

ROUTING, SHIPPING, AND PACKAGING INSTRUCTIONS

UPDATED June 22, 2006

PART I: INTRODUCTION

PURPOSE

To provide instructions for processing Family Dollar shipments.

APPLIES TO

All Family Dollar Stores, Inc., Vendors and Distribution Centers.

PROCEDURE

In order to facilitate shipping, handling and receiving activities, a vendor compliance program has been established. These requirements supersede all other routing, shipping and packaging instructions issued by Family Dollar.

Family Dollar Stores Distribution Centers; hereafter called DC/DC's. Purchase order prefixes, and geographic names identify the DC's. They are:

Dist #	Distribution Center Name Address	Appointment Hours Phone Number	Receiving Days/Hours Phone Number
9520	Arkansas Distribution Center 1800 Family Dollar Parkway West Memphis, AR 72301	Mon-Fri 8:00a.m. – 5:00 p.m. (Central) P: (704) 814-3511 F: (704) 846-2509	Monday 7:00 a.m. thru Friday 9:00 p.m. (Central) (870) 732-3264 ext. 242
9530	Texas Distribution Center 3101 East I-20 Odessa, TX 79766	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3440 F:(704) 846-2509	Sunday 11:00 p.m. thru Friday 9:00 p.m. (Eastern) (432) 367-1300 ext. 3016
9540	Virginia Distribution Center 155 Fairground Road Front Royal, VA 22630	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3397 F:(704) 846-2509	Sunday 11:00 p.m. thru Friday 7:00 p.m. (Eastern) (540) 622-6660 ext. 2025 or 2027
9550	Florida Distribution Center 3949 Family Dollar Parkway Marianna, FL 32448	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 849-7476 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 9:00 p.m. (Central) (850) 526-6500
9560	Oklahoma Distribution Center 201 East Cherokee Road Duncan, OK 73533	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3401 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 2:00 p.m. (Central) (580) 470-1700 ext. 2826 or 2827
9570	Rome Distribution Center 847 Ellsworth Road Rome, NY 13441	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 847-6961 ext 7476 F:(704) 846-2509	Sun 10:00 p.m. – Friday 11:00 p.m. (Eastern) (315) 838-2588
9580	Kentucky Distribution Center 1000 Industry Road Morehead, KY 40351	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3258	Sunday 11:00 p.m. thru Friday 9:00 p.m. (Eastern) (606) 780-7960 ext. 3010 or

		F:(704) 846-2509	3016
9590	Iowa Distribution Center 302 Family Dollar Parkway Maquoketa, IA 52060	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3564 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 1:00 p.m. (Eastern) (563) 652-7300
9990	North Carolina Distribution Center 10401 Monroe Road Matthews, NC 28105	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3436 F:(704) 846-2509	Monday 7:00 a.m. – Friday 7:00 p.m.. (Eastern) (704) 847-6961 ext. 4823

Any cartons shipped in error to the wrong DC will result in a charge back to the vendor/shipper for handling and transportation charges. See Non-Compliance Section – Part VI for further details.

Understanding Family Dollar Purchase Order Dates:

Collect Vendor: Family Dollar arranges shipment and pays all freight charges. Vendor releases all freight in TMS (Glog System) and receives Tender Notifications on how product will be shipped.

Prepaid to Consolidator: Vendor releases freight in TMS (Glog System) and receives Tender Notifications to ship product prepaid to consolidator. Family Dollar then arranges shipment from the consolidator and pays freight charges to deliver goods to the appropriate distribution center from the consolidator.

Hard Copy PO	EDI PO	Definition of Date
Do Not Ship Before	Code 037 Ship Not Before	This date represents vendor's expected ship date. Product should be available for pickup or shipment on or before this date. In addition, Family Dollar expects product to be released in TMS (Glog System) at a minimum of 48 hours prior to the date the product will be available for pickup or shipment.
Cancel If Not Shipped By	Code 038 Ship No Later	In the event vendor does not have product available for pickup or shipment on the "Do Not Ship Before" date, vendor may release product in TMS (Glog System) for pickup or shipment up to the "Cancel If Not Shipped By" date. Product available for pickup or shipment past this date requires Buyer approval and is subject to cancellation. In addition, product will be considered late.
N/A	Code 017 Estimated Delivery	This date has no relevance for Collect and Prepaid to Consolidator vendors. If product is shipped on time, the receipt should occur close to this date after distribution center processing.
N/A	Code 061 Cancel If Not Delivered By	Product cannot be released in the TMS (Glog System) for routing five days prior to this date. Example: If the "Cancel If Not Delivered By" date on the Purchase Order is the 25 th , product can not be released after the 19 th . The Family Dollar Buyer will have to be notified to extend the Purchase Order dates. Orders shipped late are subject to cancellation or other penalties.

PART II: COLLECT PURCHASE ORDERS and Prepaid to the Consolidator Orders

1. **ROUTING PROCEDURES:** Vendors receiving Collect or Prepaid to the Consolidator Purchase Orders must enter shipment data into Family Dollar's Transportation Management System (TMS) no less than 48 hours prior to product readiness. All orders must be ready to ship complete by the "Cancel if not Shipped by" date. Failure to meet the expectations listed herein may result in Non-Compliance Fines.
2. Failure to utilize the Family Dollar Transportation Management System in routing Collect or Prepaid to Consolidator Purchase Orders will result in full freight charge back in addition to administrative expenses.
3. To access TMS – go to www.familydollar.com and click on the Distribution Link. Scroll to the TRANSPORTATION MANAGEMENT SYSTEM and to the last paragraph – click on [click here](#).
4. If you are a NEW Collect Vendor – please contact TMS Customer Service to set up your shipping information and request a user ID and password to use the TMS System. A USER ID is required to access the TMS System. You can contact TMS Customer Service at tms_customerservice@familydollar.com or call 704-847-6961, Option 8 and the first available representative will assist you.
5. If you are an existing Vendor – Please read the Family Dollar Vendor Ready to Ship Web Interface instructions before entering data into the system. You can download the instructions in the TMS link.
6. When you are ready to enter your Ready To Ship Information, click on [click here](#) in the first paragraph of the TMS Information. It reads: If you are Family Dollar Vendor, [click here](#) to access the Transportation Management System. User ID and Password assigned by Family Dollar are required.
If you experience difficulties in accessing the URL from Family Dollar's web site, open the web browser on your computer. Copy and paste, or type the following URL on the address line of your browser: <http://gc3.familydollar.com>
7. If you have any questions during the process for any Family Dollar Distribution Center shipments, please call 704-847-6961 – Option 8 and the first available representative will be able to assist you.

A. The following information must be provided:

1. CAP locks are required for entering data.
2. Enter your User Name and Password.
3. Click Ready to Ship on the left side of your screen.
4. Enter your Purchase Order number. This field requires eight digits, so add zeros before the number, if necessary to make it an eight-digit number.
5. Type in the DC id for the DC the goods will ship to. Each DC shipment requires a separate entry. The DC id's are:
 - 9990 – Matthews, NC
 - 9520 – West Memphis, AR
 - 9540 – Front Royal, VA

9560 – Duncan, OK
9580 – Morehead, KY
9590 – Maquoketa, IA
9530 – Odessa, TX
9550 – Marianna, FL
9570 – Rome, NY

6. Your Purchase Order line items will appear in the next screen. Each line will refer to a SKU on your purchase order. You will need to click the check box by each SKU you are ready to ship.
7. Once you have checked off each SKU that is ready to ship, click on the red arrow next to the words Ready To Ship at the top of the screen.
8. Begin populating this screen by verifying or changing the shipping location. The shipping location must be from a Buyer pre-approved origin point. Vendors shipping from locations that are not approved will be assessed incremental freight charges.
If the shipping location is not correct – please follow the directions on the TMS Ready-To-Ship web interface instructions (page 3 of 7) to enter the correct shipping location..
9. Enter the Date that the freight will be ready for pick up. Use the Clock -Calendar beside the Ready to Ship Early Date. The Calendar will allow you to pick a month and day for the ready to ship date.
10. Enter the Ready to Ship Late Date – this is the cancel date on the order.
11. Type the weight in the weight field. Do not enter an amount greater than 46,000 pounds.
12. Enter TOTAL VOLUME (cubic feet) ONLY if freight is FLOOR LOADED.
13. If the product is PALLETIZED, skip over the total volume (cubic feet). Go to Transport Handling Unit and click the down arrow and choose either “Double Stack Pallet” or “Single Stack Pallet”. Enter the NUMBER of pallets in the “Ship Unit Count” field. Do NOT enter a CASE COUNT in the Ship Unit Count field. Do not enter pallets in the remark area.
14. If you need to release both double and single stack pallets on the same purchase order, you must create two (2) separate releases.
15. IF YOUR SHIPMENTS REQUIRE MORE THAN ONE TRUCKLOAD, you need to release the freight one truckload at a time.
16. You must click save.
17. If you have other information you want Family Dollar or the carrier to know, such as required pickup numbers or holiday closings, click the Remark Qualifier ID and then type your information in the text area. Click Save next to the Text Box after each remark.
18. Next you need to enter the Ship Quantity by typing the number of CASES you will be shipping by SKU. If you are shipping the exact number of cases you see on the screen, you can click on the words Ship Complete to populate the ship quantity for you.
19. Once you have entered all of your information, click the save button at the bottom left of the screen.

20. You will receive a message that you have successfully created the order release. If you receive an error, call the Family Dollar Operations Center at 704-847-6961 – Option 8.
21. To input information for another PO, click the Ready to Ship on the left to start again.
22. When a Carrier has been assigned to your Shipment, you will receive an email Vendor Tender Notification from the TMS system along with a TMS shipment “id number.” The Shipment ID number and Purchase order number(s) must be printed on the Bill of Lading.
23. Vendor’s must ship the purchase order or purchase orders as noted on the Vendor Tender Notification. If multiple PO’s are listed, all should ship together on the same truck in the quantities previously released by the Vendor. Do not ship additional product that has not been released in the TMS System. Vendors who ship cartons, weight, and/or cube not previously released will be subject to incremental freight charges.
24. Please notify Family Dollar immediately of any over-flows that occur once the carrier has picked up.

Since systems enhancements may occur, we encourage you to print and follow the Ready-to-Ship Web Interface Instructions if you seem to have any problems entering data. If this does not resolve your problem, please feel free to contact 704-847-6961 – Option 8 and the first available representative will assist you.

- B. All purchase orders that are entered for routing after the cancel date will have to be approved by the buyer before they can be routed. A late purchase order is subject to cancellation by the buyer.
- C. All vendors are required to load the merchandise on the carrier’s trailers. Failure to comply will result in charge backs to the vendor. Charge backs will be assessed in the amounts of:

\$100.00	for up to 500 cartons
\$150.00	for 501 to 700 cartons
\$200.00	for 701 to 1000 cartons
\$50.00	increments for every 200 cartons thereafter
- D. Freight must be loaded, blocked or braced whereas it will not shift during damage.
- E. The following is the required information for vendor’s bill of lading and carrier’s freight bills:
 1. Shipper’s name, street address, city, state, and zip code.
 2. Consignee’s name, street address, city, state, and zip code.
 3. Family Dollar’s purchase order number(s) and department number or sku number.
 4. The Transportation Management System “id number.”

5. Accurate Family Dollar description of items being shipped including the NMFC classification code.
 6. Total number of cartons and total weight.
 7. All Bills of Lading must have a unique, unrepeated, Bill of Lading number.
 8. Bill of Lading date (ship date).
 9. Freight terms: Collect - C
 10. Carrier name and trailer number.
 11. Seal Number attested to by Shipper and Driver signatures.
 12. Driver's signature with date and carton or pallet count.
- F. Please provide two copies of the original bill of lading to the driver for delivery.
- G. If the product to be shipped is not prepared and ready to load at the time at the carrier's scheduled pickup, any resulting charges for delay billed to Family Dollar Stores by the carrier will be charged against the shipper.
- H. Failure to follow the aforementioned procedures shall result in Family Dollar assessing a charge back to the vendor for excess freight charges plus administration charges.
- I. Risk of Loss: The risk of any damage, destruction or loss of goods remains with the vendor until the goods are delivered to Buyer's premises in good condition (Number 1. Family Dollar Contract - Terms and Conditions).
- J. If instructed by TMS to ship via AMSTAR -- All shipments from New Jersey and New York metro must be shipped prepaid to the consolidator. Family Dollar's Consolidator is Amstar Trucking – 10 Port Kearny, Su. B. South Kearny, NJ 07032. The telephone number is (201) 434-4444. You must call Amstar Industries 24 hours prior to delivery or to schedule a pickup.
- K. Amstar will not accept your shipment without the Family Dollar Shipment ID number.

This includes overflows and back orders from previous truckload shipments.

L. Direct to store (LTL) shipments:

LTL Shipments that are 200 lbs. or less and meet other UPS guidelines should be shipped by either carrier. Freight charges for UPS shipments should be added to the invoice if the buyers purchase order is written "collect." If the LTL shipment is more than 200 lbs. and does not meet other UPS guidelines, use one of the pre-approved LTL carriers from your origin state.

PART III: DOMESTIC PORT SHIPMENTS

Collect shipments purchased POE (port of entry) must arrive at these ports according to the Family Dollar destination.

Matthews, NC
Charleston, SC or
Charlotte, NC

West Memphis, AR
Memphis, TN inland port or
Marion, AR

Rome, NY
Syracuse, NY

Front Royal, VA
Baltimore, MD or
Front (Port) Royal, VA

Duncan, OK
Oklahoma City, OK or
Dallas, TX inland port

Marianna, FL
Savannah, GA

Morehead, KY
Cincinnati, OH
Louisville, KY

Maquoketa, IA
Chicago, IL

Odessa, TX
Dallas, TX inland port

Vendor Instructions:

Vendors will notify Family Dollar's Appointment Coordinators by phone or fax of cargo arrival due dates when the shipment is shipped from the foreign port. The arrival notice should come as a "delivery appointment request" and should contain the following information:

1. Purchase Order number(s)
2. Cartons per container load
3. Container number
4. Steamship estimated arrival date and time (ETA)
5. Request for delivery appointment date and time
6. Request for carrier assignment for collect shipments.

You can find a copy of the "delivery appointment request" form at www.familydollar.com under the Distribution link.

The delivery appointment request should also contain the name, telephone number and fax number of the person requesting the appointment. An appointment will be set and the vendor will be notified within 24 hours of the request. Family Dollar will assume that it takes five (5) days for the merchandise to clear customs. Please specify the amount of free time available on each container after the 5 days. Family Dollar will, to the best of its ability, make the delivery appointment within that free time. If an appointment cannot be given within the free time, the vendor is responsible for all per diem, detention, and demurrage charges. The vendor is responsible for notifying the Appointment Coordinators of any ETA delays. The vendor or the assigned broker

must communicate the purchase order number, any port pick up numbers and the delivery appointment time and date to the carrier. A delivery order or copy of the Bill of Lading must be given to the carrier to deliver with the shipment.

Vendors who ship collect and do not follow the prior instructions will be subject to charge backs of additional freight charges incurred by Family Dollar plus 15% of the additional charges as an administration charge.

PART IV: PREPAID PURCHASE ORDERS – Do not use Central Transport for any shipment to Family Dollar.

Understanding Family Dollar Purchase Order Dates:

Prepaid Vendor: Vendor arranges shipment and pays all freight charges

Hard Copy PO	EDI PO	Definition of Date
N/A	Code 037 Ship Not Before	This date has no relevance for prepaid vendors. Vendor must ship product whenever necessary to meet the Family Dollar “Do Not Deliver Before” date.
N/A	Code 038 Ship No Later	This date has no relevance for prepaid vendors. Vendor must ship product whenever necessary to meet the Family Dollar “Do Not Deliver Before” date.
Do Not Deliver Before	Code 017 Estimated Delivery	This date represents the day Family Dollar expects delivery to its Distribution Center. Vendor is responsible for shipping product with enough transit time to meet the Family Dollar “Do Not Deliver Before” date.
Cancel If Not Delivered By	Code 061 Cancel If Not Delivered By	In the event vendor does not deliver product on the “Do Not Deliver Before” date, vendor may deliver product up to the “Cancel If Not Delivered By” date. Product received past this date will be considered late and subject to cancellation or other penalties.

1. PREPAID VENDOR INSTRUCTIONS: Vendors receiving a Prepaid Purchase Order requiring a trailer load shipment shall call or FAX Family Dollar’s Appointment Coordinators for a pre-set delivery appointment at the time the order is placed.

A. To receive or confirm a delivery appointment, the vendor/shipper should call or FAX the appointment desk at the destination specified on the purchase order and provide the information contained on the attached form to the corresponding Family Dollar delivery address and telephone number listed below:

Dist #	Distribution Center Name Address	Appointment Hours Phone Number	Receiving Days/Hours Phone Number
9520	Arkansas Distribution Center 1800 Family Dollar Parkway West Memphis, AR 72301	Mon-Fri 8:00a.m. – 5:00 p.m. (Central) P: (704) 814-3511 F: (704) 846-2509	Monday 7:00 a.m. thru Friday 9:00 p.m. (Central) (870) 732-3264 ext. 242
9530	Texas Distribution Center 3101 East I-20 Odessa, TX 79766	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3440 F:(704) 846-2509	Sunday 11:00 p.m. thru Friday 9:00 p.m. (Eastern) (432) 367-1300 ext. 3016
9540	Virginia Distribution Center 155 Fairground Road Front Royal, VA 22630	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3397 F:(704) 846-2509	Sunday 11:00 p.m. thru Friday 7:00 p.m. (Eastern) (540) 622-6660 ext. 2025 or 2027
9550	Florida Distribution Center 3949 Family Dollar Parkway Marianna, FL 32448	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 849-7476 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 9:00 p.m. (Central) (850) 526-6500
9560	Oklahoma Distribution Center 201 East Cherokee Road Duncan, OK 73533	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3401 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 2:00 p.m. (Central) (580) 470-1700 ext. 2826 or 2835
9570	Rome Distribution Center 847 Ellsworth Road Rome, NY 13441	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 847-6961 ext 7476 F:(704) 846-2509	Sunday 10:00 p.m. – Friday 11:00 p.m. (Eastern) (315) 838-2588
9580	Kentucky Distribution Center 1000 Industry Road Morehead, KY 40351	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3258 F:(704) 846-2509	Sunday 11:00 p.m. thru Friday 9:00 p.m. (Eastern) (606) 780-7960 ext. 3010 or 3016
9590	Iowa Distribution Center 302 Family Dollar Parkway Maquoketa, IA 52060	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3564 F:(704) 846-2509	Monday 7:00 a.m. thru Friday 1:00 p.m. (Eastern) (563) 652-7300
9990	North Carolina Distribution Center 10401 Monroe Road Matthews, NC 28105	Mon-Fri 8:00a.m. – 5:00 p.m. (Eastern) P: (704) 814-3436 F:(704) 846-2509	Monday 7:00 a.m. – Friday 7:00 p.m.. (Eastern) (704) 847-6961 ext. 4823

You can find a copy of the “delivery appointment request ”form at www.familydollar.com under the Distribution link.

Any cartons shipped in error to the wrong DC will result in a charge back to the vendor/shipper for handling and transportation charges. See penalty section.

- B. Family Dollar shall provide the vendor with a pre-set delivery appointment within 24 hours of the request.
 - C. The following is required information for vendor’s bill of lading and carriers freight bills:
 - 1. Appointment date, time and confirmation numbers must show on the carrier’s delivery bill.
 - 2. Shipper’s name, street address, city, state, and zip code.
 - 3. Consignee’s name, street address, city, state, and zip code.
 - 4. Family Dollar’s purchase order number and department number or sku number.
 - 5. Accurate Family Dollar description of the items being shipped.
 - 6. Total number of cartons and total weight.
 - 7. A unique Bill of Lading Number or Shipper Number is required for each shipment.
 - 8. Freight terms – Prepaid
 - 9. Carrier name and trailer number
 - 10. Seal number attested to by Shipper and Carrier
 - 11. Driver’s signature with date and carton count.
 - D. Carriers / Drivers will not be accepted for live unload deliveries more than one (1) hour prior to the scheduled delivery date and time.
 - E. For more efficient handling of your freight, Prepaid vendors should consider using one of our preferred LTL carriers – Roadway Express, UPS Freight (formerly Overnite Transportation) and Old Dominion Freight Lines.
 - F. Family Dollar Stores will not be responsible for any additional charges on prepaid shipments, including, but not limited to: a) detention, b) sorting and segregating, c) notification charges, and d) unloading.
 - G. The risk of any damage, destruction or Loss of goods remains with the vendor until the goods are delivered to the Buyer’s premises in good condition (Number 1: Family Dollar Purchase Order Contract – Terms and Conditions.)
2. **PREPAID VENDOR'S CARRIER INSTRUCTIONS:** Should an accident, inclement weather, or road work cause delays, the carrier shall immediately notify the Family Dollar Receiving Department listed on the Purchase Order. The carrier must provide details of

the delay and the approximate time of the delivery. Based on this information, the Family Dollar Receiving Department shall make the determination to reschedule the appointment or work the trailer into that day's schedule.

- A. All trailers, including leased trailers, must be clearly marked with the carrier's name. The carrier's name should be indicated on the nose, sides, and rear of the trailer.
- B. Inbound freight to Family Dollar Distribution Centers shall be "Driver Unload." Family Dollar will make every attempt to unload palletized, single item shipments without carrier/driver assistance. However, the vendor's failure to follow our shipping and packaging instructions may result in the driver having to assist in the unloading process. Vendor noncompliance could include, but is not limited to, overhang on pallets, bad pallets, and mixed freight.
- C. Each carrier's driver shall count and sign for the correct number of shipping units as specified on the Bill of Lading and Packing List. Family Dollar's unloading service is available at carrier request only. Family Dollar Stores will in no way require a driver to use the service.
- D. Drivers are required to obtain a copy of the proof-of-delivery (p.o.d.) at the time of delivery. Failure to obtain a (p.o.d.) will result in a charge of \$25 per bill should Family Dollar have to pull and send a copy to the carrier and/or vendor.
- E. Any carrier missing their pre-scheduled delivery appointment shall have to hold the freight, at the carriers or vendors expense, until a new delivery appointment can be given.
- F. Family Dollar Stores will not be responsible for any additional charges on prepaid shipments, including, but not limited to: a) detention, b) sorting and segregating, c) notification charges, and d) unloading.

G. Pallet Delivery:

Pallets used by the vendor/shipper to ship merchandise to Family Dollar shall conform to the following specifications:

1. All pallets used shall be, at the minimum, a grade A GMA four-way pallet in good condition and measuring 48" (long) X 40" (wide).
2. Each pallet shall have three single stringers (runners). One stringer shall be on each side and one in the center running the length of the pallet.
3. The pallet shall not have any missing, broken, or split boards. Each pallet shall have five boards in good condition securely fastened on the

bottom and seven boards in good condition securely fastened on the top.

4. Each pallet shall present a clean appearance with no dirt, grease or other foreign material on it.
5. If goods are on an unacceptable pallet, the carrier will have the responsibility for off-loading the merchandise onto an acceptable pallet provided by Family Dollar. Any expenses incurred by the carrier should be charged to the shipper.
6. Merchandise stacked on pallets or slip sheets shall be stacked in a manner that maximizes the trailer cube, but does not damage the product or crush the master case. The Shipper is responsible for ensuring the freight is blocked or braced at loading to ensure product does not shift during transit.
7. Pallets or slip-sheets shall not exceed a maximum weight of 2,000 pounds (909 Kilograms). In order to maximize trailer or container space, two pallets may be stacked on top of each other; however, the vendor/shipper shall be liable for any damage to the merchandise shipped to Family Dollar in this configuration.
8. The vendor/shipper shall use the same tie to stack the same (same item SKU) merchandise on all pallets sent. Also, the merchandise shall be stacked on a pallet in such a manner so as not to overhang any edge of the pallet.
9. All pallets shall be taped, strapped, or shrink-wrapped to prevent the merchandise from shifting during transit.
10. Pallets shall be placed in a "pinwheel" formation (one lengthwise and one side ways) in the trailer and proper blocking and bracing should be used to ensure merchandise is delivered without damage.
11. The vendor/shipper shall ensure that the last pallet loaded shall have a freight bill and/or packing list attached and is facing the door of the trailer.
12. Failure to follow the above procedures shall result in Family Dollar assessing the vendor a handling charge.

PART V: SHIPPING / PACKAGING INSTRUCTIONS

1. **PACKAGING SPECIFICATIONS:** Due to the conveyor shipping system utilized by Family Dollar Distribution Centers, Family Dollar must insist on the following:

- A. Each like item to be shipped shall be packed in the same size case, box, or carton.
- B. The exterior packaging shall be of sufficient strength to withstand the stress and pressure exerted by the weight of the contents of each package thus, preventing damage to the contents of each package during shipment and subsequent delivery to Family Dollar. Crushed cartons cannot be processed through the conveyor system.
- C. Flaps shall be taped or glued to keep the cartons tightly closed. When straps are used, they shall be tightly secured. Sharp edges are not to be exposed on metal tabs securing these straps.
- D. Case, box, or carton dimensions shall be as follows:

<u>Dimensions</u>	<u>Minimum</u>	<u>Maximum</u>
Length	9 inches	42 inches
Width	6 inches	25 inches
Height	4 inches	29 inches
Weight	3 lbs.	50 lbs.

- E. The Family Dollar Purchase Order Number, Department Number, Vendor Style Number, and Family Dollar SKU shall be clearly placed, stamped, or printed on each box, carton, or case.
- F. Failure to follow these procedures shall result in Family Dollar assessing the vendor handling charges.

3. SHIPPING AND RECEIVING REQUIREMENTS:

- A. To expedite the unloading time at Family Dollar, the following guidelines shall be followed. Failure to follow these guidelines will cause longer unloading time and shall result in Family Dollar assessing a charge back to the vendor as specified.
- B. All Bills of Lading must have a unique, unrepeated, Bill of Lading number.
- C. The Family Dollar Purchase Order Number and Department Number shall be shown on the Bill of Lading and the Packing List. Failure of the vendor/shipper to comply shall result in the vendor being assessed a flat rate charge.
- D. All orders shall be shipped in the quantities specified. Any overage shall be returned to the vendor/shipper at the vendor's/shipper's expense. The vendor/shipper shall be assessed handling charges.
- E. All merchandise shall be shipped in the packs and assortments (size and color) of the Style Number specified on the Family Dollar Purchase Order. Only one style number shall be shipped per box, case, or carton. All

cartons of one style number in a shipment shall be packed in the same size box, case, or carton. Failure of the vendor/shipper to comply shall result in the goods being returned at the vendor's/shipper's expense in addition to handling charges being assessed. If not returned, the vendor/shipper shall be assessed handling and storage charges for the repackaging of the goods by Family Dollar.

- F. All Family Dollar Purchase Orders shall be shipped on or after the Ship Date, but prior to the Cancel Date. All orders shipped outside the specified shipping period shall be subject to being returned at the vendor's/shipper's expense. The vendor/shipper shall be assessed handling, storage, and transportation charges.
- G. 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.
- H. When merchandise is to be returned to the vendor, an authorization number will be requested by Family Dollar. After the third day of storage awaiting the authorization number for the return, a storage fee of \$1.25 per day, per storage location, will be charged to the vendor.
- I. The style number stamped or printed 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 Family Dollar. If merchandise is returned, the vendor/shipper shall be assessed handling and shipping charges.
- H. We prefer one FDS SKU Number to be shipped per pallet. When this is not feasible, multiple styles are to be stacked accordingly. The vendor/shipper shall group the merchandise by style number and separate each style by plastic or paper on the pallet. Failure to comply shall result in the vendor/shipper being assessed handling charges.
- I. Pallet tags (Labels) for pallets with only one SKU number are acceptable. The cases must be shrink-wrapped on the pallet, then a pallet tag secured to the shrink-wrap. The pallet tag must have the Family Dollar Purchase Order Number, number of cartons per pallet, and the Family Dollar SKU Number.
- J. When a trailer is floor-stacked by a vendor/shipper, the boxes, cases, or cartons shall be pre-sorted by the Family Dollar Purchase Order Number and the Family Dollar IBM (SKU) Number found on the Purchase Order. The side of the box, case, or carton with the style number on it shall face the rear of the trailer (door). Attached to the last case loaded and facing the trailer door shall be a packing list containing the number of cases of each

different item shipped. Failure to comply shall result in handling charges being assessed against the vendor/shipper.

- K. Vendors/Shippers are required to make sure the merchandise is properly shrink wrapped or taped and also blocked and braced prior to the carrier leaving the pick up facility. Failure to comply will result in the dollar amount of damages being charged back to the vendor.
- L. Inbound freight to Family Dollar Distribution Centers shall be "Driver Unload." Family Dollar will make every attempt to unload palletized, single item shipments without carrier/driver assistance. However, the vendor's failure to follow our shipping and packaging instructions may result in the driver having to assist in the unloading process. Vendor noncompliance could include, but is not limited to, overhang on pallets, bad pallets, and mixed freight.
- M. Vendors complete shipping address and telephone number should be provided on the Bill-of-lading.

PART VI: NON-COMPLIANCE CHARGES

1. CHARGES FOR VIOLATIONS:

Family Dollar shall assess the following penalties and charges to vendors/shippers who fail to comply with the routing, shipping, and packaging instructions contained within this document.

- 1. All chargebacks are a minimum \$75.00 charge. All charge backs are also subject to a 10% or minimum \$50.00 administrative charge.
- 2. All handling charges shall be at a rate of \$75.00 per hour, plus a 10% (total cost value of the item in question) administration charge.
- 3. An order received prior to the "Begin Shipping Date" shall be subject to a storage and handling charge of 10% of the value of the order or \$750.00, whichever is greater. Also a 10% (value of the item in question) administration charge shall be charged.
- 4. Repack and all other labor charges shall be billed at a rate of \$75.00 per hour, plus supplies and a 10% (value of the item to be worked) administration charge.
- 5. All flat rate charges shall be billed at a rate of \$250.00 per charge.
- 6. Any vendor using bad pallets to ship merchandise will be assessed at the following rates for each pallet of merchandise we have to transfer to another pallet:

- A. The first offense will result in a letter to the vendor advising them of the problem with the pallets received. A copy of the charge-back list will also be sent.
 - B. *Additional offenses will result in a \$75.00 minimum charge back plus \$11.00 per pallet after the first 7 bad pallets.*
 - C. In addition, a 10% (per pallet) administrative charge shall be charged. In each case, a letter will be mailed to the vendor stating the reason for the charge back.
7. Merchandise shipped to the wrong D.C. will result in the vendor being charged:
- A. Handling charges of \$75.00 per hour + 10% administration charge.
 - B. Inbound transportation cost (if a collect shipment).
 - C. Outbound (transferring to correct DC) transportation cost, whether prepaid or collect.
8. If a product to be shipped is not prepared and ready to load at the time of the carriers scheduled pick up, any resulting charges for delay billed to Family Dollar Stores by the carrier will be charged back against the shipper.

9. Return to Vendor Shipments

The Family Dollar company policy for RTV Vendor charge backs is a standard 10% of the cost of returned goods as a handling charge. In addition, Collect Freight vendors are charged 6% of the cost of the returned goods to cover both the inbound and outbound freight. These are automatically populated on the RTV form and added to the charges to be deducted from the vendor.

13. Any disputes on chargebacks filed against a vendor must be addressed in writing within six months of the chargeback date. Any chargeback not questioned within six months will stand as filed with no further review. Address questions to:

Chargeback Vendor Relations
Accounts Payable
Family Dollar Stores, Inc.
PO Box 1017
Charlotte, NC 28201-1017