

GALLS LLC Shipping/Packing/Labeling Instructions

1. General Shipping Instructions

- All stock shipments will be sent to one or all of the following locations:

Distribution:

- Galls Distribution/Corporate Center; 1340 Russell Cave Rd; Lexington, KY 40505; (859) 266-7227
- Galls Distribution/Quartermaster; 17600 Fabrica Way; Cerritos, CA 90703; (562) 304-7301

Retail Stores:

- Galls/San Francisco; 1740 Cesar Chavez, San Francisco, CA 94124; (415) 824-2400
- Galls/Los Angeles; 6365 South Arizona Circle, Los Angeles, CA 90045; (310) 338-6800
- Galls/Long Beach Uniform; 2789 Long Beach Blvd, Long Beach, CA 90806; (562) 424-0220
- Galls/Uniform Center; 1249 West Katella Avenue, Orange, CA 92867; (714) 633-3880
- Galls/Inland Uniforms; 2225 Kansas Avenue, Riverside, CA 92507; (951) 781-6366
- Galls/Roy Tailors; 1905 Dalton Avenue, Cincinnati, OH 45214; (513) 621-4787
- Galls/Roy Tailors; 3889 Business Park Drive, Columbus OH 43204; (614) 351-1566

Service Centers:

- Orange County Florida; 2500 West Colonial 2nd Floor; Fairview Shores, FL 32804; (321) 663-9864
- San Antonio Fire Center; 4531 South Zarzamora; San Antonio, TX 78211; (210) 927-3129
- Chicago North CTA; 1342 West Madison; Chicago, IL 60607; (312) 733-3112
- Chicago South CTA; 2241 West 95th Street, Chicago, IL 60643; (773) 779-5306
- Austin; 2545 Brockton Drive Suite 200; Austin, TX 78758; (512) 873-8381
- Los Angeles Downtown; 2543 West 6th Street, Los Angeles, CA 90057; (213) 351-9632

- Galls Purchase Order number(s) must be annotated on the following:
 - Bill of Lading,
 - Carton
 - Packing list
- Stock purchase orders will be issued via EDI, GSP (Galls Supplier Portal) or E-mail and must be acknowledged upon receipt with delivery expectations if not able to fulfill by designated need by date
- Drop ship orders will be issued via EDI, GSP or E-mail and must be acknowledged upon receipt with delivery expectations if not able to ship same day
- Drop ship orders are to be shipped to the address provided on the packing list unless notification from Galls Inventory Manager dictates otherwise
- Drop Ship Invoices should be sent once shipment is made and should include tracking information
- Drop Ship Invoices should be e-mailed to invoicedsst@galls.com if not sent through EDI or GSP
- When shipping Freight Collect, do not insure or declare value, unless specifically directed to do so by Galls.

- **Imports:** All imports must be scheduled in advance, regardless of FOB terms. Galls Inventory Management Representative will provide you with the approved carrier for each order. Please notify the Galls Inventory Management Representative, and In-bound Operations Department with all pertinent shipping information (i.e., Sea Freight Vessels, Bill of Lading, ETA, etc.) please see contact info on page 7. Containers must be loaded/sorted by Galls sku barcode and PO utilizing a “front to back” loading method. Please see figure 1.



Figure 1

2. Transportation Instructions

- All inbound shipments **must** reference a purchase order number on the outside of each ship carton and the bill of lading (BOL's) **must** be notated with all purchase order numbers associated with the shipment to include total cartons and pallets. Multiple packages must be numbered 1 of 3, 2 of 3, 3 of 3, etc. The ship carton marked number 1 must have the master packing list attached to the outside. **Refer to detailed packing instructions under section 4 and detailed labeling instructions under section 5.**
- **Truckload Shipments:** "Truckload" is defined as a shipment weighing 20,000 lbs. or more or that fills a trailer to 3/4 visible capacity. Call the In-bound Operations Department at least 2 days prior to make the necessary arrangements. For Lexington DC, contact (859) 266-7227 extension 4127 or e-mail GallsInboundDelivery@galls.com. Truckloads shipped without authorization from the In-bound Department will result with a charge back and/or potential refusal. All truckload shipments must be palletized using a standard 4-way pallet size of 40"x48" also not to exceed 8ft in height.

Freight Responsibility-Vendor (free freight to Galls)

- **Prepaid Common Carrier Shipments:** When shipments are made via the carrier of your choice, at your expense, without prior approval, we shall consider this as your agreement to pay all transportation costs, as well as, claim liability. However, if possible we request using a Galls approved carrier as these carriers are dedicated to Galls delivery schedule. All LTL shipments require a delivery appointment, therefore, please notate this on the Bill of Lading. Failure to do so will result with a charge back and potential refusal. Please see section 7 for carrier information.

Freight Responsibility-Galls (freight paid by Galls)

- If the total weight of the shipment is less than 350 lbs. (including drop ship orders directly to our customers), the carton count is less than two layers of a pallet, and within UPS size limitations, it must be shipped through UPS's small package / parcel service using UPS Freight Collect as the method and using Galls account #2A5V41. For UPS Freight Collect information please call 800-PICK-UPS.
- If the shipment is over 350 lbs and/or is a # of cartons that would be equal to or greater than 2 layers on a pallet, and Galls pays any or all of the freight charges, it must be shipped through UPS's LTL freight service using UPS Freight Collect as the method and using Galls account #2A5V41. Galls reserves the right to direct the vendor to other carriers depending on the Vendor's location. We WILL NOT honor freight shipments from other carriers resulting in the shipment being refused at the Vendors expense. ALL LTL shipments should be placed on pallets and shrink wrapped.
- When preparing shipments, you must include Galls purchase order number(s) in the field Reference Number 1', utilizing 'Reference Number 2' as needed.

3. Air Freight Instructions

- Air Freight must be authorized in writing only by the Galls Inventory Management Representative. Unauthorized shipments or deviations from the prescribed air carrier will result in a charge back.

4. Packaging

- Galls advertised units of sale must be individually packaged (i.e. poly bag, blister pack, ship carton, tubing, etc.)
- Maximum ship carton weight is **65 lbs.** See figure 2 below for maximum size allowed.

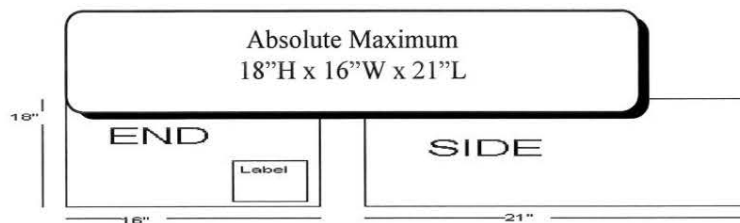


Figure 2

Exceptions are individual items whose unit of sale is larger than these dimensions. These items should not be master packed.

- If Shipping mixed cartons the following criteria needs to be met:
 - 'Mixed Carton' and purchase order number must be clearly marked/written on the outside of the carton
 - Multiple ship cartons must have sequential numbering on the outside of the ship carton (i.e. 1of3, 2of3, 3of3)
 - Same sku items should be bundled together/separated from other skus (i.e. polybag)
 - Each sku contained must be separated from different sku's with EDI/GSP label placed on top of items or poly bagged with EDI/GSP label applied; do not apply the EDI/GSP labels to the outside of the master carton.
 - Units per polybag should be one half the master carton quantity or less
 - 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, GallsInboundDelivery@galls.com.
- Multiple purchase orders must be packaged separately. If multiple PO's are palletized, PO's must be sorted together by PO on each pallet. While understanding that minimum quantities of a particular sku(s) may be shipped, please ship in appropriate size ship cartons.

- Packing lists must be attached, but not permanently affixed, to the outside of the number 1 carton next to the bar-coded 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. 1of3, 2of3, 3of3).
- All ship cartons must reference PO# on outside of carton and on all corresponding documents including packing list.
- Each item 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.
- All palletized shipments must be shrink-wrapped and should not exceed 8 feet in height, measured from the floor to the top. Standard, 40" x 48", pallets are required.
- Use only reinforced or cellophane carton sealing tape. Do NOT cover any carton information when sealing.

5. Labeling

- All individual units of sale packages must be labeled with a SKU bar code or UPC number, including special order items.
- UPC or Galls sku barcode label must be applied to individual poly bag/outside of package of individual unit of sale. SKU Bar code labels must be on a flat surface, readable and scannable.
- All master ship cartons must be labeled with the following
 - SKU bar code or UPC number
 - Master carton quantity
 - Purchase Order #
 - Carton Count (1 of 4, etc.)
- The label (UPC, Galls sku barcode, Carton, Shipment) will be placed on the bottom right hand corner of the smallest side of each case. The bar code and tag number portions of the label MUST be visible on the smallest side, even if the rest of the label overlaps another side of the ship carton.

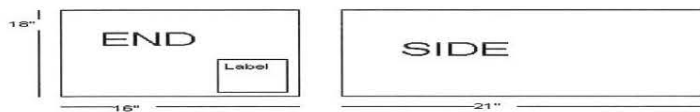


Figure 3

For smaller unique cartons that may have small side smaller than label, please adhere to figure 4..

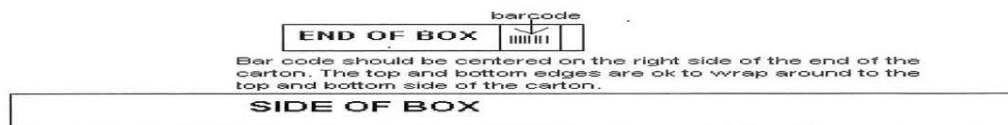


Figure 4

- No manual changes to labels are permitted, if changes are needed, a new label must be printed/applied. For GSP shipments, this is performed in the “Re-pack” option.
Do NOT photo copy labels.
Do NOT cross off bar codes.
- Galls accepts only SKU bar-code labels that meet one of the following specifications:
 1. Meets UCC allowable tolerance like UPC Code 3 of 9.
 2. Utilize alphanumeric computer scanable symbols (no commas, periods, asterisks or special characters) with human readable product like code 128.
 3. Upon request, Galls can provide sample labels for each sku for the first shipment only. A duplication of the bar code data and SKU will be the responsibility of the Vendor.
- Bar-code Label placement:
 1. UPC and/or Galls sku Bar code labels, qty. barcode, and PO barcode must be clearly visible on the outside of each ship carton (bottom right hand corner), poly bag, and/or blister pack.
 2. A bar code label must be on the case pack as well as the individual unit of sale.
 3. SKU Bar code labels must be on a flat surface, readable and scanable.

Note: Labeling guidelines apply to all vendors including those vendors participating in Galls Supplier Portal (GSP) and EDI.

Charge Back Policy

Any shipment, or portion thereof, which fails to conform to the terms of this Routing Guide, is subject to a vendor charge back. Exceptions must be given in advance by either the Galls Inventory Management representative or Galls In-bound Department. These charges are to recover our labor costs incurred in correcting shipments that are not in compliance with this policy.

• <u>Routing Violations</u>	<u>Actual Incurred Expenses</u>
1. Unauthorized use of Air – (prior authorization required).	Full Freight +\$200.00
2. Wrong “ship to” address (including drop ships TO Galls DC and various Galls locations)	Full Freight +\$200.00
3. No Purchase Order on Bill of Lading	\$200.00
4. Unauthorized Freight collect shipment	Full Freight +\$200.00
5. Failure to consolidate shipments (refer to section 2)	Full Freight +\$200.00
6. Failure to sort shipment by P.O. and SKU	\$15.00 per carton +\$200.00
7. No appointment scheduled	Possible refusal of shipment or Full Freight +\$200.00
8. LTL eligible shipment sent via parcel	Freight Difference +\$200.00
• <u>Packing & Labeling Violations</u>	<u>All figures in U.S. Dollar</u>
1. Incorrect Labeling – Cartons must be correctly Labeled with scanable bar coding. (cartons with no labels, non-scanable labels, Not legible, incorrect labeling, and scans incorrectly)	\$10 per carton +\$100.00 per P.O.
2. No Packing List and/or ASN Info. – Packing list must be attached to the lead carton – (i.e. Box 1 of 3).	\$200 per P.O.
3. Unacceptable Corrugate- -Box Weight Exceeding 65 lbs. Unless the Individual selling unit is greater than 50 lbs. -Not in ship cartons -Poorly packaged -Unacceptable carton size -Poorly Packed ship cartons – Cartons must not be crushed, -Busted or seams splitting resulting in repacking	\$10 per carton +\$100.00 per P.O.
4. Unacceptable Palletizing – -Unacceptable pallet size (Refer to section 2) -Unacceptable pallet quality (Refer to section 2) -Labels (EDI, GSP, SKU barcodes etc.) must face out -Ship cartons must not overhang -Must be shrink wrapped -PO'S not consolidated on pallet	\$10 per pallet +\$200.00 per shipment
5. Merchandise shipped against incorrect purchase order.	\$100 per purchase order
6. Unauthorized Overages or Duplicate Shipments.	\$250 per shipment
7. Alter or Correct Product/100% inspection/re-work (Non-Quality)	Actual Incurred Expenses +\$100 per P.O.

Charge Back Policy continued ...

8. Container loading
-Mixed sku's
-Mixed P.O.'s

Actual Incurred Expenses +\$100 per P.O.

9. Damaged, Defective, unusable inventory

Actual Incurred Expenses +\$100 per P.O.

The standards and procedures outlined in this manual are important to the success of our business relationship. Non-compliance will result in a charge back to offset the expense incurred by Galls for extra operational costs in processing your goods. This is not administered strictly as a cost recovery measure, but is a "Best Quality, Value and Customer Service" strategy. The labor chargeback for a 100% inspection and re-work is layered as follows:

\$30.00 per man hour - \$50.00 minimum

An approved charge back will appear as a debit against the Vendor's account. The amount will be deducted from our next payment and will reference as a "chargeback" with the appropriate control number. If the purchase was made against a letter of credit, we will issue an invoice.

Galls Distribution Center Routing Guide **Authorized Carriers & Telephone Numbers**

If your location is not serviced **directly** by our Authorized Carrier, please contact the In-bound Operations Department for Lexington at (859) 266-7227 x 4127 or e-mail at GallsInboundDelivery@galls.com.

Shipping Origin	Small Pkgs	Common Carrier	Truckload
	1-350 lbs. (less than two layers on a pallet)	350 - 20,000 lbs. (more than two layers on a pallet)	>20,000 lbs.
Continental United States	UPS Freight Collect/3 rd Party	UPS F LTL Freight Collect	Call Inbound Operations for specific carrier routing

Carrier Telephone Numbers **Galls Distribution Center**

UPS Small Pkg/Parcel

Phone: (800) PICK-UPS

UPS F LTL

Phone: (800) 333-7400

Kuehne and Nagel
(International)

Phone: (800) 622-1455; Fax: (859) 525-9962