandise product categories at any time of the year. 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

(Promotional Program forms are included in the “Forms” section)

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

(See the Alliance Instructions and Agreement in the "Forms" section)

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

Enclosed in the “Forms” section of this manual are sample templates 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 enclosed Do it Best® Drop Ship Order Form as their template.
2. These forms are also available in Excel file format. If you would like to receive these files, contact your Merchandise Manager.

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

(See the "International Drop Shipment Purchase Order Form" in the "Forms" section)

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.

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

Shipping and Marking Standards

Retail Service Center Shipping and Marking Standards

Do it Best Corp. is committed to the use of technology to enhance our retail service center operations. Our job is to provide the highest quality level of retail support possible. We are dedicated to the task of delivering 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 goals, we are asking our valued vendor partners to join us in our efforts. We have developed marking, packaging, and shipping standards to assist with the process. In doing so we are asking that each respective vendor review the following standards, and begin the process toward compliance immediately.

Deviations or violations of said 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. Charges are assessed off invoice.

Do it Best Corp. Shipping and Marking Standards

1. Shipments of all purchase orders are to be planned so that they arrive “on time”. **COLLECT** vendors are responsible to arrange for routing on or before the **Ship Date** listed on the respective purchase order. Product will be routed to arrive on the “**scheduled arrival date**” by Do it Best Corp. **PREPAID** vendors are responsible for the shipment to arrive at the destination on the **Scheduled Arrival Date** as indicated on the respective purchase order. Our window for measuring compliance is plus or minus one working day for each of these. Vendors that do not conform to this shipping window will be assessed a charge of 5% of the purchase order invoice costs with a minimum of \$250.
2. Purchase orders with a routing of **Call Logistics for Pick Up**, must provide Do it Best Corp. logistics department with accurate routing information utilizing the **Vendor Call Sheet**. (see form attached) Call sheets are required to be e-mailed or faxed to Do it Best Corp. a minimum of 48 hours in advance of your ship date. E-mail forms to kris.kennedy@doitbest.com as well as ann.aguirre@doitbest.com. Faxed forms should go to: 260-748-5678. **Any collect shipment weighing more than 10,000# OR that will consist of more than ½ truckload or 20 linear feet of trailer space are also “required” to follow the instructions above.**
3. **All Backorder** shipments are “required” to be shipped **PREPAID** by the vendor.
4. Multiple shipments going to the same location on the same day are “required” to be combined onto one bill of lading. (BOL). **Consolidate all weight any one day into one shipment on one BOL.**
5. All BOL’s must be identified with a “**unique identifier**”. (i.e. BOL #)
6. **All** prepaid TL and vendor truck shipments into our retail service centers are required to schedule a delivery appointment a minimum of 48 hours prior to dispatch. Appointments and times are required

- to be adhered to. Vendors must have the appropriate PO information and piece count to obtain an appointment.
7. Ship via a parcel service (**UPS or FED EX**) whenever possible **if parcel charges are less than \$65**. Charges are to be prepaid and added to the invoice.
 8. All shipments must be transported according to the routing instructions provided by Do it Best Corp. logistics department.
 9. Any transportation costs or expenses incurred by Do it Best Corp. because of said vendors non-compliance with the terms of an order, and any additional transportation or administrative charges due to split shipments, errors in classification of merchandise, or for any other reason shall be charged back to the vendor.
 10. All shipments must be palletized onto a 40" or 42" X 48" four-way pallets. Loaded pallet weight not to exceed 3,000 pounds.
 11. 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.
 12. Broken pallets or pallets missing slats are unacceptable for shipments forwarded to Do it Best Corp.
 13. Stabilize all pallets with stretch wrap film, and attach a label that reads, "**DO NOT BREAK SHRINK WRAP**". **Do not floor load unless authorized** to do so in "**writing**" by Do it Best Corp.
 14. All pallets and slip-sheets that are wrapped with stretch film must be tendered as "**pallets**" on the freight BOL. Only those cartons shipped individually are to be tendered as "**pieces**" on the BOL.
 15. Each pallet must be labeled with a list indicating the SKU's and quantities that are on the pallet.
 16. Vendors are responsible to ensure product is stacked and wrapped on a pallet so that damage and shifting will not occur during shipping, storing, or receiving of product.
 17. Mixed carton/small quantities of different SKU's can be packaged together in cartons. All mixed cartons must be labeled as such.
 18. Pallets may contain multiple SKU's as long as the SKU's are consolidated into unique layers. The items must be layered with the largest quantity on the bottom and graduating to the smallest quantity on the top layer unless weight is factor. Articles must be layered "together" on the same pallet.
 19. Fill and pack identical Stock Keeping Units (SKU) together, even if from multiple Do it Best Corp. purchase orders. Ship one SKU per unitized pallet or slip-sheet when quantities permit.
 20. **All** stocking vendors are required to provide **Advance Ship Notice** (ASN) for **retail service center shipments ONLY**. Do not send drop shipment ASNs (shipment to member stores). The primary purpose of an ASN is to provide Do it Best Corp. with "**advance**" and "**accurate**" data on shipments into our RSC locations so that we can better plan workloads and **facilitate the receiving process**. The key words are "**advance**" and "**accurate**". The ASN is required to arrive in advance of the

merchandise arriving at our dock and the **ASN** must also be 100% accurate in its representation of the shipment. An ASN should not arrive more than 14 days prior to delivery.

21. The **ASN must comply** with the Do it Best Corp. EDI 856 ASN standards. Contact an EDI Administrator for your copy of the EDI ASN Guidelines. EDI Vendor Support: 260-748-5619 or e-mail: EDIVendorsupport@doitbest.com.
22. **One unique ASN number must represent each shipment.** If multiple purchase orders are combined, shipped and delivered in a single shipment, then it is imperative that only one ASN be created and transmitted.
23. Any substitution of items must have prior approval from the merchandise manager. Substitute items must be noted on the ASN or packing list, indicating the item for which they were shipped.
24. The **ASN number(s) are required** to be clearly stated on the BOL.
25. **Purchase Order #'s are required** to be on all freight bills.
26. Member relays are to be noted on the packing list and show the member number, name, and SKU(s).
27. There must be a packing list for each purchase order shipped. When wrapped pallets are shipped the packing list(s) must be attached to the pallet in a pouch marked "**Packing List Enclosed**". If loose cartons are shipped the packing list(s) must be attached to the cartons in the same manner.
28. Packing Lists should include the following information:
 - a. Do it Best Corp. purchase order number
 - b. Do it Best Corp. SKU number/substitute (must have prior approval from merchandise manager)
 - c. Quantity Shipped
 - d. Manufacturer's Product Number
 - e. Product Description
 - f. Quantity Back-Ordered
 - g. Member Relay Number (if applicable)
29. Each **master** carton that is not a **retail** selling unit must be labeled as follows:
 - a. Manufacturer's Product Number
 - b. Product Description
 - c. Quantity Per Carton – stated in Do it Best Corp. unit of sale.
 - d. Shipping Container Code – In both bar code and human readable format (I 2 of 5/SCC-14)
30. Each **inner** carton that is not a **retail** selling unit must be labeled as follows:
 - a. Manufacturer's product number and/or product description
 - b. Quantity Per Carton – stated in Do it Best Corp. unit of sale.
 - c. Shipping Container Code - In both bar code and human readable format (I 2 of 5/SCC-14)
31. Each **individual retail selling unit** of an item must be marked or labeled with the product code (GTIN) in a bar code format.

32. Each **master carton** of an item must be marked or labeled with the shipping container code (GTIN) in bar code format.
33. Note: Any and/or all chemicals or compounds that reflect danger, warning, or caution in item labels are required to be properly identified in accordance with **D.O.T., E.P.A., O.S.H.A.**, regulations, and current **Material Safety Data Sheets (MSDS)** provided.
34. All shipments will be monitored for compliance with these instructions. Failure to comply with these instructions may result in a charge-back for handling costs.
35. Vendors that ship product not conforming to the Do it Best Corp. standards stated in this manual will be assessed a minimum handling charge of \$100.00. This charge is to help defray additional expenses such as telephone calls, extra paperwork, and additional labor incurred by Do it Best Corp. to correct said errors.
36. Vendors who wish to have their deductions reviewed must do so within 90 days from the date of invoice deduction. All requests are required to be made utilizing the following guidelines.
- All disputes must be made in “writing” via fax, U.S. Mail, or e-mail.
 - Fax requests: 260-748-5474
 - Mail requests: Do it Best Corp. c/o retail logistics
PO Box 868
Fort Wayne, IN 46801-0868
 - E-mail: brad.weems@doitbest.com
 - Requests are to include the following specifics:
 - Vendor Compliance TR#
 - Cover Letter detailing the reason for the dispute
 - Copy of the original paperwork sent to you for the deduction
 - Any back up that would substantiate your claim

Retail Service Center Routing Instructions

Below is a listing of the four-letter abbreviations for the Do it Best Corp. “**Preferred Carriers**”. This is the manner in which the routing will appear on the Do it Best Corp. purchase orders.

Preferred Carriers:

ABFS	ABF Freight	NEMF	New England Motor Freight
CNWX	Con-Way Freight	RDWY	YRC
DAFG	Dayton Freight	SEFL	Southeastern Freight Lines
HMES	Holland	UPGF	UPS Freight

- Use of our “**Preferred Carriers**” is **mandatory** when shipping freight **COLLECT** to Do it Best Corp. retail service centers. (*see diagram on page 7*) Bill of lading must include actual freight description and class as per the National Motor Freight Classification (NMFC) guide.
- Use of our “**Approved Carriers**” is **mandatory** when shipping **PREPAID**, FOB origin. Actual ownership of goods by Do it Best Corp. dictates our legal right of routing. (*see diagram on page 8*)
- The Do it Best Corp. retail logistics services department must approve “**any deviation**” to these shipping instructions in writing. Request for deviations to said policies must **be submitted in writing** to the Do it Best Corp. retail logistics department. Shippers must send a detailed letter stating any reasoning for the request as well as the name of the alternate carrier to be considered. Please submit deviation requests to the following address:
 - Do it Best Corp.
Attn: Brad Weems
PO Box 868
Fort Wayne, Indiana 46801-0868
- Do it Best Corp. will not accept “**prepay and add**” freight charges for shipments routed via an LTL carrier. Exceptions will be made for shipments routed via small parcel carriers such as UPS and FEDEX Ground, or in specific cases where special arrangements have been approved in advance by the Do it Best Corp. retail logistics department.

Do it Best Corp. has recognized a need to limit the number of carriers delivering to our retail service centers. We have developed a list of additional LTL carriers that have been approved for deliveries to our retail service centers. The “**Approved Carriers**” in conjunction with our “**Preferred Carriers**” will provide adequate delivery options for all Do it Best Corp. suppliers.

Routing via any carrier not on the “**Preferred Carrier**” list, the “**Approved Carrier**” list, or without written approval, may result in refusal of shipments, or a chargeback for excessive freight and handling costs.

Consolidated Shipments

Consolidation of shipments for multiple retail service centers are sometimes consolidated and shipped into one location in order to meet the minimum order requirement designated by your company. Instructions will accompany these purchase orders. Follow the routing guide as shown on the purchase order for the point of consolidation. Chargebacks will be issued for additional freight expense incurred due to failure to follow these instructions.

Vendor Private Fleet

Delivery appointments are required for all vendors. You must contact the Do it Best Corp. retail service center receiving department to schedule a delivery appointment. Phone #'s are as follows:

Cape Girardeau, MO	573-334-7131
Dixon, IL	815-284-2206
Lexington, SC	803-957-5311
Medina, OH	330-722-5541
Mesquite, NV	702-346-2161
Montgomery, NY	845-457-4670
Waco, TX	254-666-7070
Woodburn, OR	503-982-1227

Backhauls (Pick-Up By Do it Best Corp Truck)

Purchase orders with instructions to call Do it Best Logistics for pick-up with our company truck will indicate this information in the space provided for the carrier routing. The routing will indicate “**SPECIAL ROUTING**” with a specific directions to follow. All backhauls need to be called in at least 48 hours in advance of scheduled pick-up date. Chargebacks will be issued for additional freight expense incurred due to failure to follow these instructions. Pick-up appointments “must” be followed. If more than a two hour wait is required, there will be a \$50 charge per each additional hour delayed.

LTL Carriers

LTL carriers should establish consistent delivery schedules with all Do it Best Corp. retail service centers. This practice will help to avoid unnecessary and costly delays for both the carrier and Do it Best Corp. **Do it Best Corp. will not pay notification charges.** Notification charges billed by the carrier will be deducted from your invoice.

Small Package Shipment

Delivery via small package and parcel service carriers is acceptable. Freight charges will be accepted as “prepay and add” according to the terms of sale. Do it Best Corp. will compare parcel service charges to LTL freight of \$65 or less. It is your responsibility to select parcel services appropriate for the shipment size. If freight charges are found to be excessive, a chargeback will be issued for the excessive charges and an administrative fee assessed.

Chargebacks for Routing Violations

Do it Best Corp. will chargeback your company for all costs of a transportation resulting from failure to follow these instructions as outlined. You will be charged an administrative fee of \$100 in addition to the actual transportation charges. Do it Best Corp. will consider failure to follow our routing a violation of the terms of sale, and chargeback your company for all freight claims resulting from the use of an unauthorized carrier.

PRIOR TO SHIPPING please call 260-748-5324 or 260-748-5567 to resolve any questions regarding routing.

ALL COLLECT vendors are required to ship via a **PREFERRED CARRIER**. (See diagram below)

To:	Cape Girardeau MO	Dixon IL	Fort Wayne IN	Lexington SC	Medina OH	Mesquite NV	Montgomery NY	Waco TX	Woodburn OR
From:									
Alabama	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Arizona	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Arkansas	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
California	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Colorado	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Connecticut	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
Delaware	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
District of Columbia	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
Florida	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Georgia	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Idaho	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Illinois	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Indiana	DAFG/HMES	DAFG/HMES	DAFG/HMES	ABFS/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Iowa	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Kansas	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Kentucky	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Louisiana	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Maine	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Maryland	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
Massachusetts	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
Michigan	DAFG/HMES	DAFG/HMES	DAFG/HMES	ABFS/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Minnesota	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Mississippi	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Missouri	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Montana	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Nebraska	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Nevada	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
New Hampshire	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
New Jersey	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
New Mexico	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
New York	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
North Carolina	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
North Dakota	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Ohio	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Oklahoma	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Oregon	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Pennsylvania	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/RDWH	CNWH/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
Rhode Island	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
South Carolina	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
South Dakota	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Tennessee	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Texas	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/ABFS	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Utah	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Virginia	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	SEFL/RDWH	ABFS/RDWH	ABFS/UPGF	ABFS/RDWH	SEFL/ABFS	ABFS/RDWH
Vermont	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/RDWH	ABFS/UPGF	NEMF/CNWH	ABFS/RDWH	ABFS/RDWH
West Virginia	CNWH/UPGF/RDWH	ABFS/RDWH	CNWH/RDWH	CNWH/RDWH	CNWH/RDWH	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Washington	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
Wisconsin	DAFG/HMES	DAFG/HMES	DAFG/HMES	CNWH/RDWH	DAFG/HMES	ABFS/UPGF	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH
Wyoming	ABFS/UPGF/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	ABFS/RDWH	CNWH/UPGF	ABFS/RDWH	ABFS/RDWH	CNWH/RDWH
ABFS--ABF Freight System			HMES--Holland			SEFL--Southeastern Freight Lines			

CNWX--Con-Way Transportation	NEMF--New England Motor Freight	UPGF--UPS Freight
DAGN--Dayton Freight	RDWY--YRC	**Carriers listed in matrix are in preferred order

ALL PREPAID vendors are to ship via an **APPROVED CARRIER**. (See diagram below)

CARRIER	Cape Girardeau	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
Central Freight Lines								X	
Conway Freight	X	X	X	X	X	X	X	X	X
Dayton Freight	X	X			X				
Estes Express	X	X	X	X	X	X	X	X	X
FEDEX East	X	X	X	X	X		X	X	
FEDEX National	X	X	X	X	X	X	X	X	X
FEDEX West						X			X
Holland	X	X	X	X	X				
Moran Transportation	X	X			X				
New England Motor Freight							X		
New Penn Motor Express							X		
Oak Harbor Freight									X
Pitt Ohio					X				
Saia				X				X	
Southeastern Freight Lines				X				X	
UPS Freight	X	X	X	X	X	X		X	X
Reddaway									X
YRC	X	X	X	X	X	X	X	X	X

RSC
PHONE NUMBERS

Do it Best Corp.
APPROVED CARRIERS

Cape Girardeau, MO	573-334-7131	
Dixon, IL	815-284-2206	
Medina, OH	330-723-6952	
Waco, TX	254-666-7070	
Lexington, SC	803-957-5311	
Montgomery, NY	845-457-4670	
Woodburn, OR	503-982-1227	
Mesquite, NV	702-346-2161	
Fort Wayne, IN	260-748-5321	

Below is a Vendor Report Card used by the Retail Service Centers to evaluate the shipping performance of our vendors. Please use this as a guide for monitoring your shipments to us.

Do it Best Corp. Vendor Report Card

To: Brad Weems, Inbound Operations Manager

From:

- | | | |
|------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> Cape | <input type="checkbox"/> Medina | <input type="checkbox"/> Waco |
| <input type="checkbox"/> Dixon | <input type="checkbox"/> Mesquite | <input type="checkbox"/> Woodburn |
| <input type="checkbox"/> Lexington | <input type="checkbox"/> Montgomery | <input type="checkbox"/> Fort Wayne |

Vendor Name _____ Vendor # _____

Purchase Order # _____ Date Received _____

The above vendor failed to comply with the Do it Best Corp. stated vendor guidelines, standards and procedures as outlined in the "Do it Best Corp. Vendor Compliance Manual."

- \$100 The SKU number and purchase order number did not appear on the packing list.
- \$100 Quantities marked on the outer carton erroneous to the actual quantities in the cartons.
- \$100 No SKU number, or purchase order number on cartons.
- \$100 Packing list quantities are different than Do it Best purchase order quantities.
- \$100 No UPC bar code printed on individual item.
- \$100 No SCC bar code printed on master carton. A/K/A Shipping Container Code or "12 of 5 code".
- \$100 UPC bar code not readable. SCC bar code not readable.
- \$100 Wrong bar code printed on carton.
- \$100 Improper palletization. A/K/A same SKU spread over multiple pallets or layers.
- \$100 Items not properly labeled/marked with the SKU #, product #, and case quantity.
- \$100 Failure to call for delivery appointment, missed delivery appointment or late arrival
- \$100 ASN item/quantity not accurate
- \$250 Failure to send ASN

ASN# _____

Additional Comments: _____

Additional and unnecessary labor:

- 0.5 – 2.0 hours (\$100)
 2.0 – 3.0 hours (\$200)
 Over 3.0 hours (\$300)

Receiving Department Staff Member _____

Receiving Department Supervisor _____

Cc: Retail Product Manager

Barcode Requirements

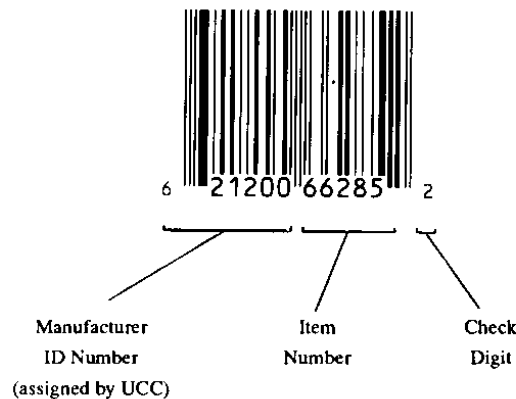
Do it Best Corp. uses a Warehouse Management System (WMS) and the use of Radio Frequency (RF) in our retail service centers. Barcodes have become very important to our daily operation. We will be scanning them during all of our processes to identify and verify the items we are working with. Their use will enhance the accuracy of our inventory and ultimately the filling of orders to our members.

Barcodes have always been a requirement in our Marking and Shipping Standards. All items shipped into our RSCs are required to have accurate and scannable barcodes on the shipping container as well as the actual item. As stated in our Marking and Shipping Standards, a fine of \$100 will be assessed each time we receive an item that is not marked correctly.

We are requiring the use of two different types of barcodes depending on the type of packaging you use. The UPC is of course the bar code on the selling unit or item. *Interleaved 2 of 5* is the barcode used on master cartons or shipping containers. The following information will help you to understand the barcodes we are using.

UPC

UPC, which stands for Universal Product Code, is the bar code on the selling unit of the item. The UPC code generally consists of 12 digits that are grouped 1 digit, 5 digits, 5 digits, and 1 digit. To allow both computer scanners and people to read them, UPC numbers are printed in human-readable form below their bar code symbol on packaging. Below is an example of a UPC bar code:

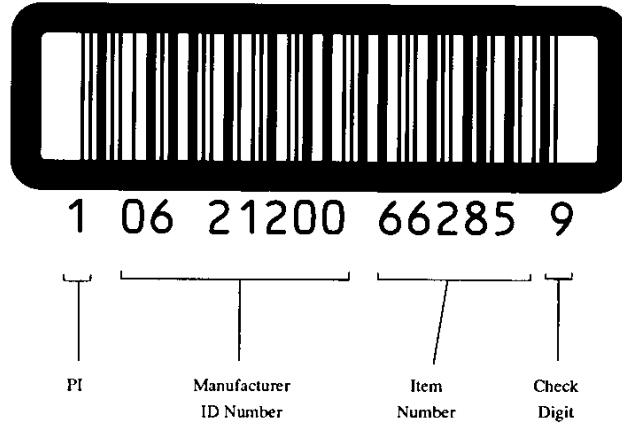


As you can see, the first six digits are an assigned number identified with the manufacturer. All products from a manufacturer will have the same first six digits. The next five digits represent the item. These are likely to also be the item's model # shown in our description. The last digit is a check digit used to verify accuracy. It is important that the UPC is viewable when shipping items to us.

Note: There are now 8 digit compressed UPC codes and 13 digit European UPC codes in use. Our system will read these also.

SCC Code

SCC, which stands for Shipping Container Code is represented in *Interleaved 2 of 5* symbology. Each Shipping Container Code represents an item and the package size. They are found on master cartons, inner packs, pallets, and the like. Shipping Container Codes are 14 digits grouped as 1 digit, 2 digits, 5 digits, 5 digits, and 1 digit. Following is a **UPC shipping container symbol**:



In this example, 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 is for global compatibility. The next 11 digits are same as the base UPC number assigned to the consumer unit. The PI of 1 does not itself define the quantity, just as the UPC number itself does not define the product. Instead, these are **non-significant numbers** used to access a computer database. The computer database defines the product (identified by the base UPC number comprised of the manufacturer ID and item number) and the packaging quantity (identified by the PI = 1). For one product, the quantity associated with a PI = 1 might be 12, while for another product with a PI = 1, the quantity might be 10. Thus, the quantity depends on both the PI and the base UPC number.

Drop Shipment Shipping and Marking Standards

Do it Best Corp. Drop Shipment Program For Members (Shipping Direct-Factory to Member Store)

Ship UPS/Fedex Ground whenever their freight charges are less than \$65. Freight charges for UPS/Fedex Ground shipments are authorized for prepay and add to invoice.

Do it Best Corp. has negotiated an LTL discount program for collect freight shipments to our members. Our discounts are based off actual freight classes and are secured via the below list of carriers. Our discounts only apply on direct points shipped within the contiguous United States.

Please ship via one of the below participating carriers for collect shipments unless the member would prefer to have the freight added to the invoice, then prepaid and add is ok via your choice of carrier. All freight charges for drop shipment orders can be either prepaid by the vendor or collect to the member store.

Freight charges for *COLLECT* shipments to members are to be billed directly to the member and are not to be billed as a third party bill to Do it Best Corp. Actual carrier freight bills sent to the corporate office of Do it Best Corp. for payment will result in a \$100 charge against your company for failure to follow instructions.

Under this program, we have instructed our members to show “Do it Best” preceding their store name. Example: Do it Best Corp. c/o Main Street Hardware (Mbr#)

1234 Main Street
Fort Wayne, IN 12345

The words “Do it Best” must precede the member name in order for the freight carriers to ascertain the correct freight program. Therefore, this information must be carried forward to the bill of lading (BOL). **All *COLLECT* freight charges must be billed to the consignee.**

Freight charges for shipments **destined outside the contiguous U.S. should be prepaid and added** to the invoice for the merchandise. **Freight Forwarders utilized by members outside the U.S. will not accept *COLLECT* freight shipments.**

Participating LTL carriers are as follows:

ABF Freight System	Fedex East & West	Southeastern Freight Line
Central Freight Lines	Holland	UPS Freight
Conway Freight	New England Motor Freight	YRC
Dayton Freight	New Penn Motor Express	

If you have any questions on the program, please call the Do it Best Corp. Logistics department.

ALL COLLECT vendors are required to ship via a **PREFERRED CARRIER**. (See diagram below)

To:	Cape Girardeau	Dixon	Fort Wayne	Lexington	Medina	Mesquite	Montgomery	Waco	Woodburn
From:	MO	IL	IN	SC	OH	NV	NY	TX	OR
Alabama	HMES	HMES	HMES	SEFL/HMES	HMES	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Arizona	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Arkansas	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
California	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Colorado	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Connecticut	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
Delaware	UPGF/RDWHY	RDWHY	PJXI/RDWHY	RDWHY	PJXI/RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
District of Columbia	UPGF/RDWHY	RDWHY	PJXI/RDWHY	RDWHY	PJXI/RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
Florida	UPGF/RDWHY	RDWHY	RDWHY	SEFL/RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Georgia	HMES	HMES	HMES	SEFL/HMES	HMES	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Idaho	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Illinois	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Indiana	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Iowa	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Kansas	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Kentucky	HMES	HMES	RDWHY	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Louisiana	UPGF/RDWHY	RDWHY	RDWHY	SEFL/RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Maine	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Maryland	UPGF/RDWHY	RDWHY	PJXI/RDWHY	RDWHY	PJXI/RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
Massachusetts	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
Michigan	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Minnesota	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Mississippi	UPGF/RDWHY	RDWHY	RDWHY	SEFL/RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Missouri	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Montana	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Nebraska	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Nevada	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
New Hampshire	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
New Jersey	UPGF/RDWHY	RDWHY	PJXI/RDWHY	RDWHY	PJXI/RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
New Mexico	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	CENF/RDWHY	RDWHY
New York	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
North Carolina	HMES	HMES	HMES	SEFL/HMES	HMES	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
North Dakota	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Ohio	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Oklahoma	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	CENF/RDWHY	RDWHY
Oregon	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Pennsylvania	HMES	HMES	HMES	HMES	HMES	UPGF/RDWHY	NPME	RDWHY	RDWHY
Rhode Island	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
South Carolina	HMES	HMES	HMES	SEFL/HMES	HMES	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
South Dakota	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Tennessee	HMES	HMES	HMES	SEFL/HMES	HMES	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Texas	UPGF/RDWHY	RDWHY	RDWHY	SEFL/RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	CENF	RDWHY
Utah	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Virginia	UPGF/RDWHY	RDWHY	PJXI/RDWHY	SEFL/RDWHY	PJXI/RDWHY	UPGF/RDWHY	UPFG/YFSY	SEFL/RDWHY	RDWHY
Vermont	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	NPME	RDWHY	RDWHY
West Virginia	HMES	HMES	RDWHY	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Washington	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Wisconsin	HMES	HMES	HMES	HMES/RDWHY	HMES	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
Wyoming	UPGF/RDWHY	RDWHY	RDWHY	RDWHY	RDWHY	UPGF/RDWHY	UPFG/YFSY	RDWHY	RDWHY
CENF -- CENTRAL FREIGHT				SEFL -- SOUTHEASTERN FREIGHT LINES					
HMES -- USF HOLLAND				RDWHY -- ROADWAY EXPRESS					
NPME -- NEW PENN MOTOR EXPRESS				UPGF -- UPS FREIGHT					
PJXI -- PJAX				YFSY -- YELLOW FREIGHT					

Do it Best Corp
PREFERRED CARRIERS

ALL PREPAID vendors are to ship via an **APPROVED CARRIER**. (See diagram below)

CARRIER	Cape Girardeau	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
Central Freight Lines								X	X
Conway Central Exp	X	X	X		X		X		
Conway Southern Exp				X				X	
Conway Western Exp									X
Dayton Freight		X			X				
FEDEX East	X	X	X	X	X		X	X	
FEDEX West						X			X
Mid-States Express		X			X				
New England Motor Freight							X		
New Penn Motor Express							X		
Oak Harbor Freight									X
Pitt Ohio					X				
PJAX			X		X				
Roadway Express	X	X	X	X	X	X		X	X
Saia				X				X	
Southeastern Freight Lines				X				X	
UPS Freight	X	X	X	X	X	X	X	X	X
USF Holland	X	X	X	X	X				
USF Reddaway									X
Yellow Freight Lines	X	X	X	X	X	X	X	X	X
RSC	PHONE NUMBERS								
Cape Girardeau, MO	573-334-7131								
Dixon, IL	815-284-2206								
Medina, OH	330-723-6952								
Waco, TX	254-666-7070								
Lexington, SC	803-957-5311								
Montgomery, NY	845-457-4670								
Woodburn, OR	503-982-1227								
Mesquite, NV	702-346-2161								
Fort Wayne, IN	260-748-5321								
<p>Do it Best Corp APPROVED CARRIERS</p>									

Do it Best Corp.

Barcode Standards

Preface	45
Introduction - Section 1	46
Do it Best Corp. Barcode Mission	46
Benefits of Barcoding	46
Vendor Requirements - Section 2	48
Checklist of Barcode Requirements	48
Barcode Quality Standards	48
Exceptions	49
Non-Compliance	49
Recommendations	49
Corrections	49
Do it Best Corp. Supported Symbologies - Section 3	50
Item Level Identification	50
<u>GTIN UCC-12 (UPC-A)</u>	50
<u>GTIN UCC-12 (UPC-E)</u>	51
<u>GTIN EAN/UCC-13</u>	51
<u>GTIN EAN/UCC-8</u>	52
Shipping Container Identification:	52
GTIN EAN/UCC-14 (ITF-14, SCC-14) Shipping Container Code	52
Maintenance of GTIN Accuracy - A Partnership Effort - Section 4	54
When to Change GTIN	55
Other Guidelines - Section 5	56
Do it Best Corp. Private Label Products - Section 6	57
Assignment of SKU Number	57
Assignment of Retail Barcode (UCC-12)	57
Quality Review of UCC-12 on Do it Best Corp. Private Label Products	58
Assignment of Shipping Container Barcode EAN/UCC-14 (SCC-14)	58
Barcoding Bulk Items - Section 7	59
Use of UPC/EAN vs. SCC-14 (ITF-14)	59
Bulk Items	59
Do it Best Corp. Role - Section 8	60
Merchandise Manager/Information Technology Procedures	60
Product Code File	61
GTIN Contact	61
Appendix A: Glossary of Terms	62
Appendix B: Recommended References	64

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)

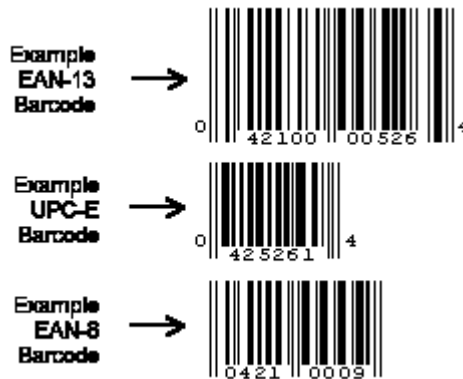
The International Article Numbering System (EAN) is based on the UPC-A standard. This standard was implemented mostly because the UPC-A standard was not well designed for international use. The EAN/UCC-13 may be configured with the first 12 digits containing the EAN.UCC Company Prefix and Item Reference 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:

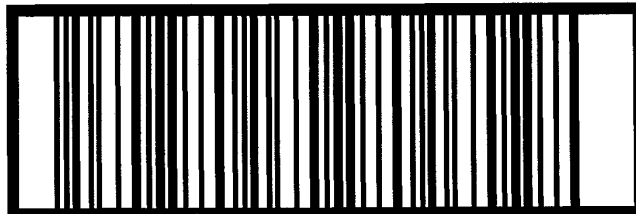
GTIN EAN/UCC-14 (ITF-14, SCC-14) Shipping Container Code

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

Appendix A: Glossary of Terms

	product no matter the form. This term is more general than GTIN, but reference the same structures.
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 require 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 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 day of specified shipment date
- Prepaid order arrives at RSC +/- 1 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).

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.**