



VENDOR MANUAL

2023



Table of Contents

OVERVIEW	4
VENDOR TERMS AND CONDITIONS	4
Generally.....	4
Code of Conduct	4
Ethical Audits	7
Quality Assurance Standards, Testing and Quality Inspection Audits	7
Taxpayer ID	7
Vendor Updates	7
Electronic Data Interchange and Purchase Order Portal	8
Miscellaneous	8
PRODUCT INFORMATION	8
GSP	8
• PO PORTAL	8
• SKU CONTENT MANAGEMENT.....	9
• BUSINESS REPORTING	9
• VENDOR COMPLIANCE.....	9
• CONTACT MANAGEMENT	9
Monitoring the GSP.....	9
Policy Changes and Requirements.....	9
Email Credentials and Security	9
Vendor Responsibility	9
GSP User Guide	9
E-COMMERCE	9
E-Commerce Drop Ship.....	9
E-Commerce Images and Content	10
Inventory Feed - FTP Requirements.....	10
PURCHASE ORDERS	10
Vendor PO Terms and Conditions.....	10
Purchase Order Fulfillment Guidelines	10
On Time in Full:	10



Purchase Order Shipments and Partial Orders:.....	10
Incorrect Items and Overages.....	11
EDI – Electronic Data Interchange.....	11
EDI Terms and Conditions.....	11
PRODUCT LABELING AND PACKAGING.....	12
General Specifications.....	12
CARTON PACKING REQUIREMENTS.....	12
PO MIXED CARTONS	12
EDI and GSP MIXED CARTONS	13
CARTON LABELING.....	13
SHIPPING REQUIREMENTS	13
SMALL PARCEL	13
Shipment detail – Carton Weight and Height Limits	13
Ship Via.....	13
Direct to a Galls Location	14
PALLETIZED SHIPMENTS – LTL / TL.....	14
Shipment detail – carton weights and pallet count.....	14
Ship Via.....	14
Direct to a Galls Location	14
Delivery Appointments	14
GENERAL SHIPPING INSTRUCTIONS	15
Freight Paid by Galls.....	15
Freight Paid by Vendor.....	15
Filing Claims	15
Air Freight Instructions	15
Notating BOLs, Carton Markings, Labeling and Palletizing Shipments.....	15
ACCOUNTS PAYABLE	16
Terms of Payment.....	16
VENDOR COMPLIANCE	16
Chargeback Policy	16
Chargeback Table.....	17
Chargeback Disputes.....	19

SCHEDULE A - DEFINITIONS

OVERVIEW

It is essential for Galls to have this comprehensive policies and procedures Manual to effectively govern its relationship with you and its other Vendors. This Manual covers a wide range of aspects, including ethical standards and shipment requirements. These policies are not static but will be subject to change (without requiring your prior consent) based on the evolving needs of Galls' business.

For Vendors doing business with Galls, it is crucial to carefully read and adhere to these policies. Depending on their current practices, Vendors might need to modify their processes, update their systems, or invest in equipment to align with Galls' guidelines. Compliance with these policies is vital to maintaining an efficient and productive business relationship with Galls.

By setting clear expectations and standards, Galls aims to foster a professional and mutually beneficial relationship with its Vendors, demonstrating a commitment to upholding ethical and industry-compliant practices while meeting specific needs of business operations and providing a great customer experience.

VENDOR TERMS AND CONDITIONS

Generally

The terms and conditions set forth in this Manual supplement, and are made a part of, the Vendor Agreement.

Code of Conduct

All Vendors are required to engage in ethical business practices that adhere to all applicable social, legal, human rights, and environmental standards at all times. By signing the Vendor Agreement, Vendor acknowledges and agrees that Galls does not condone, tolerate or permit the violation of any applicable United States, foreign, or international laws, rules, or regulations, including, without limitation, any laws governing employment or labor, the environment, the provision of services, or the sale of goods or services. Vendor further acknowledges and agrees that Galls does not condone, tolerate or permit the use of child, forced, indentured, prison, involuntary, or uncompensated labor in the manufacturing of any materials for, or the provision of any services to, Galls under any circumstances, or any activities that are in violation of international agreements or applicable laws or customs, including, but not limited to, false declarations of country of origin or other false documentation, counterfeit visas, or illegal transshipment to evade the applicable textile quota restraint agreements negotiated between the country of export and the country of import. Vendor acknowledges the foregoing policy against engaging in any illegal activities, and further acknowledge that Galls will not purchase any products and/or services provided through the use of any unlawful or unethical practices. In furtherance of the foregoing, Vendor acknowledges and agrees that Vendor shall comply with the following policies at all times:

- **LAWS AND REGULATIONS** – Vendor is in compliance with, and will at all times continue to comply with, all applicable laws, rules, and regulations, including but not limited to, those pertaining to environmental matters in the conduct of its business (including permits and laws relating to air emissions, solid and hazardous waste and water discharge), the manufacture or assembly of products for Galls, the provision of services to Galls, and the international sale of goods. Where applicable, Vendor owns or may legally purchase rights to export textiles and textile products

under the applicable mandatory quota agreements in effect between the country of export and the United States.

- **ENVIRONMENTAL RESPONSIBILITY** – Vendor agrees to use best efforts to reduce and minimize its impact on the environment by adopting sustainable practices. This includes reducing waste, conserving energy and water, and responsibly managing emissions, waste discharges and hazardous substances, in each case as applicable.
- **COMPENSATION AND BENEFITS** – Vendor is not engaged in, and will not at any time engage in, any unfair labor, wage, or benefits practice in violation of the laws or regulations of the United States or the country where it manufactures or assembles products (if other than the United States). Vendor pays at least the minimum total compensation required by the laws or regulations of the United States or the country where it manufactures or assembles products (if other than the United States), including all mandated wages, allowances, and benefits. Vendor provides paid annual leave and holidays as required by law or that meet the local industry standard, whichever is greater, and Vendor does not and will not modify or terminate workers’ contracts for the purpose of avoiding the provision of benefits.
- **GENERAL LABOR** – Vendor is not engaged in, and will not at any time engage in, the employment of child, forced, indentured, bonded, involuntary, prison, or uncompensated labor, the use of corporal punishment, discrimination based on race, gender, national origin, age, or religious beliefs, or similar employment activities or conditions, or labor practices involving unsanitary and/or unsafe labor conditions in violations of the laws or regulations of the country where it manufactures or assembles products. All labor must be voluntary, and Vendor shall not, at any time, support or engage in slavery or human trafficking in any part of its supply chain. Vendor shall treat workers with respect and dignity. Vendor shall not at any time subject workers to physical, verbal, sexual, or psychological abuse or harassment.
- **CHILD LABOR** – Vendor does not use workers who are younger than 15 years of age (or 14 years of age where consistent with International Labor Organizational guidelines and the local law allows such exception), the age for completing compulsory education, or the minimum established by law, whichever is greater. Vendor observes all legal requirements for work of employees under 18 years of age, particularly those pertaining to hours of work and working conditions.
- **EMPLOYMENT ELIGIBILITY** – Vendor shall, at all times, (a) implement and maintain a reliable system to verify the eligibility of all workers, including age eligibility and legal status of foreign workers, and (b) implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.
- **HOURS OF WORK** – Vendor ensures that employees’ hours worked shall not, on a regularly scheduled basis, exceed the lesser of (a) legal limitations on regular and overtime hours in the jurisdiction which it manufactures or assembles products or (b) 48 hours per week, plus 12 hours of overtime. Workers may refuse overtime without any threat of penalty, punishment, or dismissal. In addition, except in extraordinary business circumstances, all employees shall be entitled to at least one day off in every seven-day period.
- **SWEAT-FREE CONDITIONS** – Vendor warrants that its products are manufactured in sweat-free, decent, and dignified work conditions, and Vendor will advise and update Galls if it has received WRAP or other social compliance certificates.

- **FREEDOM OF ASSOCIATION** – Vendor recognizes and respects the right of its workers to exercise lawful rights of free association, including joining or not joining any association. Where freedom of association is restricted by law, workers shall be free to develop parallel means for independent and free association and collective bargaining.
- **HARASSMENT OR ABUSE** – Vendor provides a work environment free of harassment, abuse, or corporal punishment in any form. Vendor agrees to establish channels for employees and stakeholders to report violations or concerns related to the foregoing. Vendor agrees and acknowledges that employees and stakeholders acting as whistleblowers shall be protected from retaliation for reporting in good faith.
- **NO DISCRIMINATION** – Vendor has and will at all times ensure that its employment practices, including hiring, remuneration, benefits, advancement, termination, and retirement, are based on ability and not on race, gender, national origin, age, or religious beliefs or other prohibited classifications.
- **HEALTH AND SAFETY** – Vendor provides a safe, healthy and sanitary work environment and, where applicable, safe, healthy and sanitary residential housing in accordance with local laws, rules, and regulations. Vendor shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in this policy.
- **MONITORING AND COMPLIANCE** – Vendor maintains on site all documentation necessary to demonstrate compliance with this Manual. Galls or its third-party representatives may undertake affirmative measures, such as announced or unannounced on-site inspections of production facilities, to monitor compliance. Vendor must allow Galls and/or its representatives full access to production facilities, employee records, and employees for confidential interviews in connection with monitoring visits. In addition, Vendor must respond promptly to all inquiries by Galls or its representatives concerning the operations of Vendor’s facilities.
- **MANAGEMENT SYSTEMS AND CONTINUOUS IMPROVEMENTS** – Vendor will have management systems in place that include an organizational structure and appropriately trained and empowered personnel to achieve compliance with the standards set forth in this Manual. Vendor will also introduce policies and procedures for training, communication, performance measurement, accountability and documentation in order to promote continuous improvement of working conditions and compliance with the standards in this Manual.
- **BRIBERY AND CORRUPTION** – Vendor will not, in connection with any aspect of its business with Galls, directly or indirectly give or offer any bribe, kickback or other improper payment or benefit to influence another individual, company, organization, government official or body, or political party or candidate. In addition, Vendor must at all times maintain the highest ethical standards, and must not offer cash, favors, gifts, or entertainment to Galls’ team members.
- **SUBCONTRACTING** – Vendor will only be permitted to subcontract work as set forth in the Vendor Agreement, and Vendor shall remain solely responsible and liable for compliance with this Manual by all of its permitted subcontractors.
- **VISIBILITY** – A copy of this Manual or, if approved in advance in writing by Galls, a detailed summary of the material terms of this Manual, must be posted in strategic locations throughout Vendor’s place of business or otherwise made reasonably accessible so that each member of

Vendor's organization has access to the information (e.g., lobby, near time clocks, bulletin board, etc.). Vendor is responsible for translating this Manual into the native languages of all workers, if applicable.

Ethical Audits

If applicable, Galls shall be permitted to conduct periodic ethical audits, either directly or through a third party service provider acceptable to Galls, to ensure compliance with this Manual at all active Vendor factories and/or other facilities producing Galls-branded products. All such factories and/or other facilities must produce a passing report to continue business with Galls. Failure to pass an ethical audit or to timely complete any CAP tasks (as outlined in an applicable ethical audit report) may, in Galls' discretion, result in the immediate termination of the Vendor Agreement or any and all POs. Ethical audits may be unannounced, semi-announced or announced, in each case in Galls' sole discretion, and shall consist of, in addition to such other steps and/or actions as Galls may deem necessary or appropriate, (a) an opening meeting, (b) a Vendor factory/facility tour, (c) a review of all relevant documents and other materials pertaining to Vendor's products and/or services, (d) Vendor personnel interviews and (e) a closing meeting and a review of any applicable CAP(s). No changes to the factories and/or facilities where Galls-branded products are produced by Vendor shall be permitted without Galls' prior written consent. If Galls discovers that any unauthorized factory and/or facility is being used by Vendor in the production of Galls-branded products, such activity may, in Galls' discretion, result in the immediate termination of the Vendor Agreement or any and all POs.

Quality Assurance Standards, Testing and Quality Inspection Audits

If applicable, and at Vendor's sole cost and expense, all Galls-branded products must pass (a) a fabric test, (b) a garment test and (c) such other testing procedures as Galls may request from time to time, in each case to Galls' satisfaction, which testing may, in Galls' discretion, be conducted by Galls or by a third party acceptable to Galls. Any testing failures must be addressed and corrected to Galls' satisfaction prior to production. Galls shall be permitted to conduct periodic quality inspection audits, either directly or through a third party service provider acceptable to Galls, to ensure compliance with the foregoing quality standards at all active Vendor factories and/or other facilities producing Galls-branded products. Quality inspection audits may be unannounced, semi-announced or announced, in each case in Galls' sole discretion, and shall consist of, in addition to such other steps and/or actions as Galls may deem necessary or appropriate, (i) verifying satisfactory production quality at each stage of production and (ii) reviewing work in progress to ensure satisfactory production and delivery schedules.

Taxpayer ID

All Vendors must provide a valid Taxpayer Identification Number (TIN) W-8 or W-9 form, which can be found here: [W-8 TIN Form](#); [W-9 TIN Form](#). It is the responsibility of Vendor to keep Galls updated should any information contained therein change.

Vendor Updates

Vendors must maintain open and continuous communication with Galls regarding material changes within Vendor's organization that affect the relationship between Vendor and Galls. Galls requires not less than sixty (60) days' notice of any such changes which include, without limitation, the occurrence of any of the following:

- New ERP or system upgrade implementations
- Changes to shipping locations
- Changes in sourcing product to overseas or new overseas manufacturing
- Packaging design changes
- Number of Eaches contained in the selling units.

Report any changes to your Galls Merchant to avoid issues and non-compliance concerns.

If any changes are due to merging, being sold, being acquired, going into Chapter 11, or going out of business, the changes must be communicated to Galls in writing on company letterhead and signed by a senior officer. Information to be included in the correspondence:

- Old parent company and new parent company name
- Old company address and new company address.
- Description of change (e.g., merger, etc.)
- Effective date of change

Payments will be remitted to the address listed on invoices. Any invoices sent to Galls after the effective date of any changes must contain the new information.

Electronic Data Interchange and Purchase Order Portal

Every Vendor is required to sign and comply with the Galls Electronic Transmission Systems form, which is available here: [Electronic Transmission Systems Form](#). This document facilitates the electronic exchange of data between Galls and Vendor. The data that can be exchanged includes, but is not limited to, POs, invoices, and other related documents that are relevant to our business transactions.

By signing the Vendor Agreement, Vendors agree to participate in the electronic data exchange process with Galls. This allows for a more efficient and streamlined communication and transaction process between the parties involved. It helps in reducing manual paperwork, enhancing accuracy, and speeding up various aspects of the supply chain, ultimately benefiting both Galls and its vendors.

Miscellaneous

Any taxes, fees, imports, or stamps mandated by state, federal, or municipal governments during the process of selling, transferring, or transmitting merchandise to Galls will be the responsibility of Vendor.

PRODUCT INFORMATION

It is the responsibility of Vendor to provide Galls with its Item Master and pricing for review and approval through the GSP. Once approved, the information will be uploaded to the Vendor's Item Master. Vendor is responsible for ensuring that Galls always has correct item information and pricing.

GSP

The GSP can be accessed by visiting <https://gsp.galls.com>. To log in, you will need your GSP login. To obtain your Vendor credentials, contact VendorCompliance@galls.com. The GSP is used for:

- **PO PORTAL** – Used by Vendors that are not EDI compatible to build shipments, create an ASN, carton labels and packing slips.

- **SKU CONTENT MANAGEMENT** – Allows Vendor to upload Item data for inclusion into Galls system. Vendors can access their Item Master in Galls’ system. It is the responsibility of Vendor to monitor the Item Master and keep it updated.
- **BUSINESS REPORTING** - Vendor can access and monitor performance metrics on Vendor’s scorecard.
- **VENDOR COMPLIANCE** – Vendor can access chargeback detail, PO details and the chargeback dispute form.
- **CONTACT MANAGEMENT** – Vendors are expected to keep their company’s contacts up to date.

Monitoring the GSP: Vendors are expected to check the GSP frequently for important news, policy changes, and business tools. Information posted on the GSP will be considered part of this Manual and will supersede conflicting information in any other document, including the Vendor Agreement.

Policy Changes and Requirements: Galls reserves the right to modify policies and introduce new requirements at any time. It is the responsibility of each Vendor to stay informed about changes and adjust their business processes accordingly.

Email Credentials and Security: Vendors must maintain confidentiality and security for their email credentials to the GSP. It is crucial for Vendor to promptly terminate access for any employees who should no longer have it.

Vendor Responsibility: Vendors will be held responsible for the actions taken by any user who accesses the GSP using their credentials. Unauthorized access must be prevented and reported to Galls promptly.

GSP User Guide: Before using the GSP, it is essential to review and comply with the GSP User Guide associated with its use, which can be found here: <https://gsp.galls.com>

E-COMMERCE

E-Commerce Drop Ship

All products listed for “drop ship” on any Galls E-commerce platform, including but not limited to Galls.com, uspatriot.com, patriotoutfitters.com, postalunifromsdirect.com must adhere to the following requirements:

- Vendor must provide accurate and daily up-to-date inventory availability data feeds through FTP – more information about that is set forth below under “Inventory Feed – FTP Requirements”.
- All orders shipped via drop ship must be “blind shipped”, with no reference to any brand other than “Galls”.
- All ship to addresses must be purged nightly in accordance with applicable law.
- Vendors must be capable of shipping products in small quantities, including Eaches, to both business and residential addresses within the continental United States.
- Prices for products listed via E-commerce will adhere to the standard Item Master provided by Vendor to Galls. No additional increase or change to the Galls stated product cost is allowed.



E-Commerce Images and Content

Vendor will provide E-commerce-ready content and high-resolution product photos. Vendor will review, update and maintain all product content through the Vendor Product Form, a copy of which is available on the GSP. See Galls Acceptable Electronic Media Formats here: [Acceptable Electronic Media Formats](#).

Vendor will accurately maintain the status and availability of all products offered via E-commerce.

Inventory Feed - FTP Requirements

Vendor will provide accurate and daily up-to-date inventory availability data feeds through EDI, Galls Supplier Portal or FTP.

FTP Feeds - Vendor inventory feeds can be transmitted via FTP between Galls and Vendor. If Vendor chooses to host the server, Galls will pull the data from Vendor or Vendor can choose to push the data to Galls and have Galls host the FTP server at a cost of \$ 250.00 per year. See Galls FTP Transmission Form here: <https://app.smartsheet.com/b/form/beb7710b8b1d464d9679aeb09a54bb83>. If assistance is needed, please complete your information and a Galls IT Representative will contact the appropriate Vendor representative to establish the appropriate connection.

PURCHASE ORDERS

Vendor PO Terms and Conditions

Galls uses POs to acquire goods for its warehouse and branch locations. Galls will not be liable for payment without a properly authorized PO. Any PO issues identified by a Vendor must be brought to the attention of the proper Galls Supply Planner for correction. To facilitate efficient payment processing, please only invoice one PO per invoice.

Galls uses two methods of PO transmission – EDI and GSP. Vendors are encouraged to transact POs via EDI, which is Galls’ preferred method of data exchange. If a Vendor is unable to transact via EDI, Vendor may be set up to transact POs via the GSP, for use specifically with Galls. For information on becoming a GSP vendor please contact: VendorCompliance@galls.com.

Purchase Order Fulfillment Guidelines

On Time in Full:

- All orders are expected to be shipped to the designated delivery point OTIF.
- All Vendors shipping to Galls must maintain a minimum performance level of 85% OTIF across the business, measured as a % of the order that meets both of the following requirements:
 - On Time: Arrival of the order within a four (4) day grace period of the Need Date.
 - In Full: 100% complete shipment of all items set forth in the applicable PO.

Purchase Order Shipments and Partial Orders:

- All orders should be grouped for the minimum number of shipments required.
- Orders may be shipped prior to the Need Date.
- Galls will keep orders open until full shipment is received.
- Backorders should not be canceled without prior written approval from Galls.
- Vendors must actively work backorders to minimize the total value of backorders.



- To ensure a flow of ready goods, Galls does allow for partial shipments.
- No Vendor should hold orders that will ship beyond the aforementioned four (4) day grace period.
- Vendors must not invoice for backordered items until the backordered items have been shipped.
- For Vendors shipping freight collect: Galls will cover the freight for three (3) shipments per PO. For additional shipments, Galls will chargeback Vendor the cost of freight for each shipment.
- ASNs for EDI or GSP POs must be transmitted the same day as the shipment leaves Vendor’s facility.

Incorrect Items and Overages

Items received by Galls from Vendor that were not ordered on a duly authorized PO are considered incorrect items shipped. These items are considered a compliance infraction and are subject to compliance chargebacks and/or other remedies that Galls may exercise including, but not limited to:

- Retention of the items by Galls at no charge.
- Returning any or all of the incorrect items back to Vendor at Vendor's sole cost and expense.

EDI – Electronic Data Interchange

Galls prefers all Vendors to have EDI capabilities. For those Vendors with no EDI capabilities, the GSP must be utilized to build shipments, create ASNs and packing slips. For information on the GSP, see the section titled “PRODUCT INFORMATION” on page 8 of this Manual. To obtain GSP login credentials, please contact: VendorCompliance@galls.com.

Please see below for the EDI documents and version that Galls currently supports:

Galls Can Send the Following EDI Documents		Version
850 – Outbound	850	X12 4030
997 – Outbound Functional Acknowledgement		X12 4030
Galls Can Receive the Following EDI Documents		Version
856 – Advance Ship Notice	856	X12 4030
810 – Invoice	810	X12 4030
997 – Inbound Functional Acknowledgement		

Note: Soon to come! 855 PO Acknowledgement and 846 Inventory Advice

EDI Terms and Conditions

When a Vendor uses EDI to do business with Galls, it is agreeing to the following terms and conditions:

- Both parties agree that they will be responsible for their own costs related to any EDI transmissions, including any fees for storing data that a third-party service provider might charge.
- Each party will be responsible for their own expenses for creating and/or getting a license for their EDI software, as well as for any testing and validation costs.

- Vendor EDI documents must be created using the appropriate X12 4030 Standards. For specific Galls EDI onboarding documentation, contact VendorCompliance@galls.com:

PRODUCT LABELING AND PACKAGING

General Specifications

- All individual units of sale packages must be labeled with a correct SKU barcode or UPC number for the exact item ordered by Galls.
- UPC or Galls SKU barcode must be applied to individual poly bags, blister packs and individual item cartons.
- Items that are too small to attach UPC or Galls SKU MUST be placed in a poly bag with Galls SKU or UPC attached to poly bag.
- No manual changes to labels are permitted. If changes need to be made, a new label must be printed and applied.
- Do not photocopy labels. Do not cross off barcodes.
- The barcode label must be easily scanned (i.e., no faint ink or breaks in the barcode).
- Galls accepts only SKU barcode labels that meet one of the following specifications:
 - Meets UCC allowable tolerance like UPC Code 3 of 9 or any of the examples depicted below.
 - Utilizes alphanumeric computer scannable symbols (no commas, periods, asterisks, or special characters) with human readable product information.
 - Acceptable barcode formats include:
 - Interleaved 2 of 5
 - UCC128
 - Code 39
 - Code 128
- Upon request, Galls can provide sample labels for each SKU for the first shipment only. Duplication of the barcode data and SKU will be the responsibility of Vendor.
- UPC and/or Galls SKU barcode labels, qty, barcode must be clearly visible on the outside poly bag, and/or blister pack.
- A barcode label must be on the case pack as well as the individual unit of sale.

CARTON PACKING REQUIREMENTS

- Maximum ship carton weight is 49 lbs, subject to exception only for individual items whose unit of sale is greater than its weight. Such items should not be overpacked.

PO MIXED CARTONS

- Use appropriately sized cartons when shipping products.
- All PO numbers within a carton must be clearly noted on the outside of carton.
- Carton must be clearly identified as "MIXED" on the outside of the carton.
- When product is shipped pursuant to multiple POs, it must each be packaged separately within the carton by PO.
- Same SKUs should be bundled together/separated from other SKUs (i.e., polybag).

- All mixed cartons should contain separate packing lists for each PO detailing PO number, item numbers, and quantities of items within.
- No manual modification of the packing list is acceptable. If contents of carton are modified, a new packing list must be provided.
- Where Galls chooses to order in less than case pack quantities, and there are questions regarding mixed SKU cases, please contact Galls' Inbound Department for packaging instructions at: GallsInboundDelivery@Galls.com.
- Mixed cartons should be packaged on the same pallet in shipment when possible.

EDI and GSP MIXED CARTONS

- All PO numbers within a carton must be clearly noted on the outside of the carton.
- Carton must be clearly identified as "MIXED" on the outside of the carton.
- Each SKU in carton must be separated via poly bag with EDI/GSP label attached. DO NOT apply the EDI/GSP label to the outside of the mixed master carton.

CARTON LABELING

- All master cartons must be labeled with the following:
 - Master carton quantity
 - PO number
 - Carton count (1 of 5, 2 of 5, etc.)
 - Mixed cartons must be clearly identified as "MIXED" on the outside of the carton.
 - See packaging for MIXED cartons above. Please forward questions to: GallsInboundDelivery@galls.com
- The carton barcode label must be placed on the bottom right-hand corner of the shortest side of each carton.
- When stacked on a pallet the barcode and tag number portions of the label MUST be visible (facing outward), even if the rest of the label overlaps another side of the ship carton.
- **Note: Product and carton labeling guidelines apply to ALL Vendors.**

SHIPPING REQUIREMENTS

SMALL PARCEL

Shipment detail – Carton Weight and Height Limits

- Small cartons must not exceed 49 lbs. individually, or 150 lbs. in the aggregate, per shipment.
- Individual cartons must not exceed 49 lbs. and 105" in length and girth.
- If shipment is less than 150 lbs. and combined cartons exceed 60" in height on a 40" X 48" pallet, it must ship LTL.

Ship Via

FedEx is Galls' contracted carrier for small parcel. It is important that shipping instructions are adhered to as follows:

Direct to a Galls Location

- Ship FedEx Ground Collect, Bill Recipient.

Drop Ship to End User

- Commercial address – ship Fed Ex Ground – Bill 3rd party.
- Residential address – ship FedEx Ground Home Delivery – Bill 3rd party.

See tutorial document for processing shipments on FedEx.com at: [Galls - FedEx Small Parcel Routing Instructions](#).

PALLETIZED SHIPMENTS – LTL / TL

Shipment detail – carton weights and pallet count

SHIP VIA	LTL	TL
WEIGHT	151-19,999 lbs	20,000 lbs., or more
PALLET COUNT	10 pallets or less	11 pallets or more

Ship Via

Galls’ contracted carrier for palletized LTL/TL freight is R+L Carriers.

It is the responsibility of Vendor to create a BOL for shipments and contact R+L Carriers for pickup. Use of Vendor’s BOL is acceptable.

Carrier Contacts

R+L Carriers	1-800-534-5589	www.RLCarriers.com
Christine Gostkowski	239-387-6372	Christine.gostowski@RLCarriers.com
Justin Moritz-Pahde	239-387-6388	Justin.pahde@RLCarriers.com

Direct to a Galls Location

- Ship R+L Carriers Collect – If Vendor chooses to create BOL on R+L’s website, see tutorial document here: [Galls-R+L BOL Tutorial - Ship to Galls Location](#)

Drop ship to end user

- Ship R+L Carriers – 3rd party bill – If Vendor chooses to create BOL on R+L’s website, see tutorial document here: [Galls-R+L BOL Tutorial - Ship to Galls Customer](#)

Delivery Appointments

LTL/TL SHIPMENTS REQUIRE DELIVERY APPOINTMENT

See table below for locations that require delivery appointments to accept freight shipments.



For carriers other than R+L Carriers, delivery appointments **must** be coordinated with the following contacts:

Location	Contact Name	Contact e-mail or phone
Lexington	Galls Inbound Delivery	GallsInboundDelivery@galls.com

All LTL/TL shipments require a delivery appointment, which should be noted on the BOL. Failure to coordinate a delivery appointment entitles Galls the right to refuse to accept the shipment, charge holding fees and return freight charges to Vendor. Failure to coordinate a delivery appointment could also result in a chargeback at Galls' election.

GENERAL SHIPPING INSTRUCTIONS

Freight Paid by Galls

- When shipping, do not insure, declare value, or ship using any service other than ground services, unless specifically directed by the Galls Supply Planner.
- All freight shipments sent using any carrier other than Galls' contracted carrier, and/or utilizing unauthorized Freight Collect or "Pre-pay and Add to Invoice" pricing are subject to refusal of shipment or chargeback penalty.

Freight Paid by Vendor

- Absent prior written approval from Galls Buyer/Planner or a representative of Galls' Inbound Department, shipments not in compliance with these guidelines are made at the sole risk and potential expense of Vendor. Galls assumes no risk of loss or liability for any claims resulting from such shipments.
- Galls requires our Vendors to use Galls' contracted carriers, as outlined above, as these carriers are dedicated to Galls' delivery schedule.

Filing Claims

- Regardless of who pays freight, the party who shipped the goods must file claims for damaged or lost shipments.
- Galls will file claims on Vendor's behalf if provided a letter on Vendor's company letterhead relinquishing claim rights to Galls of shipment in question.

Air Freight Instructions

- All shipments are preferred to ship ground.
- Air freight authorization must be obtained in writing by Galls Supply Planner.
- Each PO shipping via air freight must have separate authorization.
- Unauthorized air shipments or deviations from the prescribed air carrier will result in a chargeback.

Notating BOLs, Carton Markings, Labeling and Palletizing Shipments

- BOLs must be notated with all PO numbers associated with the shipment, to include total carton and pallets.
- All ship cartons must reference the applicable PO number on the outside of the carton and on all

corresponding documents, including the packing list.

- All carton labels must be facing outward on palletized loads.
- Pallets must be fully loaded using all available pallet space to reduce height.
- There shall be no middle stacking of pallet shipments such that cartons are concealed. All cartons must be visible.
- All palletized shipments must be shrink-wrapped and should not exceed 7 feet in height, measured from the floor to the top.
- Standard 40" X 48" pallets are required, unless otherwise approved in writing by Galls. For approval, please contact: GallsInboundDelivery@galls.com
- Packing list must be attached, visible under shrink wrap, but not permanently affixed to the outside of first or last carton – next to the barcode label, but not covering it.
- Mark the respective case "Packing List Attached".
- Shipments containing multiple ship cartons must have sequential numbering on the outside of each ship carton (i.e.: 1 of 3, 2 of 3, 3 of 3, etc.).
- Each item shipped must be packed and protected in ship cartons authorized by National Motor Freight Classification (NMFC) Specifications. Minimum of RSC 200 lb. test, 65-lb burst, single wall C-flute.
- Use only reinforced cellophane carton sealing tape. Do NOT cover any carton information when sealing.
- All pallets must be secured, and any pallets with loose boxes will not be picked up by R+L Carriers. Vendor agrees that it shall be liable for any such unsecured pallets.

ACCOUNTS PAYABLE

EDI 810 is Galls' preferred invoice receipt method. Absent EDI, invoice receipt options are via GSP (future) or data translator (Auxis). E-mailed invoices are not preferred. Galls will be working with our non-EDI Vendors to obtain invoices via electronic means in the future.

Terms of Payment

Galls standard payment terms are 2% 60, Net 60, unless otherwise stated on the co-signed and executed Vendor Agreement.

VENDOR COMPLIANCE

It is the responsibility of Vendor to ship product exactly as ordered in accordance with all labeling, packaging, packing, and shipping guidelines detailed in this document. Galls' commitment to Vendor compliance is not only driven by the need to ensure seamless operations but also by our dedication to delivering exceptional customer experiences.

Chargeback Policy

- Any shipment, or portion thereof, which fails to conform to the terms of Galls' labelling, packaging and shipping instructions and requirements is subject to a vendor chargeback.
- After two (2) days in noncompliance, palletized shipments shall be assessed storage charges of \$5.00 per day per pallet.
- The labor chargeback for a 100% inspection and re-work is \$50.00 per man hour, with a \$100.00 minimum.

- Non-compliance will result in a chargeback to offset the expense incurred by Galls for extra operational costs in processing Vendor's goods.
- Ship only items ordered on a PO, to the address as stated on PO.
- Over-shipments and/or shipping wrong product against a PO will result in a chargeback as provided in this Manual.
- Duplicate shipments will result in a chargeback.
- Concealed shortages will result in a chargeback.
- All product ordered shall be free of defects or damages and must be new, useable (sellable) inventory. Failure to comply will result in a chargeback.
- Product received requiring re-work of any type may be rejected and is subject to a chargeback.
- Items or POs that are unable to be fulfilled due to cancellation or discontinuation must be reported to the appropriate Galls Supply Planner.
- A chargeback will appear as a debit against Vendor's account. The amount will be deducted from Galls' payment once an investigation has been performed and is deemed to be the responsibility of Vendor. If the purchase was made against a letter of credit, Galls will issue an invoice.

Chargeback Table

Below is Galls' Chargeback Table outlining the standards for chargeback occurrences, to which all Vendors will be held responsible.

CODE	DESCRIPTION	CHARGE	Maximum charge back Amount
ROUTING VIOLATIONS			
R-10	Unauthorized use of AIR (prior authorization required)	Full freight + \$ 200.00	
R-20	Shipped to wrong address (includes DS to Galls DC and various Galls locations)	Full freight + \$ 200.00	
R-30	Incomplete BOL - missing PO# and/ or carton count and/or pallet count	\$ 200.00	
R-40	Unauthorized Freight Collect shipment	Full freight + \$ 200.00	
R-50	Failure to consolidate shipments	Full freight + \$ 200.00	
R-60	Failure to organize shipment by PO and SKU	\$ 15.00 per carton, plus \$ 200.00	

R-70	No delivery appointment scheduled	Full freight + \$ 200.00 or refusal of shipment	
R-80	LTL eligible shipment sent via parcel	Full freight + \$ 200.00	
PACKING VIOLATIONS			
P-10	Unacceptable corrugate/packaging - <ul style="list-style-type: none"> - Box weight exceeds 49 lbs. - Product not in ship cartons - Poorly packaged - Unacceptable carton size - Poorly packed in ship cartons (cartons must not be crushed, busted or seams splitting that would result in re-packing) 	\$ 25.00 per carton, plus \$ 100.00 per PO	
P-20	Unacceptable palletizing – <ul style="list-style-type: none"> - Unacceptable pallet size - Unacceptable pallet quantity - Labels – EDI, GSP, SKU barcode label must face out - Ship carton must not overhang - Must be shrink-wrapped - POs not consolidated on pallet 	\$ 25.00 per carton, plus \$200.00 per shipment	
CARTON VIOLATIONS			
C-10	No packing list/No PO listed on packing list	\$ 200.00 per PO	\$ 2,500.00
C-20	Incorrect Carton Labeling – No PO/SKU/UPC/Carton Count	\$ 10.00 per carton, plus \$ 100.00 per PO	\$ 2,500.00
C-30	No ASN upon receipt of goods	\$ 200.00 per PO	
PRODUCT VIOLATIONS – LABELING/PACKAGING			
PR-10	Product not in individual packaging (BAG)	\$ 1.25 per item	
PR-20	Product missing UPC or SKU barcode label (TAG)	\$ 1.25 per item	
PR-30	Product labels incorrect (TAG)	\$ 1.25 per item	
PRODUCT VIOLATIONS - ITEM			
PR-40	Re-working product upon receipt	Actual expenses incurred + \$ 100.00 per PO	
PR-50	Damaged or defective, unusable inventory	Actual expenses incurred + \$ 100.00 per PO	
PURCHASE ORDER VIOLATIONS			
PO-10	Shipped item not on PO	\$ 100.00 per line item	\$ 2,500.00
PO-20	Unauthorized overages	\$ 250.00 per shipment, plus freight to return	
PO-30	Duplicate Shipment	\$ 250.00 per shipment, plus freight to return	
PO-40	Shortage in shipment (concealed shortage)	\$ 250.00 per shipment	

CONTAINER VIOLATIONS			
CN-10	Container shipment - Mixed SKUs and/or Mixed POs	Actual expenses incurred, plus \$ 100.00 per PO	
PALLET STORAGE			
PT-10	Pallet storage	\$ 5.00 per day per pallet	

Chargeback Disputes

Chargeback details are available on GSP in the “Vendor Compliance” module. Disputes to chargebacks must be filed through the GSP. Galls endeavors to acknowledge disputes within two (2) business days of receipt, however it may take up to thirty (30) days to receive a response. Please note that Galls answers all inquiries on a first come, first serve basis. All Vendor chargeback disputes must be made within ninety (90) days of the chargeback date.

SCHEDULE A

Definitions

1. "**ASN**" means an advance shipment notice.
2. "**BOL**" means a bill of lading.
3. "**CAP**" means a corrective action plan.
4. "**Eaches**" means a shipment consisting of a single product.
5. "**EDI**" means electronic data interchange.
6. "**FTP**" means Galls' file transfer protocol.
7. "**Galls**" means, collectively, Galls, LLC and its applicable brands and affiliates, including, without limitation, Postal Uniforms Direct, Morgans, Inc. t/a Jimmie Muscatello's (Muscatello's), US Patriot Tactical, and Patriot Outfitters.
8. "**Galls Merchant**" means the applicable contact person within Galls' merchandising department that is assigned to your account from time to time.
9. "**Galls Supply Planner**" means the applicable Galls representative who is responsible for developing and executing Gall's purchasing plans in alignment with applicable forecasts and inventory goals and otherwise managing all facets of Galls' PO cycle from issuing a PO to receipt of the applicable products purchased.
10. "**GSP**" means the Galls Supplier Portal.
11. "**Item**" means an individual article or unit of products.
12. "**Item Master**" means a collection of Items available for sale from a specified Vendor, which Item Master shall include applicable Item costs, lead times, descriptions and other pertinent information reasonably required by Galls to enable its marketing and related activities with respect thereto, in addition to such other information as may be requested by Galls from time to time.
13. "**LTL**" means a less than truckload shipment.
14. "**Manual**" means this Vendor Manual, as amended, restated and/or otherwise modified from time to time.
15. "**Need Date**" means the applicable "need date" as specified in the corresponding PO.



16. "**OTIF**" means, with respect to ordered products, that such products are shipped strictly on time and 100% in full.
17. "**PO**" means a purchase order issued to you by Galls with respect to the purchase of products.
18. "**TL**" means a truckload shipment.
19. "**Vendor**" or "**you**" means the applicable vendor from whom Galls purchases products.
20. "**Vendor Agreement**" means the vendor agreement (or other applicable definitive document) entered into by Galls and Vendor, as amended, restated and/or otherwise modified from time to time in accordance with its terms.