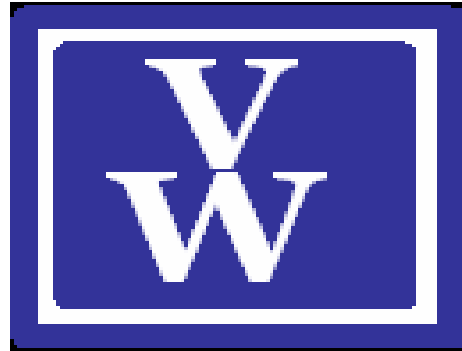


VARIETY WHOLESALERS' IMPORT
MANUAL



HARDLINES

VARIETY WHOLESALERS' IMPORT MANUAL



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VARIETY WHOLESALERS' IMPORT MANUAL

Variety Wholesalers, Inc. is a leading discount retailer of quality merchandise at everyday low prices. Through convenient neighborhood locations, Variety Wholesalers primarily serves lower, middle and fixed income families. Variety Wholesalers' operating structure and focused assortments allow it to offer quality merchandise with excellent value.

Variety Wholesalers Inc. values our credibility and reputation with U.S. customs and other government agencies. Our efforts are directed toward maintaining and strengthening these relationships by complying with all rules and regulations.

This vendor manual is designed to increase your understanding of the requirements necessary to participate in the import program with Variety Wholesalers. Detailed information is provided so that all parties have a clear understanding of each phase of the import process.

If you have any questions regarding any information included in this manual, please contact:

Kevin Correll¹
Director International Logistics
218 South Garnett Street
Henderson, NC 27536

Tel: 252 -430-2901
Email: kcorrell@vwstores.com

VARIETY WHOLESALERS' IMPORT
MANUAL



SUPPLIER AGREEMENT



VARIETY WHOLESALERS' IMPORT MANUAL

SUPPLIER AGREEMENT

Variety Wholesalers, Inc. has formalized established requirements in our supplier agreement. This agreement provides a record that indicates that you have been informed of the expectation and that you understand the requirements of being a supplier for Variety Wholesalers, Inc. Each vendor must return the signature page, with the appropriate signature, thereby indicating that the vendor will meet our requirements.

If you are using sub-contractors for manufacturing of Variety Wholesalers, Inc.'s products, we expect you, the supplier, to choose sub-contractors who will also demonstrate their commitment to Variety Wholesalers, Inc.'s standards. Any supplier or sub-contractor who does not comply with our requirements will jeopardize their future business with Variety Wholesalers, Inc.

Note: See the following page for signature on the supplier agreement form.



VARIETY WHOLESALERS' IMPORT MANUAL

SUPPLIER AGREEMENT

I certify that I am an officer of the below listed company and do hereby acknowledge that I have read, understand and will comply with all requirements set forth in the Variety Wholesalers, Inc.'s supplier agreement.

DATE: _____

COMPANY NAME: _____

NAME: _____
(TYPED)

TITLE: _____
(TYPED)

NAME: _____
(SIGNATURE)

VARIETY WHOLESALERS' IMPORT
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PRODUCT LIABILITY &
INSURANCE
REQUIREMENTS



VARIETY WHOLESALERS' IMPORT MANUAL

Variety Wholesalers, Inc.'s Product Liability Insurance Requirement

Variety Wholesalers, Inc., its subsidiaries and affiliates (Variety Wholesalers) expects all merchandise suppliers to provide product liability insurance (PLI) to assure protection in the event a product either causes or is alleged to cause damage or injury from goods exported by the vendors.

Variety Wholesalers does not have established plans with any insurance company. If a company is representing themselves in this fashion or you have questions concerning the policy requirements, then please contact your Variety Wholesalers' buyer.

No sample approval letter will be provided to the vendor if a valid PLI has not been submitted.

This document has been created to help explain Variety Wholesalers' minimum requirements.

POLICY DATES

Policy should be in effect for no less than 18 months after the arrival date on which the last product or service is provided to Variety Wholesalers' facilities. In the event the policy expires after the order is placed, but before delivery, the policy must be renewed with similar terms and conditions as the expiring policy.

Vendor shall provide Variety Wholesalers with current certificates of insurance and the policies shall contain a provision that there will be no cancellation, reduction or non renewal in coverage without first giving Variety Wholesalers 30 days prior written notice.

SCOPE OF COVERAGE

The coverage may be for specific products, but must include all products produced on behalf of, or sold to Variety Wholesalers. The coverage may be for product liability only or comprehensive general liability (CGL). The CGL policy must include product liability as a component of the coverage terms.

POLICY LIMITS

All limits should be stated in United States dollars and must be no less than:

- ❖ US \$1,000,000 per occurrence
- ❖ US \$2,000,000 aggregate

POLICY TERRITORY

- ❖ Vendors based in the US/Canada: utilize insurers admitted in the US and licensed to do business in each state in which Variety Wholesalers operates stores.
- ❖ Vendors based outside of the US/Canada: have policies covering lawsuits or claims on a worldwide or North American basis.

INSURANCE COMPANY RATING

The insurance company must have an A.M. Best's rating of no less than A-VIII. If an A.M. Best's rating is not available, a similar rating by a credible rating organization will be considered.

CERTIFICATE OF INSURANCE

A certificate of insurance must be issued immediately upon receipt of the initial purchase order and must include the following name and address as the additional insured party/certificate holder on the certificate:

Variety Wholesalers
P.O. Drawer 947
218 S. Garnett Street
Henderson, NC 27536
Attn: Patsy Sanders

Upon expiration of the policy (s), a new certificate stating the updated policy information must be received at least 10 days prior to previous policy expiration date. If the PLI is not provided within the specified date range and a purchase order ships late, this will result in a penalty. If the relationship between the vendor and Variety Wholesalers has ceased, the need to submit an updated certificate is not necessary.

- ❖ If the certificate only covers a specific purchase order, a separate certificate must be issued to cover each Variety Wholesalers' purchase order.
- ❖ Since basic items are replenished throughout the year, a blanket policy covering the product for the complete year is recommended. This may prove to be more cost effective than issuing a policy for each order.

VENDORS LIABILITY

Vendor's insurance shall in no way limit vendor's liability or obligation to indemnify completely the indemnities.

The Certificate of Insurance is a required document. Shipping approval will not be released unless a valid Certificate of Insurance is on file at Variety Wholesalers.

VARIETY WHOLESALERS' IMPORT
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TRADEMARKS/COPY
RIGHTS/LICENSE
AGREEMENT &
RELEASE LETTER



VARIETY WHOLESALERS' IMPORT MANUAL

Trademarks/copyrights - License Agreements & Release Letters

Items which are trademarked or copyrighted require a license agreement or trademark/copyright release letter from the owner of the trademark or copyright. The following information **must** be included to be considered valid and presentable to US Customs at the time of entry into the US. If all items are not present, entry will not be filed until in compliance which could result in delay of entry and receipt of goods by Variety Wholesalers, Inc. License Agreements or Trademark/Copyright Releases must be supplied prior to shipment of the item. The agreement or release must meet the following requirements:

- ❖ The agreement or release must name the vendor (which must be the same as on the purchase order) and stated that the vendor is authorized to manufacture and sell to US importers generally and specifically to Variety Wholesalers, Inc.
- ❖ The item which Variety Wholesalers, Inc. is purchasing is one of the products covered by the agreement or release letter.
- ❖ Term dates must be valid (ie. expiration date must not be before entry date to US Customs).
- ❖ License agreements must be signed by both licensee and licensor and cover all of the above.
- ❖ Trademark or copyright release letters must be signed by trademark or copyright owner and cover all of the above.

VARIETY WHOLESALERS' IMPORT
MANUAL



INDEMNIFICATION
OBLIGATIONS



VARIETY WHOLESALERS' IMPORT MANUAL

INDEMNIFICATION OBLIGATIONS

Supplier agrees to indemnify, defend and hold harmless Variety Wholesalers and its employees, agents or affiliates from any costs, damages, attorney's fees or other expenses arising from claims relating to supplier products, debts or contractual obligations, including, without limitation, the following:

- ❖ Any product liability claim, or claim a product causes damage or injury;
- ❖ Any claim a product, including the product's labeling or packaging, violates the intellectual property rights (patent, trademark, service mark or copyright) of another person, company or entity;
- ❖ Any claim a product does not work as intended;
- ❖ Any claim a product, including the product's packaging, damages the environment;
- ❖ Any claim a product is neither safe nor appropriate for the product's intended use; and
- ❖ Any claim the company is responsible for supplier-owed debts or payments.

VARIETY WHOLESALERS' IMPORT
MANUAL



CODE OF CONDUCT &
BUSINESS ETHICS



VARIETY WHOLESALERS' IMPORT MANUAL

CODE OF CONDUCT ISSUES

- ❖ The company's *Code of Business Conduct and Ethics* requires Variety Wholesalers' employees to avoid conflicts of interest.
- ❖ Supplier will read and understand the "Conflicts of Interest" section of the Variety Wholesalers' *Code of Business Conduct and Ethics*.
- ❖ Supplier will avoid any conduct that could encourage Variety Wholesaler's employees or agents to breach the "Conflicts of Interest" section of the company's *Code of Business Conduct and Ethics*.
- ❖ Supplier will comply with the *Code of Business Conduct and Ethics* in its vendor agreements and transactions with suppliers relating to Variety Wholesalers' merchandise, merchandise inspections, and other transactions related to Variety Wholesalers.

CONFIDENTIAL AND PROPRIETARY INFORMATION

In the course of working with the Variety Wholesalers, supplier may become aware of confidential or proprietary company information. This information includes, without limitation, sales projections, sales results, strategic plans, pricing information, product category development plans, personnel issues or similar information. Supplier will maintain the confidentiality of such information.



VARIETY WHOLESALERS' IMPORT MANUAL

CODE OF CONDUCT AND BUSINESS ETHICS

To the best of my knowledge and ability I will:

- ❖ Make all business decisions based on the best interests of Variety Wholesalers, Inc., without allowing my independent judgment to be affected, and taking all reasonable measures to not advance or appear to advance a personal interest in the course of a business decision.
- ❖ Act with honesty and integrity at all times, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- ❖ Avoid conflicts of interest and disclose to my supervisor any material transaction or relationship that reasonably could be expected to give rise to such conflict.
- ❖ Act in good faith and respectfully with Variety Wholesalers, Inc.'s suppliers and vendors.
- ❖ Provide accounting, financial and other information and disclosures that are accurate, certifiable, complete, objective, relevant, timely and understandable.
- ❖ Comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of self-regulatory organizations of which Variety Wholesalers, Inc. is a member.
- ❖ Diligently and consistently respect the confidentiality of information acquired in the course of my work.

Take all reasonable measures to protect the confidentiality of non-public information about Variety Wholesalers, Inc. obtained or created in the course of employment and to prevent the unauthorized disclosure of such information.

- ❖ Achieve responsible use of and control over all Variety Wholesalers, Inc.'s assets and resources, both tangible and intangible, employed or entrusted to me.
- ❖ Promote ethical behavior as a responsible partner among peers in my work environment.

To the best of my knowledge and ability I will refrain from:

- ❖ Committing fraud which includes any dishonest or fraudulent act, embezzlement, forgery or alteration of negotiable instruments such as checks and drafts.
- ❖ Accepting money, inappropriate or excessive gifts, loans, excessive hospitality, gratuities, or other special treatment from any supplier, customer or competitor of Variety Wholesalers, Inc. A gift or hospitality is inappropriate or excessive if, under the circumstances of my position and responsibilities, it has value or is of such a personal nature that it is out of proportion to Variety Wholesalers, Inc.'s business needs.
- ❖ Offering or making payments of any kind, whether of money, services or property, either directly or indirectly, to any foreign public official or any employee, agent or representative of any organization seeking to or doing business with Variety Wholesalers, Inc., including making or offering bribes or kickbacks or the giving of inappropriate gifts or excessive hospitality to obtain business concessions.

- ❖ Acquiring any individual interest in any company transaction or in any business opportunity in which Variety Wholesalers, Inc. might reasonably be expected to be interested.
- ❖ Pursuing any outside business interest that might create or appear to create a conflict of interest with Variety Wholesalers, Inc., including interest in and/or compensated or non-compensated consulting work for and/or employment with another business.
- ❖ Misrepresenting Variety Wholesalers, Inc.'s policies, practices, prices, or procedures, or misrepresenting my status and authority to enter into agreements.

As an associate of Variety Wholesalers, Inc., I will abide by the principles and values of the code of conduct and business ethics.

VARIETY WHOLESALERS' IMPORT
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QUOTE SHEET

(quote sheet separate)

VARIETY WHOLESALERS' IMPORT
MANUAL



LETTER OF CREDIT
PROCEDURE

(LETTER OF CREDIT SHEET SEPARATE)



VARIETY WHOLESALERS' IMPORT MANUAL

LETTER OF CREDIT PROCEDURE

Upon receipt of the purchase order, vendor has five (5) business days to communicate any changes before the letter of credit is issued. If changes are communicated after the five business days and an amendment is required due to these changes, all bank fees associated with this amendment will be at the beneficiary's expense.

It is imperative that the vendor carefully read the purchase order, banking information, etc. to verify that it is correct prior to the issuance of the letter of credit.

It is also imperative that the vendor carefully review each letter of credit for accuracy. Strict compliance to the requirements of the letter of credit will expedite our shipment, reduce amendments and insure prompt payment when negotiating your bank documents.

Please see following page for the letter of credit requirements.

COMMERCIAL INVOICE

The most common problem in the Letter of Credit procedure is missing information on the commercial invoice. As per U.S. Customs regulations, all of the information which we request on the commercial invoice is necessary for customs clearance. We **will not** waive this discrepancy.

VARIETY WHOLESALERS' IMPORT
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VENDOR CHARGEBACKS



VARIETY WHOLESALERS' IMPORT MANUAL

VENDOR CHARGE BACKS

Each vendor must be aware that there are certain discrepancies which will result in an automatic charge back to the vendor/supplier/factory. The standard charge back is 5% of the FOB value of the purchase order affected.

The vendor or factory will receive notification of the charge back with specific details justifying the action.

COMMON CAUSES FOR CHARGE BACKS:

INCORRECT QUANTITIES RECEIVED

- ❖ Shortage: Based on entry documentation to US Customs vs. Variety Wholesalers' DC Receipt
- ❖ Overage: Based on entry documentation to US Customs vs. Variety Whoelsalers' DC Receipt

INCORRECT CARTON MARKINGS

- ❖ Carton markings must be pre-printed; do not use labels, tape, etc.
- ❖ Correction on markings are acceptable if legible and done with waterproof pen.
- ❖ Consolidator will not accept CFS cartons if marked with labels, tape,etc.

INCORRECT CASE PACK OR CUBE

- ❖ Consolidator will verify case pack and will not accept different case pack for CFS or CY bookings.
- ❖ Consolidator will verify carton cube of the case to the carton cube stated on the purchase order.
- ❖ Charge back will be calculated by the carton cube discrepancy by the number of cartons in the shipment.

RECEIVING REQUIREMENTS

To expedite the unloading time at Variety Wholesalers, Inc., the following guidelines shall be followed. Failure to follow these guidelines will cause longer unloading time and shall result in Variety Wholesalers, Inc. assessing a charge back to the vendor as specified.

- ❖ It is the vendor's responsibility to review the purchase orders prior to shipping, for any changes that are necessary. This would include, but not limited to, changes in units ordered, costs, freight terms, payment terms, items ordered. Any changes or corrections that need to be made to any purchase order, it is the vendor's responsibility to contact the buyer prior to shipping for the buyer's approval of the change.
- ❖ All merchandise shall be shipped in the packs and assortments (size and color) of the style number specified on the Variety Wholesalers, Inc.'s purchase order. Only one style number shall be shipped per box, case, or carton. If not returned, the vendor/shipper shall be assessed handling and storage charges for the repacking of the goods by Variety Wholesalers, Inc.

- ❖ Merchandise shipped shall be the same as the approved samples. Failure of the vendor/shipper to comply shall result in the merchandise being returned at the vendor's expense. The vendor/shipper shall be assessed handling charges.

- ❖ The style number stamped or printed (1/2 inch minimum height) on the outside of the box, case, or carton shall match the contents of the box, case, or carton. All merchandise shipped with incorrect identification shall be processed at the discretion of Variety Wholesalers, Inc.

- ❖ When a trailer is floor stacked by a vendor/shipper, the boxes, cases, or cartons shall be presorted by Variety Wholesalers, Inc.'s purchase order number and Variety Wholesalers, Inc.'s SKU number found on the purchase order. The side of the box, case, or carton with the style number on it must face the rear of the trailer (door). Attached to the last case loaded and facing the trailer door must be a packing list containing the number of cases of each different items shipped. Failure to comply will result in handling charges being assessed against the vendor/shipper.

LATE SHIPMENTS

- ❖ Shipments which are later than the latest ship date stated on the purchase order.

DOCUMENTATION PROBLEMS

- ❖ Incorrect documents - incorrect FOB, incorrect Visa, late documents, etc.

NOTE: Variety Wholesalers, Inc. reserves the right to delay any shipment until documentation problems are resolved. Any demurrage charges, etc. will be for vendor's account.

VARIETY WHOLESALERS' IMPORT
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SAMPLE APPROVAL &
TESTING



VARIETY WHOLESALERS' IMPORT MANUAL

SAMPLE APPROVAL PROCEDURES

All merchandise purchased by Variety Wholesalers, Inc. on foreign letter of credit (with the exception of Orderbook items) will require an approval of the product, the package, and ticketing.

1. Approval samples are to be sent to the appropriate buyer via air courier for approval of the various aspects of the product and package. Send samples to:

Variety Wholesalers, Inc
218 S. Garnett Street
Henderson, NC 27536
Attn: (Buyer)

Note: Approval samples must be sent to the buyer no later than 60 days prior to the EX. O date.

2. After the buyer evaluates the product and package, the appropriate notations are to be made on the sample approval form.

A. Rejected Samples: The buyer will make the necessary notations on the sample approval form to explain to the vendor why the product or package is being rejected and the corrections which are required.

B. Approved Samples: The buyer will mark the appropriate boxes on the sample approval form to indicate approval of the product and package.

Note: The L/C number and purchase order number must be entered on the sample approval form.

3. The buyer will email a copy of the approval form to the vendor.
4. A copy of the approval form will be sent to the Variety Wholesalers' import department. Import Department staff will make notations in our purchase order system to indicate that the product/package has been approved/rejected. The sample approval form will be filed in the appropriate letter of credit file.



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LAB TESTING

Certain products will require lab testing at vendor's expense. Buyer will indicate on the purchase order if a lab test is required. Listed below are some of the products which require lab tests:

Toys:

A favorable lab test report must be provided for each toy purchased by Variety Wholesalers. This lab test report may be provided from any authorized testing lab.

A. Types of testing to include but are not limited to:

- Acoustic Test
- Electrostatic Discharge Test
- Flammability Test
- Heavy Metals Test
- Phthalates Test for PVC
- Physical and Mechanical Test

B. Test to comply with U.S. testing standards

- American Society for Testing and Materials (ASTM F963)
- Child Safety Protection Act (CSPA)
- Federal Food, Drug and Cosmetic Act (FDCA)
- Toxics in Packaging Clearinghouse (TPCH)
- Labeling of Hazardous Art Material Act (LHAMA)
- Federal Hazardous Substances Act (FHSA)

Electrical and Electronics:

A favorable lab test report must be provided for each electrical/electronic item purchased by Variety Wholesalers. This lab test report may be provided from any certified testing laboratory .

A. Testing services to include but not limited to the following:

- Product Safety Test
- Product Performance and Reliability Test
- FCC Compliance Test
- Pre-scan For FCC Regulation

B. Federal Communications and Commission (FCC)

- FCC Part 15 Verification - FM Broadcast Receivers
- FCC Part 15 Certification - Remote control transmitter for toys, radio frequency products

C. Other products to be tested:

- Hair dryers, clippers, curlers, blenders, mixers, juicers, electric irons, electric fans, plugs, adapters, extension cords, portable discman, CD cassette players, DVD player, karaoke, table lamps, radios, clock radios, timers, light sets (Christmas, etc), ceiling fans, electric heaters.

Various Products:

- Lead Cadmium Testing - All ceramic products require FDA lead cadmium compliance. Each ceramic product shipped to Variety Wholesalers must have an approved lab test report from a certified testing laboratory.

- Microwave and Dishwasher Safe Testing - Products which are designated microwave and dishwasher safe require an approved lab test report from a certified testing laboratory.
- Candle Testing - An approved lab test report is required from a certified testing laboratory for all candles shipped to Variety Wholesalers. This report must indicate that the candles meet established Variety Wholesalers requirements as well as U.S. Federal and state laws and customs requirements.



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TOXIC SUBSTANCES CONTROL ACT (TSCA)

The Toxic Substances Control Act requires that EPA and US customs verify that all imported chemical substances comply with TSCA rules and regulations. Manufacturer is responsible to provide a certification at the time of entry that shipment is subject to TSCA and complies with all applicable rules or that shipment is not subject to TSCA rules.

EXAMPLES OF ITEMS IN WHICH TSCA IS REQUIRED:

- ❖ Batteries
- ❖ Paint
- ❖ Glue
- ❖ Pens
- ❖ Markers
- ❖ Citronella candles
- ❖ Watercolors
- ❖ Photographic Film

VARIETY WHOLESALERS' IMPORT
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CARTON GUIDELINES
& PRICING
(SHEETS SEPARATE)



VARIETY WHOLESALERS' IMPORT MANUAL

CARTON GUIDELINES

Imported Merchandise Standards

Failure to follow these guidelines for cartons could result in a charge back or cancellation order.

CONSTRUCTING CARTONS

- A. Material Requirements
- B. Individual Carton Size Requirements

MARKING CARTONS

- A. Mandatory Markings
(As per VW Shipping Marks)
- B. Fragile Markings

Cartons produced for Variety Wholesalers, Inc. must meet the following requirements for materials and size requirements:

Material Requirements:

All cartons produced for Variety Wholesalers, Inc. must be manufactured using:

- ❖ Virgin fiber
- ❖ Water soluble glue
- ❖ Double corrugated (C fluting)
- ❖ On all consumers toy packaging, rivets must be used.



VARIETY WHOLESALERS' IMPORT MANUAL

Variety Wholesalers, Inc. Price Point: For more information concerning pricing, please refer to pricing guidelines.

UPC Bar Code: Acceptable UPC examples are:



Distributor and Country of Origin Statement:

This identifies Variety Wholesalers, Inc. as the distributor of record for the merchandise, as well as identifies the country in which the merchandise was manufactured. The Country of Origin line must be typeset **four (4) points larger** than the copy size used for the distributor information. The following example is set eight (8) point type with the Country of Origin set in twelve (12) point type. It must read:

Distributed By:
Variety Wholesalers, Inc
218 S. Garnett Street
Henderson, NC 27536

MADE IN (Country of Origin)

Please duplicate the punctuation and the capitalization of the words in the statement above. The statement may be left justified, right justified or on one line with bullets. Use product warnings when applicable.

NOTE: It is the vendor's responsibility to know and follow all regulations for meeting packaging requirements.

VARIETY WHOLESALERS' IMPORT
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SHIPPING
INSTRUCTIONS



VARIETY WHOLESALERS' IMPORT MANUAL

Requests for Cargo Booking

Cargo booking should be made seven to ten (7 to 10) days before the last ship date (EXO) of the purchase order. During peak shipping season, bookings should be made at least fourteen (14) days before the last ship date (EXO) on the purchase order.

- ❖ The following information must be provided to Expeditors at the time of booking:
 - Variety Wholesalers, Inc. PO number
 - Variety Wholesalers, Inc. style (SKU) number
 - Contact person, telephone, fax number and email
 - Consignee (Variety Wholesalers, Inc.)
 - Place of delivery - distribution center
 - Number of packages
 - Number of pieces
 - Case pack
 - Cube per case
 - Description of merchandise
 - Weight (in KG) and measurement (in CBM)
 - Cargo ready date
 - Statement certifying whether the shipment contains **SOLID WOOD PACKING MATERIAL**
 - FOB point

- ❖ All commercial documents from the vendor must be submitted to Expeditors origin **96 hours (4 days)** prior to **CY Closing** (Expeditors personnel will provide *CY Closing* date to the vendor).

- ❖ For CFS shipments, vendor must have the shipping approval when delivering cargo to the consolidator's warehouse.
- ❖ CFS booking must prepare shipper order per PO/SKU.
- ❖ Booking multiple purchase orders is acceptable as long as they have the same ship date (EXO) for *CY* Shipment.



VARIETY WHOLESALERS' IMPORT MANUAL

VENDOR/CONSOLIDATOR LOADING INSTRUCTIONS

Container Loading Instructions:

- A. Loading of containers will be by purchase order and SKU numbers.
- B. One carton from each purchase order should be placed at the tail of each container for customs inspection. This must be done on multiple origin port consolidation, as well as single origin consolidations.**
- C. A container manifest must be placed on a tail-loaded carton in each container.
- D. If fumigation is necessary, the process can be done prior to delivery as long as the proper documentation is provided. If assistance is needed in locating a fumigation facility, please contact the local Expeditor's office.

Use of Equipment: 20', 40', 40' high cube and 45' containers to be used as required to obtain maximum trailer utilization.

The guidelines are:

| LOAD ABILITY | MAXIMUM WEIGHT |
|---------------------|---------------------------|
| 27 CBM | 36,000 LBS - 20' (8'6") |
| 57 CBM | 40,000 LBS - 40' (8'6") |
| 65 CBM | 40,000 LBS - 40 HQ (9'6") |
| 75 CBM | 40,000 LBS - 45' |

Equal Distribution For Container Loading: When loading a container, the cargo should be under the specified weight restriction and evenly dispersed throughout the container.



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VENDOR DOCUMENT SUBMISSION

- ❖ All commercial documents (i.e. commercial invoice, packing list, etc.) must be submitted to Expeditors International **96 hours (4 days)** prior to **CY Closing** (Expeditors will provide at time of booking). Transmission of commercial documents is acceptable via fax or email.
- ❖ If the documentation is not provided to Expeditors at least **96 hours (4 days)** prior to **CY Closing**, the cargo **will not** be permitted to load the vessel and depart origin.
- ❖ If the commercial invoice **quantity does not match** the booked quantity, Expeditors International has the authority to stop the shipment and request instructions from Variety Wholesalers, Inc.
- ❖ The vendor is fully responsible for any charges that are incurred because of non-compliance to these requirements (i.e. storage, penalties, additional drays, etc.).
- ❖ Also, present Federal Communications commission (FCC) Form 740, Food and Drug Administration Form 2877 and License Agreement if applicable.



VARIETY WHOLESALERS' IMPORT MANUAL

VENDOR DOCUMENT CHECKLIST PROCEDURE

- ❖ It is the vendor and/or agent's responsibility to ensure that all parties that will present documents to Expeditors have copies of the Vendor Document Checklist.
- ❖ The Vendor Document Checklist must be completed for each set of commercial documents. If three (3) sets of documents are prepared for one shipment, three (3) Vendor Document Checklists must be completed.
- ❖ Each set of commercial documents presented to Expeditors (which are used for customs clearance) must be accompanied by the Vendor Document Checklist. Expeditors will not accept any documents that are not accompanied by the Vendor Document Checklist.
- ❖ The Vendor Document Checklist must be signed and dated by a factory or vendor representative, which indicates that the documents have been reviewed against the checklist.
- ❖ As required by Variety Wholesalers, Inc., Expeditors will verify the information provided on the Vendor Document Checklist. If a requirement is applicable, "yes" or "no" must be checked. If a requirement is not applicable (n/a), "n/a" must be checked.
- ❖ Any item marked "no", or not marked at all, will automatically result in denial of FCR release by Expeditors. Expeditors will request revised documents or any missing documents before the FCR is released.
- ❖ Revised or missing documents must be submitted to Expeditors within 24 hours of request.

- ❖ Upon receipt of revised or missing documents, the Vendor Document Checklist will be re-verified by Expeditors.
- ❖ When applicable document requirements have been satisfied, Expeditors will release the FCR.

PLEASE NOTE THE FOLLOWING:

- ❖ This checklist will not affect the letter of credit payment, but it will affect the release of the FCR. Expeditors has been instructed by Variety Wholesalers, Inc. to hold the FCR until all requirements on the checklist are satisfied. Also, the checklist does not insure that the letter of credit will be without discrepancies.
- ❖ Only Variety Wholesalers, Inc. can waive a requirement on the checklist. Requirements will only be waived by Variety Wholesalers, Inc. if the vendor can provide documentation that the requirement is not needed. The FCR will not be released until Variety Wholesalers, Inc. has made the final determination on the requirement.
- ❖ Any problems with the checklist or procedures should be communicated to the import department.

Unused Vendor Manual Information

Individual Carton Size Requirements

| | <u>MINIMUM CARTON SIZE</u> | <u>MAXIMUM CARTON SIZE</u> |
|-------------------|----------------------------|----------------------------|
| <u>WEIGHT:</u> | 2 LBS OR | 50 LBS OR |
| <u>DIMENSION:</u> | 9" X 4" X 2" | 48" X 20" X 28" |

PACKAGING GUIDELINES

The following explains the guidelines for packaging Variety Wholesalers, Inc. merchandise using either vendor designed packaging or Variety Wholesalers, Inc. designed packaging.

Imported Merchandise Standards

Failure to follow these guidelines could result in a charge back or cancellation of the order.

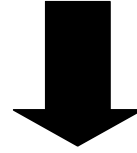
VENDOR DESIGNED PACKAGING

Packaging designed by the vendor.

You will be informed when you receive your purchase order if packaging is to be designed by the vendor and supplied to Variety Wholesalers, Inc.

VARIETY WHOLESALERS' DESIGNED PACKAGING

This is packaging designed by VW. Art files are supplied. The vendor is responsible for recreating the design and for having the packaging printed. You will be informed when you receive your purchase order if you are required to use a VW design.



You will be required to "recreate" the packaging design using the following tools:

- A. Art files provided on a floppy disk. It includes the necessary files to create the package design when applicable.
- B. Illustrated color print instructions.

Listed below are some of the more important requirements for conducting a business relationship with Variety Wholesalers:

- Product Liability Insurance (see page _____ for details)
- Lab testing of certain products. Lab testing is at vendor's expense and vendor must provide favorable test results prior to shipment.
- Quote sheet including all pertinent information including:
 - A. Material cost breakdown
 - B. Factory name and address per 19 CFR 102.23 (textile products).
 - C. Factory name and address required on all PO's
- Signed Variety Wholesalers' supplier agreement including indemnification obligations.

- Factories which are manufacturing Variety Wholesalers' products will be inspected at Variety Wholesalers' expense to determine the following:
 1. The factory is compliant with VW's child labor policy.
 2. The factory is not using forced or involuntary labor (prison, bonded, indentured or otherwise constrained as by passport retention or worker-borne recruitment fees etc).¹
 3. The factory is compliant with all applicable laws regarding regular and overtime pay rates.
 4. Workers are given at least one day off per seven day period.
 5. The factory is following the legal limit on the number of annual overtime hours worked.
 6. There are sufficient exits for an emergency and doors are not locked during work hours.
 7. There are adequate fire extinguishers on site.
 8. There is no transshipping occurring in the factory.