



DEPARTMENT STORE SUPPLIER DIRECT FULFILLMENT ROUTING GUIDE

August 3, 2017

This guide replaces all other Routing Guides and exceptions

All future changes to this guide will be posted to the online version of our Routing Guide as they occur.

If you provide us with your Email address, we will advise you of any changes or updates.

PLEASE VISIT OUR VENDOR INFORMATION SITE AT www.vspec.boscovs.com/index.html

**ON A REGULAR BASIS AS YOU ARE RESPONSIBLE FOR
COMPLYING WITH ALL POSTED REQUIREMENTS.**

**FAILURE TO FOLLOW BOSCOV'S ROUTING GUIDE AND PURCHASE ORDER
REQUESTS WILL INCUR EXPENSE OFFSETS.**

All hyperlinks are available when viewing the routing guide online.

Boscov's Department Store, LLC

P.O. Box 4116, Reading, PA 19606-0516 / Phone: 610.779.2000 / www.boscovs.com



Dear Trading Partner,

Boscov's Department Store compiled the following information to assist you in addressing our purchase order requirements and preparing your merchandise shipments for delivery to our company. Our distribution supply chain is committed to delivering your products to our stores in a timely and efficient manner. To achieve this goal, the mutual efforts of supplier and retailer must be focused on implementing the industry standards put forth by GS1 (formerly VICS). An integral element of complying with industry standards is the transmission and receipt of business documents via EDI.

Our required method of sending and receiving business documents is through EDI transmissions. This is the most efficient and accurate way to communicate vital information obtained through purchase orders and sales. Please see the *EDI Mapping Specifications* posted in the vendor section of our web site for more details. Our EDI partnerships are currently enabled by OpenText Inc. (formerly GXS Corporation). OpenText Inc. can assist you in becoming EDI-enabled. They can be reached at www.OpenText.com or 1-877-446-6847.

This Routing Guide describes Boscov's corporate requirements for shipping, packaging, and preparing imported and domestic merchandise for our receipt. Failure to comply with these guidelines will result in an expense offset fee, as outlined in our guide.

The Guide follows the *Retail Price Marking, Hanger Application Floor, Shipment Packaging, and Receipt Ready Shipments* standards that GS1/VICS has published. These standards can be found at www.vics.org in the *Guidelines* section under *Voluntary Guidelines to Floor-Ready Merchandise*. For *Purchase Order Terms and Conditions*, please see Boscov's Documents on the website.

Lastly, this Routing Guide contains critical information regarding Import documentation, Customs compliance and Boscov's Code of Conduct for all vendors. Please contact our Import Manager or Director of Vendor Services should you require further clarification.

We appreciate your cooperation and adherence to these requirements.

Corporate Offices: 4500 Perkiomen Avenue, Reading, PA 19606-0516

Table of Contents

1. Program Definition and Document Purpose	4
1.1. Program Requirements	4
1.2. Operations Requirements	4
2. Product Content Creation and Display	5
2.1. Rebate Information	5
2.2. Product Submission	5
2.3. Cost of Goods	6
2.4. Product Pricing	6
3. Quality Assurance for Products and Packaging	6
3.1. Site Visitation	6
4. Supplier Profile	7
4.1. Getting started with Supplier Direct Fulfillment	7
4.2. Contact Information	7
4.3. Supplier Facility Closures	7
4.4. Supplier Fulfillment Facility Changes	7
5. Inventory Management	7
5.1. Inventory Availability	8
5.2. Inventory Reporting	8
6. Customer Order Processing and Fulfillment	8
6.1. 3rd Party Order Processing Interface	8
6.2. Purchase Order Transmission	9
6.3. On-time Fulfillment	9
6.4. Order Status Update	10
6.5. Shipment Confirmations	10
6.6. Order Cancellations	10
6.7. Shipment Errors:	11
6.8. Parts Replacement	11
6.9. Branding	11
6.10. Holiday Shipping Schedules	12
7. Shipping and Transportation	12
7.1. Freight Terms	12
7.2. Packaging Standards	13
7.3. Freight Billing	13
7.4. Parcel Package Routing	13
7.5. Non-parcel (Oversized, White Glove Service/Over the Threshold Delivery):	14
8. Customer Service Commitment	14
8.1. Supplier Customer Service	14
8.2. Product Warranty	14
8.3. Product Recalls	15
9. Invoicing and Payment	15
9.1. Reconciliation	15
9.2. Cost of Goods Sold	15
9.3. Add-ons	15
9.4. Deductions	15
10. Returns	16
10.1. Customer Returns Policies	16
10.2. Return Policy Exceptions	16
10.3. Mis-Ships, Damaged and Defectives	16
10.4. Field Destroy	16
10.5. Return Notifications and Credit Memos	17
10.6. Undelivered Returns	17
10.7. Return Authorizations	17
11. Compliance	17
11.1. Compliance Fee Schedule	17
11.2. New Supplier Partnership Evaluation	19
11.3. Service Level Management	19
12. Supplier Direct Fulfillment (Drop Ship) – Contact Information	19
13. Certificate of Insurance Specifications	19
14. BOSCOV'S DEPARTMENT STORE, LLC, PURCHASE ORDER TERMS AND CONDITIONS	20
15. Boscov's Department Store, LLC Code of Conduct for Vendors	29
16. DATA PRIVACY AND INFORMATION SECURITY	31
17. CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT	32

1. Program Definition and Document Purpose

Bosco's is leveraging a Supplier Direct Fulfillment (SDF) network, also referred to as "Drop Ship," as a fulfillment type to support Bosco's ecommerce assortment. In this model the eCommerce customer orders are passed directly to our supplier partners to fulfill and ship to our customers. *Fulfillment of direct-to-consumer orders via SDF for boscovs.com requires additional capabilities, special processes and program specific policies for participating suppliers.* A supplier is required to follow the assortment, operational, shipping, technology and contractual policies referred to in this document. The SDF program adds value for the Bosco's consumer AND our vendor partners:

- Drives incremental sales growth for Bosco's and its vendors
- Enables extended assortments, which means more selling opportunities and better utilization of vendor inventory
- Effective backup for Bosco's purchased inventory – if we run out, orders can be routed for fulfillment
- Creates better selection = happier more loyal customers
- Utilizes automated trading via OpenText and is efficient and cost-effective

In this document, references to Supplier or Vendor shall be considered as synonymous.

Any supplier specific amendments to the policies stated in this document must be agreed and approved by Bosco's in writing.

The most recent version of this document will be available for supplier access at vspec.boscovs.com/index.html.

1.1. Program Requirements

Basic Requirements:

- Vendor and Bosco's must agree to standard terms of business and co-sign a Vendor Direct to Consumer Trading Agreement
- All products must have a unique UPC (Universal Product Code) that has been approved by the GS1US (formerly Uniform Code Council)
- Vendor must trade with Bosco's via OpenText, as specified in Bosco's Vendor Direct Standards Manual
- Each vendor must provide daily inventory status on all items via OpenText in order for us to provide accurate product availability information to consumers

1.2. Operations Requirements

Bosco's will transmit orders via OpenText once a day. Vendors must:

- Receive, process and ship orders daily. If possible, systems should be configured to pull in Bosco's orders multiple times daily
- Fulfill (pick, pack & ship) products directly to a boscovs.com customer in individual unit quantity
- Fulfill a standard Bosco's customer order within **two (2)** business days of receiving an SDF customer order
- Transmit a shipment confirmation, via OpenText, the same day as each shipment. Each shipment confirmation must contain the carrier tracking number for each package
- Provide and maintain Bosco's with on-hand inventory availability quantity commitments to support web demand Include a Bosco's branded pack list and shipping label, per Bosco's branding standards, in each customer shipment Receive products returned directly from customers (e.g., undelivered or refused shipments) and notify Bosco's of returned orders within five (5) days of receipt to ensure customer's and Bosco's credits are properly issued.
 - Standard returns for delivered products may differ based on negotiated terms between Bosco's and the vendor.
- Respond to Bosco's with customer order exception or inquiries within one (1) business day

2. Product Content Creation and Display

Boscov's has an eCommerce merchandising team managing online product content displayed on BOSCOVS.COM. This includes all information displayed to the customer on the product detail pages such as product description, narrative copy, specifications, images/graphics and video.

- The Boscov's Merchandising Office is responsible for final selection, approval, initial product setup and works with the SDF Operations team to support the display status of all e-Commerce products available for sale.
- Suppliers are required to complete a Boscov's Assortment Worksheet, with assistance from the Boscov's Merchandising Office and SDF Operations Team, a minimum of four (4) weeks prior to the supplier's scheduled launch date or desired display date (if adding new UPC/SKU's to an existing SDF assortment) on the [BOSCOVS.COM](https://www.boscovs.com) storefront.
- Suppliers are required to provide digital assets (photographs) of products per Boscov's eCommerce image specifications.
- Suppliers are required to provide physical product samples to the SDF Operations Team if digital assets per Boscov's specifications are not provided. Sample submission in lieu of digital assets must be approved by the SDF Operations Team.

2.1. Rebate Information

The supplier will negotiate all planned rebate promotions with the Boscov's Merchandising Office. An Online Rebate Request Form must be submitted to a Boscov's merchant a minimum of two (2) weeks prior to the planned start of a rebate promotion on [BOSCOVS.COM](https://www.boscovs.com). All content information displayed on the Website or inserted with the product must have prior approval from Boscov's.

2.2. Product Submission

2.2.1. Assortment:

To sell online, vendors must work out a product assortment with their Boscov's buyer that will provide the appropriate assortment breadth, while supporting Boscov's margin requirements and quality standards.

- Suppliers must submit product recommendations to Boscov's Merchandising Office for negotiation and approval.
- Brand name, made-to-stock products that do not require an Open-to-Buy (OTB) commitment by Boscov's
- Assortment is economically viable, after COGS and shipping, based on Boscov's margin requirements via SDF (determination of this will be worked out between vendor and Boscov's Merchandise Buyer)
- Products approved for sale online through Boscov's SDF program will utilize a product content template specified by Boscov's to create a record of the core item data in the Boscov's systems.
 - Suppliers MUST NOT submit products through this process without prior authorization from Boscov's.
- Provide product content (copy, detailed specifications) and images in digital format to Boscov's and/or a physical sample(s) if requested
 - Suppliers will be required to provide all digital assets for a product. Any imagery provided must be high resolution, jpeg images in the RGB format meeting Boscov's defined specifications. Digital assets must be provided to Boscov's based on a defined submission process dictated by Boscov's.
- Product content submitted by the supplier will be leveraged as the official record used to resolve any cost disputes or other discrepancies.

2.2.2. Catalog Data Submission

Item/UPC submission for entry into Boscov's order management systems:

- Boscov's Preferred Method: Via GXSCatalogueTM (formerly QRS) program. By supplying your data to GXS, you are capable of distributing your catalog to Boscov's and many other top retailers without the need to send separate files to each account
- Note – [Boscovs.com](https://www.boscovs.com) vendors must also provide additional product attributes (such as extended sizes, color, etc.) in order to properly represent your items on the website. Your [Boscovs.com](https://www.boscovs.com) buyer can provide you with the details on this separate process. These must comply with all NRF size and color codes.

The standard timeframe for product setup online is four (4) weeks from the point that all information (Product information, Images and Detailed Specifications, Features and/or copy) is successfully submitted to the Boscov's Merchandising team.

2.3. Cost of Goods

The wholesale cost for SDF UPC/SKU's will be negotiated between the Boscov's Merchandising Team and the Supplier and is expected to be the cost to ship the product directly to the customer through the Boscov's SDF program, and is defined as the Boscov's Cost of Goods Sold. Costs submitted via the Boscov's defined submission templates will be the binding cost and costs cannot be changed without Merchant approval.

- Cost updates must be submitted via the bulk upload template specified by Boscov's for each supplier.
- Boscov's reserves the right to approve cost changes or reject then remove product from sale.
- Suppliers shall allow five (5) business days for product cost changes to be approved and applied. Cost changes are not approved until Boscov's expressly communicates their approval in writing.
- Orders placed prior to the cost update in Boscov's systems will generate purchase orders at the cost of goods in the Boscov's system at the time the order was placed. Suppliers shall ship the order at the cost listed on the purchase order.
- Cost updates will not be granted retroactively. Orders invoiced at a different cost than reflected on the purchase order will error out at Boscov's and may potentially delay payment while offline resolution is being pursued.

2.4. Product Pricing

Suppliers may submit suggested retail pricing, MAP (minimum advertised price) and MSRP (manufacturer suggested retail pricing).

- MAP pricing can only be set by the manufacturer, and Boscov's will not accept pricing which is higher than pricing listed on other authorized retailer's websites.
- Boscov's reserves the right to specify selling price unless a MAP is defined.

3. Quality Assurance for Products and Packaging

Suppliers are responsible to ensure that all product descriptions, knowledge sheets, feature/benefit information, specifications, photography, images, video animation or interactive media, graphics, audio, website addresses and other content (collectively, "Product Content") furnished by the supplier to Boscov's for any Merchandise displayed on websites relating to Boscov's eCommerce programs is accurate, complete, and comply with all relevant laws. Boscov's reserves the right to request product quality certification, (or physical samples if no certification is available) to ensure the product meets acceptable safety, manufacturing and packaging standards.

- The decision to QA SDF product is at the discretion of the Boscov's Merchandising team.
 - Boscov's may accept tests done for or by other retailers, as well as any available documentation from internally requisitioned 3rd Party QA.
 - Safety Certification may be requested for specific product categories as well as Proposition 65 status.
 - If documentation does not provide all necessary information, additional sample testing may be required at the supplier's expense.
- For physical samples suppliers shall follow the below policy:
 - One (1) physical, production run sample of each item being sold must be provided along with the following:
 - Must arrive at Boscov's exactly as they would be shipped to a Boscov's customer (same materials, design, construction, appearance, measurements, features and packaging materials).
 - Submit Product Data Sheets with product samples.
 - Any inserts that will be included in the shipment to the customer including instructions, manuals, warranty information or other inserts must be submitted to Boscov's with the samples.
- In the event that the supplier cannot provide adequate documentation, Boscov's may send the product to an independent lab to verify quality or safety at the supplier's expense.
- All products must have appropriate labeling to meet US regulatory requirements and import regulations. In general, this requires every product (and its container) imported into the United States to be individually marked with its country of origin. This marking must be as legible, indelible, and permanent, as the nature of the product or container will permit. The marking must be conspicuous, i.e., easily readable and visible upon casual inspection. Special labeling requirements are required for electronics to comply with FCC standards.
- Boscov's will continue to monitor SDF product quality throughout the life of the partnership. Products with high rates of damage or defective reports may be suspended from sale until package and/or product quality is re-certified.

3.1. Site Visitation

Boscov's or its designated agent shall be permitted, but not obligated, to inspect the Supplier's property and operations at any reasonable time. Boscov's may inspect products to be used in filling orders at Supplier's plant prior to shipment and may reject those Products which, in Boscov's sole discretion do not conform to samples, descriptions or specifications provided by the Supplier.

4. Supplier Profile

4.1. Getting started with Supplier Direct Fulfillment

- If you are a new vendor to Boscov's you will need to be set up within our A/P systems and approved as a trading partner. If you are currently doing business with Boscov's, the setup process is simpler and involves activating your account to receive SDF orders
- Overall setup time varies depending upon duration of OpenText setup, testing and the time necessary to reach agreement on terms of business. The SDF team will work to ensure the quickest possible setup
- Note that setting up new items in a buyer's assortment generally requires eight (8) weeks lead time for product samples to be photographed, retouched and sized, copy to be written and web pages assembled and approved. Please utilize the new item setup form for Boscovs.
- To get started, log onto <http://vspec.boscovs.com/BoscovsSDFVendorAgreement.html> and follow the OpenText startup process (see following pages), including our setup form and to find important resources such as OpenText mapping guides, Boscov's Vendor Standards and Shipment Routing Guides
- In order to participate in the SDF program, complete all setup forms and return as directed by each form. Upon receipt of all setup forms, the SDF project manager will coordinate the various Boscov's teams to setup A/P, OpenText, etc.

Contracts:

The following is a list of contracting and setup forms that must be completed in order for an SDF partnership to be enabled at Boscov's.

- Boscov's Vendor Agreement including all Exhibits
- Boscov's SDF Term Sheet
- Complete IRS form W-9 (or proper substitution for non-USA Vendor)
- Provide Certificate of Insurance
- Complete Boscov's Vendor Setup Form

Suppliers are responsible for notifying Boscov's of changes to their supplier profile such as contact information changes and fulfillment center closures.

4.2. Contact Information

- Contact change information shall be submitted to Boscov's within three (3) business days of change.

4.3. Supplier Facility Closures

Suppliers are required to notify Boscov's of any warehouse, service center, or parts center closures that may inhibit the supplier from meeting the Boscov's order fulfillment standards.

- Suppliers are required to submit annually, a list of all planned warehouse closures including holidays and year-end inventorying.
- Changes to this list must be submitted at least 10 business days prior to the closure.
- In the event of an emergency (unexpected) closure, Boscov's must be notified immediately.
- The supplier is expected to take appropriate action to ensure they do not receive customer orders during their closure period.
- In the event of an emergency (unexpected) change in fulfillment location, Boscov's must be notified immediately.

4.4. Supplier Fulfillment Facility Changes

Boscov's takes many considerations into account when evaluating a supplier for inclusion in its SDF program. One of these considerations is the fulfillment location for a given supplier in relation to what Boscov's regards to be its core customer and region. A change to this location may have financial impacts to Boscov's which would cause them to re-evaluate a supplier's status within the SDF program.

- Suppliers are required to notify Boscov's in the event of a planned fulfillment center move as far in advance as is reasonably possible to give Boscov's time to evaluate any potential financial impact.

5. Inventory Management

Boscov's SDF assortment offering is a supplier managed inventory program supported by SDF suppliers. Reported inventory availability determines product availability for customer purchase. This section outlines key policies for reporting and managing inventory for this program.

5.1. Inventory Availability

- Inventory communicated to Boscov's is expected to be 100% available for Boscov's customers as the Boscov's systems interpret the reported values as "available-to-promise" to Boscov's customers.
- Suppliers will submit inventory quantities at least daily during standard business days.
- Suppliers should anticipate inventory needs based on historical sell-through and anticipated promotions.
 - Boscov's may provide anticipated sales forecasts however, unless otherwise specified in writing and signed by an authorized Boscov's representative, these forecasts in no way obligate Boscov's to purchase any minimum quantities nor do they guarantee sales.
- Suppliers must report available inventory at the UPC/SKU level.
- A minimum of 95% of the "available" assortment is expected to have quantity available at any point in time.

5.2. Inventory Reporting

Daily Inventory Advice File (Required Document)

All Boscov's SDF vendor partners are required to submit a daily inventory file via OpenText. The following guidelines must be followed in order to comply with the standards of the SDF program:

- Suppliers are required to provide inventory quantities for products offered on BOSCOVS.COM through Boscov's designated 3rd party SDF order processing provider.
- Suppliers are responsible for ensuring inventory is accurate on a daily basis.
- All UPC/SKU's shall be flagged in Boscov's designated 3rd party SDF order processing provider as "Available".
- Only "approved" UPC/SKU's shall be transmitted to Boscov's designated 3rd party SDF order processing provider.
- Suppliers are required to zero out inventory the same business day for out of stock products.
 - Any order that cannot be filled within the standard fulfillment time period due to the lack of inventory shall be canceled.
 - Backorders and substitutions are NOT permitted.
- Suppliers must notify Boscov's through Boscov's designated 3rd party SDF order processing provider whenever a UPC/SKU is discontinued.
 - UPC/SKU status shall be changed to "Discontinued".
 - Inventory shall continue to be reported on the discontinued UPC/SKU until the product inventory is completely depleted or until an item is to be no longer sold on BOSCOVS.COM. When an item is to be no longer available and/or once inventory is depleted, a feed with "0" units available must be sent.

Boscov's will take order quantities up to the reported available inventory levels.

6. Customer Order Processing and Fulfillment

Consistent fulfillment is the key to maintaining a positive customer experience with Boscov's. This section outlines key order processing and fulfillment policies that will ensure a quality experience for the Boscov's customer.

6.1. 3rd Party Order Processing Interface

OpenText Technology Requirements:

Suppliers must be able to transmit/receive all order processing messages electronically through Boscov's third party SDF order broker, OpenText*. We require all vendors to contract with OpenText, Boscov's vendor for Supplier Direct Fulfillment. OpenText allows for an easy setup and maintenance of a robust SDF program which maximizes value for both sides. Boscov's will prioritize each vendor and turn them over to OpenText on a weekly basis. OpenText will then contact you to begin setup.

- Inventory Availability – Online SDF assortment availability will be driven and decremented against vendor provided inventory quantities by SKU
- Purchase Order – Receive a separate purchase / fulfillment order for each customer order
- Ship Confirmation – Upon fulfillment, vendor will provide confirmation of shipment (shipped, cancelled for each line item) in an SDF purchase order and include shipment tracking details within 24 hours of shipment
- Invoice – Provide a separate invoice for payment of confirmed SDF purchase order shipments

*Suppliers have several options to manage these transactions. Any combination of browser-based (web forms) and integrated messaging is supported. Integrated options vary from basic to complex to meet your technology capabilities. Browser based management can be enabled with minimal technology investment.

Integration Options:

- EDI (ANSI X12)
- XML (over AS2)

- Flat / Delimited File over FTP

Web Interface Requirements:

- Computer with Internet access
- Dedicated staff to check for orders, upload inventory and enter tracking and invoice details daily

Customer SDF orders will be shipped directly from the supplier’s facilities to the customer. All SDF orders will be transmitted through Boscov’s designated 3rd party SDF order processing provider.

- Suppliers are responsible for all costs associated with using Boscov’s designated 3rd party SDF order processing provider, including setup fees, transaction fees, subscription fees or any other applicable fees associated with the transmission of data.
- Suppliers must successfully complete all testing and training and be certified as ready to go prior to launching with Boscov’s designated 3rd party SDF order processing provider.
- All suppliers are expected to be able to use Boscov’s designated 3rd party SDF order processing provider browser interface as a backup to process orders in the event of electronic communication failures, and to self-monitor program performance.
- Suppliers shall notify their Boscov’s merchant prior to requesting disconnection from Boscov’s designated 3rd party SDF order processing provider.

6.2. Purchase Order Transmission

Boscov’s transmits purchase orders to suppliers automatically multiple times daily. A single Boscov’s customer order may have several supplier purchase orders associated with it. The supplier purchase order will include all of the information a supplier needs to fulfill and ship their merchandise to the Boscov’s customer.

- Boscov’s will not transmit a purchase order to a supplier until the inventory availability quantity minus allocated inventory to open purchase orders is equal to or greater than the quantity requested on the purchase order.
- A purchase order is valid for immediate fulfillment and shipment once it is available to the supplier by the 3rd party SDF order processing provider.
- Each purchase order has only one “Ship To” address and one shipping service level type designation.
- A purchase order can consist of a single line item for a single unit quantity or multiple line items with multiple quantities for each line item.
- The clock on Fulfillment time begins 8am, the first full business day the purchase order is available for download in Boscov’s designated 3rd party SDF order processing provider, regardless of when the supplier actually downloads it.
- The supplier leveraging automated electronic communication will be required to submit a functional acknowledgement of the receipt of a purchase order through Boscov’s designated 3rd party SDF order processing provider.

6.3. On-time Fulfillment

It is essential that suppliers are able to fulfill the customer’s order on time to ensure an on-time arrival to the end customer.

- All orders must be shipped and confirmed as shipped within the standard fulfillment timeframe – two (2) business days from the day the purchase order was received in Boscov’s designated 3rd party SDF order processing provider, unless an extended standard fulfillment timeframe is agreed to by the supplier and Boscov’s.
 - All “expedited” orders (orders with shipping service level of “two day” or “overnight”) must be shipped and confirmed as shipped within one (1) business day from the day the purchase order was received in Boscov’s designated 3rd party SDF order processing provider.
- Two (2) business days is defined as no later than the third (3) business day from the time the order is received, regardless of time (See Boscov’s SDF Supplier OnBoarding Guide for details).
 - Expedited order fulfillment of one (1) business day is defined as no later than the second (2) business day from the time the order is received, regardless of time.
- A purchase order is not considered confirmed until the ship notification is processed in Boscov’s designated 3rd party SDF order processing provider and the order is closed (See 6.4. Order Status Update).
- If the supplier is unable to fulfill the order within the standard fulfillment timeframe, the supplier is expected to cancel the order.
- Suppliers are expected to meet a fill rate of 98% within the Standard Fulfillment lead-time
- Purchase orders that remain open on the third (3rd) business day are considered delinquent, unless an extended fulfillment timeframe has been pre-approved by Boscov’s.
- Failure to meet the fulfillment requirements may result in:

Violation Code 900 --- A \$10 per order charge for each SDF order that is not confirmed as shipped or canceled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given calendar month.

6.4. Order Status Update

Suppliers are required to provide an order status update of Shipped or Cancelled for each line item on a purchase order contained in an SDF order through Boscov's designated 3rd party order processing provider.

- Each line item in the purchase order must have an order status associated with it.
 - The purchase order will remain open until an order status of Shipped or Cancelled has been associated with each line item.
 - Line items in the purchase order cannot be combined or separated in the order status update for any reason.
 - A partial shipment of a multiple line purchase order is allowed at the line item level.
 - Partial shipments of quantities within a line item are NOT allowed.
 - The line item quantity in the order's status must equal the line item quantity requested on the purchase order ("Fill or Kill").
 - Combining multiple purchase orders with the same "Ship To" address is not acceptable.
 - An order status message to Boscov's identifying the item as Shipped is expected within 12 hours from the end of the business day on the shipment date.
- A supplier purchase order is considered Delinquent when any of the line items on a purchase order do not have an associated order status update after the Standard Fulfillment lead-time is expired.
- The "cancel" date on a purchase order is implied to be five (5) business days, which is two (2) business days after the purchase order becomes delinquent.
 - Suppliers bear sole responsibility for shipment after the cancel date and may result in Boscov's force canceling all outstanding line items on an open purchase order.
- The order status update must include the required data elements defined by Boscov's designated 3rd party SDF order processing provider.
- Suppliers may submit multiple order status updates at the line item level per purchase order but may not submit multiple order status updates for the same line item on a purchase order.

6.5. Shipment Confirmations

The supplier is responsible for ensuring shipping information is reported accurately and in a timely manner to Boscov's.

- All shipment confirmations must include the shipper's tracking number and indicate the actual carrier and service level used on the shipment. The tracking number is defined as the small package tracking number, the PRO number or Bill of Lading (BOL). Any available master or individual tracking numbers associated with the shipment must be provided.
- Shipment confirmations must be posted in Boscov's designated 3rd party SDF order processing provider by the beginning of the third (3rd) business day from the date the order was available in OpenText to be considered on-time.
- Suppliers may not confirm shipment more than one (1) business day in advance of carrier pickup.

6.6. Order Cancellations

Occasionally purchase orders must be canceled due to the supplier's inability to fulfill the item, or at the request of Boscov's. Supplier initiated cancellations should only occur for out-of-stock or product availability issues.

- Suppliers may not hold orders beyond the standard fulfillment timeframe.
- Suppliers may not make product substitutions under any circumstances.
- Purchase orders that cannot be fulfilled due to a lack of inventory shall be canceled as soon as possible and no later than the standard fulfillment period in order to avoid delinquency penalties.
- Suppliers must use the appropriate reason code to indicate why the purchase order line was canceled.
- For non-product availability related issues preventing a supplier from fulfilling an order (i.e., incomplete Ship-to Address, unable to identify the product ordered, etc.) suppliers shall contact the SDF Operations Team to try and resolve the problem prior to cancelling the order.

Boscov's/Customer initiated cancellations may also occasionally occur due to buyer's remorse, fraud, or other reasons.

- Boscov's asks that suppliers make a best effort to stop shipment on customer requested cancellations. If the request can be accommodated, then the order shall be canceled in Boscov's designated 3rd party SDF order processing provider.
- If a supplier cannot comply with the cancellation request they must notify Boscov's and confirm the order with tracking in Boscov's designated 3rd party SDF order processing provider within one (1) business day. Boscov's may instruct the customer to refuse delivery of the package.

Cancelling an order in Boscov's designated 3rd party SDF order processing provider while still physically shipping it causes customer confusion and exposes Boscov's to potential financial loss.

- In the event a supplier processes an order cancellation via Boscov's designated 3rd party SDF order processing provider but erroneously still ships the product on that canceled order, Boscov's will not be responsible for payment of cost of goods of such product.

- Boscov's will also debit any shipping charges incurred on the 3rd party billing account associated with this type of shipment.

6.7. Shipment Errors:

Shipment errors such as improperly addressing a package may result in the customer not receiving their order or receiving a product he/she did not order. These errors will be handled in the same fashion as damaged or defective returns if they meet one of the following definitions:

Damaged – Merchandise in less than satisfactory condition due to quality (scratched/dented) or service (damaged in-transit due to supplier packaging issue).

Defective - Merchandise quality does not reasonably meet expectations of its intended function to the customer.

Shipping Error – Merchandise received does not match order due to a shipping error.

In the event that the Boscov's prepaid billing account was leveraged to ship and/or return product:

- Boscov's will manage the return process directly with the customer and will debit a supplier's future remittance for all costs related to managing this type of return including but not limited to outbound and inbound shipping costs.

In the event that the supplier has used their own shipping account to ship the product:

- Boscov's will issue a service request to the supplier requiring the supplier to issue a Call Tag to pick up the merchandise from the customer's home.
- The supplier must issue the Call Tag from the supplier's carrier account.
- The supplier must not use the Boscov's prepaid billing for mis-ships, supplier damaged or defective merchandise as it is a supplier expense.
- Boscov's will instruct the supplier in the service request if they are to replace the item or process a return.

Violation Code 901 --- For returns due to mis-ship, damaged or defective merchandise the Supplier is responsible for all service fees and shipping charges related to the return and replacement of the merchandise.

6.8. Parts Replacement

Products received without all of the required parts (including warranties and assembly instructions) or with some components damaged shall be eligible for parts service by the supplier, so as to avoid a return.

- Suppliers may provide direct contact information for Parts & Service if they have an adequately trained and staffed toll-free method for the customer to work with them.
- For both direct contacts and Boscov's handled service requests, suppliers must replace any defective or missing parts requested within three (3) business days of notification. These parts shall be sent directly to the customer. The replacements parts due to defective or missing parts cannot be shipped using the Boscov's prepaid billing account.
- If parts are not available to complete the customer's order, or if the supplier is unable to provide parts service, then a replacement order will be issued for the customer at the supplier's cost.
- In the event the supplier does not have a publicly available Parts and Service Department, Boscov's will take care of the customer and forward parts requests to the contact provided.

6.9. Branding

The supplier's involvement in order fulfillment should remain transparent to the end customer.

- Suppliers must comply with Boscov's branding standards for all products shipped via the SDF program.
- A BOSCOVS.COM branded packing list must be included in every shipment per Boscov's branding specifications:
 - The appropriate Boscov's logo must always appear on the packing list. Boscov's logos provided to the supplier cannot be altered and must maintain the specified fonts, formats and proportions.
 - Standard text on the packing list provided to the supplier cannot be altered.
 - Deviations from the packing list specifications require a special exemption by Boscov's.
- The following Ship Label guidelines apply to all direct-to-customer shipments:
 - Must **NOT** identify either the supplier or Boscov's as the shipper; instead the Ship-From on all labels shall read: "Fulfillment Center."
 - Boscov's customer service number shall be included in the Ship-From section of the label.
 - Boscov's Purchase order Number **must** be entered in the Carrier reference field at the time of shipping the order in order for Boscov's to reconcile freight costs.
 - For multiple carton shipments, a copy of the packing list must be included with each carton and/or the ship label must identify the number of cartons associated with the purchase order.
- Boscov's merchandising team must approve all branded documents prior to use.

- Inserts, including rebates, cannot be included without prior authorization from Boscov's.
- Supplier branding on exterior shipping boxes must be reviewed and approved by Boscov's.
- Suppliers must not include any sales information on the packaging or inside the box advertising a conflicting sales channel.

6.10. Holiday Shipping Schedules

During key holiday shopping seasons, Boscov's may advertise guaranteed arrival for orders placed by a site-wide cut-off. This cut-off schedule will be shared with suppliers to ensure that they will be able to fulfill the orders on-time, and meet the carrier shipment cutoff deadlines.

- Suppliers are expected to be able to ship orders on time and via the Boscov's specified ship method.
- Suppliers not able to execute to the "last ship date" schedule to ensure that customers will receive their order by the special holiday date must notify Boscov's in writing prior to "last ship date" and take Boscov's instructed action.

7. Shipping and Transportation

Boscov's will work with suppliers to determine the best transportation method for goods to arrive safely at the end customer's home.

UPS Prepaid Billing

In order to better manage program efficiency for our vendors and for Boscov's, we use the UPS prepaid billing program:

- Boscov's will provide a unique UPS shipper ID to each vendor to use for all Vendor Direct shipments. Use of this account will allow UPS to bill Boscov's directly for all freight charges
- Vendors not currently using UPS will be asked to establish service in order to meet the standard. Setting up a UPS account is simple and no-cost

Shipping Requirements:

- Support Boscov's pre-determined SDF carriers (UPS SurePost is preferred small package parcel carrier)
- Ability to set up the carrier with prepaid (freight) billing to Boscov's (using Boscov's shipping account) and map purchase order number in the carrier reference field
- Provide shipment tracking number with fulfillment confirmation
- Exterior product packaging must be able to withstand shipment (and returns) by parcel or common carrier
- Unbranded, generic exterior packaging preferred for shipping

7.1. Freight Terms

All Shipments are considered FOB ("Free on Board") destination (unless otherwise negotiated with Boscov's approved personnel), designating that the supplier ships on Boscov's prepaid shipping account but is responsible for the product until it reaches the end customer.

- Suppliers are responsible for ensuring the products arrive to the "Ship To" customer's home in "as ordered" (excellent and working) condition and are properly packaged to withstand shipping conditions (see section 7.2 Packaging Standards for more information).
- Suppliers will be responsible for filing freight claims to recover funds for damage or losses deemed the fault of the carrier.
- Shipping fees are paid by Boscov's through prepaid Billing.

In the event Boscov's approves the use of a Vendor pre-paid/add billing arrangement whereby the supplier is leveraging their own carrier accounts, products will still be considered FOB destination.

- The supplier must specify the supplier's carrier to be leveraged and receive Boscov's approval to leverage.
- The supplier must negotiate with Boscov's, prior to leveraging this shipping arrangement, the billing approach for costs associated with Vendor pre-paid/add shipments.
- The Supplier is responsible to arrange for pickup at their warehouse and delivery to the customer.
- The Supplier is responsible to arrange for pickup and return or disposal of returned product.
- Freight costs associated with transportation of the product shall be paid by the supplier, and cost passed on to Boscov's as per the agreed upon billing arrangement.
- Freight costs associated with return transportation of the product shall follow the policies outlined in the return section of this policy document (see section 10. Returns).

7.2. Packaging Standards

Bosco's expects that all suppliers actively test their product packaging to ensure that it is adequate to protect shipments to the end customer. At minimum packaging must pass standard drop tests, and meet the International Safe Transit Association (ISTA) packaging standards. Bosco's relies on the supplier to know the product and to appropriately package it to minimize damages and poor customer experience.

- Suppliers are responsible for ensuring all packaging is strong enough to protect the product en route to the customer via the selected carrier.
- Original packaging must be sufficient to support a return trip as well, in the event the customer chooses to return the product.
 - Damage that occurs on the return trip due to poor packaging may be the responsibility of the supplier if the customer leverages the original packaging for the return

7.3. Freight Billing

Bosco's prefers to leverage its existing carrier relationships. In most cases suppliers will ship using these preferred carriers and bill the cost of shipping directly to Bosco's on a prepaid account.

- Transit costs for direct-to-consumer shipments shall be billed directly to Bosco's using the assigned prepaid billing account(s).
 - Special approval is required for supplier paid freight.
- Suppliers may not use the prepaid billing account for non-Bosco's related shipments.
- Suppliers may not use the prepaid billing account for shipment charges related to returns/replacement of supplier related damage, defective or mis-shipped products.

Violation Code 902 --- Unauthorized Use of prepaid Billing Account --- Improper use of prepaid shipping account results in debit of charges due to improper use + \$25 fee per occurrence
--

In special cases Bosco's may choose to leverage the supplier's carrier for unique products, services (i.e. white glove, setup/install) or rates. In such cases the supplier will assume additional responsibilities.

- Suppliers must gain Bosco's written authorization to leverage the supplier's carrier. Goods shipped by the supplier without leveraging Bosco's shipping accounts must be expressly approved in advance in writing.
 - Bosco's reserves the right to refuse payment of shipping charges incurred for the use of unauthorized freight carriers.
 - The supplier must ensure the carriers selected for these services are staffed and equipped to provide these services.
 - Suppliers will be liable for any damages incurred (created) from these shipping carriers set up teams. In this event, the supplier is responsible for seeking restitution from the carrier for incurred damage.

In all cases, customers pay for freight up-front at the point of order placement. It is essential that suppliers take steps to ensure that the customer is never solicited for additional fees after their order is taken.

- Regardless of billing profile between Bosco's and the supplier, all freight must be paid for the customer.
 - No shipments may be sent "Collect" to the customer.
 - Under no circumstances shall the "Ship To" customer have to pay any additional fees to a carrier to have a shipment delivered.

7.4. Parcel Package Routing

Parcel package is described as any single parcel or piece with a chargeable weight of <150 lbs., is less than 130 inches in length and girth combined and ships via parcel carriers such as FedEx or UPS.

- All parcel orders are to be shipped via the carrier designated by Bosco's (i.e. UPS).
- Time sensitive, i.e. perishable foods, will be discussed on an individual basis.
 - Food or other perishable products may require 2nd Day air shipping.
 - Suppliers shall appropriately package perishables to prevent spoilage or other damage (e.g., melting).
- Bosco's requires signature required service be used for high value product.
 - Bosco's does not allow additional insurance to be purchased for product shipments.
 - Certain product will be required to be sent with signature-required delivery. Your Bosco's eCommerce Operations team contact will specify this product or wholesale cost threshold in advance of the online launch of the merchandise.

- Suppliers not following the signature required service policy, which suffers a shipment loss (customer dispute of non-receipt), would be held responsible for all replacement costs (including shipping fees).
- In the event the supplier has followed all Boscov's policies, is leveraging FOB destination terms and suffers a loss on a high value product, Boscov's agrees to pay the supplier the wholesale cost of goods – (minus) any amount reimbursed by the carrier.

7.5. Non-parcel (Oversized, White Glove Service/Over the Threshold Delivery):

These policies pertain to products that cannot be shipped via a standard parcel carrier due to their size, weight, or special services required.

- Suppliers shall work with Boscov's to determine the appropriate carrier and billing approach on an individual basis.
- Products requiring this carrier service must be identified during the product selection process.
- Carriers and rates must be approved by Boscov's prior to the online launch of the merchandise.
 - Freight charges for non-approved carriers will not be reimbursed.
 - Curbside delivery is not accepted. Freight carriers must be able to deliver a minimum of Over the Threshold service.

8. Customer Service Commitment

SDF Suppliers play a critical part in the customer relationship, acting as an extension of Boscov's, with a direct touch point to Boscov's customers.

8.1. Supplier Customer Service

Suppliers must provide a Customer Service contact that can be reached during business hours. This contact will work with Boscov's merchandising, operations and customer service teams to address customer order inquiries and issues. This contact is not intended to have direct Boscov's customer contact.

- Contacts shall be provided on the Supplier Contact Setup Form, and include a point contact name, e-mail and phone number.

Service requests are direct inquiries from Boscov's customers communicated via a Boscov's representative and must be resolved as quickly as possible.

- Suppliers must be able to accept and respond to Boscov's service requests within one (1) business day.
- Failure to respond may result in the following compliance violation fine:

Violation Code 903 --- Failure to respond to the Service Requests within one (1) business day will result in a \$20.00 penalty per service request. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, suppliers may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.

Ideally, suppliers shall provide an email that reaches multiple people (i.e., distribution list), or a customer service queue that will be worked during regular business hours to ensure coverage independent of any one individual's work schedule.

- Boscov's service requests can be routed to one email address only.
- Suppliers must ensure that service requests can be processed throughout the year, even when the regular point person may be unavailable (e.g., vacation).
 - If the supplier is unable to provide an email address that reaches multiple people, they must notify Boscov's Web Operations of an alternative contact one (1) business day in advance of the primary contact going out of the office.
- All service requests must be responded to via email to the mailbox designated by Boscov's SDF Operations Team.
 - The email response must include the original service request and supplier comments clearly displaying the action the supplier has taken.

8.2. Product Warranty

Boscov's encourages Suppliers to warrant to the customer that their products are free of any defects in workmanship and materials. Boscov's may require warranties for some electronic or mechanical products, such as watches, home electronics and appliances. Boscov's must preapprove all warranties. Suppliers choosing to warrantee their product must supply the terms of the warranty to be accessed by the end customer. Boscov's customer service representatives will leverage warranty information to provide customer assistance.

- Details of the warranty must be provided to Boscov's.
 - Product Warranties may be posted online for easy customer access.

Warranty information must comply with Boscov's standards and must meet the following criteria:

- Identify the manufacturer or guarantor of the warranty and provide a domestic USA service address.
- Specify the extent, duration and limitations of the warranty coverage.
- Outline how the customer may obtain warranty service and satisfaction.
- Provide customer service contact method with adequate customer support.

Boscov's may reject a warranty at its discretion if the warranty is misleading, meaningless, illegal or overly restrictive. 8.3. Product Recalls

8.3. Product Recalls

Suppliers must notify Boscov's within 24 hours of awareness of the need to execute a product recall.

- Suppliers may be authorized to contact Boscov's customers directly in order to manage the recall process.
- Costs incurred by Boscov's as the result of a product recall may be charged back to the supplier/manufacturer (or debited from future invoices).

9. Invoicing and Payment

9.1. Reconciliation

- Boscov's will only reconcile financials per the electronic invoice transaction.
 - Paper invoices are NOT accepted for SDF purchase orders.
- Invoice transactions for SDF must be processed through Boscov's designated 3rd party SDF order processing provider.
- Invoices must be submitted for each purchase order and may not be consolidated or otherwise grouped together.
- Payment terms will be as outlined in the Boscov's SDF Supplier Terms Sheet or applicable SDF Product Supplier Agreement.

9.2. Cost of Goods Sold

- Suppliers may not invoice customer purchase orders at a higher cost than was listed on the purchase order.
- Cost discrepancies between the purchase order and the invoice will error out at Boscov's and may delay payment while the matter is researched offline.
- See Section 2.3 – Cost of Goods for additional information on managing product cost changes.

9.3. Add-ons

The wholesale cost for SDF UPC/SKU's will be negotiated between the Boscov's Merchandising Team and the Supplier and is expected to be the cost to ship the product directly to the customer through the Boscov's SDF program, and is defined as the Boscov's Cost of Goods Sold.

- Any additional handling fees to support the SDF program must be negotiated with your Boscov's merchant.
- The handling fee (if approved) shall be included as a separate fee on the invoice.
 - Separate store and eCommerce wholesale costs for the same UPC/SKU is not currently supported by Boscov's.
 - If Boscov's has approved an additional handling fee to support the SDF program, the handling fee must be separated from the wholesale cost and submitted with the invoice at the order level
- Shipping charges shall be billed directly to Boscov's through prepaid billing arrangements with the carrier specified by Boscov's
 - For approved shipments with carriers NOT setup for Boscov's prepaid billing, suppliers may submit shipping costs on the invoice if those costs have not already been paid for by Boscov's in another fashion
- Unauthorized shipping expenses will not be paid, and unexpected shipping costs may delay the payment process while the expenses are confirmed.
 - Boscov's reserves the right to refuse payment of shipping charges incurred for the use of unauthorized freight carriers.

9.4. Deductions

- Unless otherwise negotiated, cost of actual returns (where the product is returned to the supplier or agreed field destroy) will be deducted from the supplier's invoice as they occur.
- Compliance violations will be deducted from the supplier's invoice in the payment period in which they occur.
- Upon termination of the partnership between Boscov's and the supplier, Boscov's may hold back a percentage of the last payment beyond the standard terms, in order to allow time for any returns to occur. This is done to avoid a situation where the supplier must write a check to Boscov's. Full payment will be made once the returns period for the last order has expired.

10. Returns

10.1. Customer Returns Policies

10.1.1. Direct Return to Supplier (RTV) Program

- The supplier must accept customer returns based on the negotiated supplier/Boscov's return policy.
 - Boscov's Customer return policy permits customers to return most products at any time for any reason. Suppliers are expected to take such returns and shall negotiate return terms with Boscov's.
 - Perishable products and low value products that are not financially viable to return may be set up as "field destroy". Suppliers shall notify Boscov's if they cannot resell unused customer returns.
- To be eligible for full credit, customer returns must be received in new, unused condition with all components accounted for.
 - To ensure jewelry and watches are returned in an unused (no wear), as sold condition, suppliers may apply Mylar tags or special packaging. Suppliers shall contact Boscov's for approval on the approach and recommended Mylar tag suppliers.
- Re-stocking and handling charges are not accepted by Boscov's.
 - All re-stocking and handling charge considerations must be negotiated with the Boscov's merchant.
- There shall not be any direct communication between a supplier and Boscov's customers unless requested by Boscov's Web Operations or contacted directly by Boscov's eCommerce customer (generally to deal with product specific questions like missing items).

10.1.2. In Store / Boscov's Fulfillment Center Return Program

- All product purchased via BOSCOVS.COM can be returned directly to any Boscov's physical store location (if feasible) or via mail to the Boscov's eCommerce Returns Center.
- Boscov's will arrange for the return of products back to suppliers unless one of the following conditions are met:
 - The supplier has negotiated a return allowance with Boscov's.
 - The product qualifies as a field-destroy.
 - The product can be sold on the selling floor in a liquidation setting.
- Boscov's will issue a debit against a future invoice remittance payment for all products approved for returned-to-supplier (RTV) or designated as Field Destroy, unless the supplier has negotiated a return allowance with Boscov's to cover returns.

10.2. Return Policy Exceptions

- In the event a customer return is received outside of the supplier/Boscov's agreed upon return window, suppliers shall contact Boscov's SDF Operations Team for instructions.
 - Depending upon the circumstances, the product may need to be shipped back to the customer, or an exception (at Boscov's expense) may be granted.
 - Should a return be received back used (and not defective), or missing components, the supplier may contact Boscov's for resolution with the customer.

10.3. Mis-Ships, Damaged and Defectives

All returns shipped back to the supplier are at the expense of the customer with the exception of mis-ships, defective or damaged merchandise, which will be charged back to the supplier. Please see section 6.7 Shipment Errors for more information regarding mis-ships, damaged and defective returns.

10.4. Field Destroy

Boscov's supports a field destroy or customer donation process for cost and safety concerns under the following circumstances:

- Product received by the customer that is damaged, defective or with shipment error and whose retail value is less than the amount stipulated in the Boscov's Supplier Terms Sheet or identified previously as a field destroy product.
- Product is designated as Field Destroy or Customer Donation at the request of the supplier.
 - Product designated field destroy at the request of the supplier is subject to Boscov's approval.
 - Products deemed difficult for customer disposal may still require pick up and return.

Field Destroy returns are considered "accepted" when the customer contacts customer service.

- The customer will receive full credit for the return.
- Boscov's will not seek authorization from the supplier to process returns that meet the Field Destroy criteria stated above.
- Boscov's will issue a debit against a future Invoice remittance payment for valid Field Destroy returns unless the supplier has negotiated a return allowance with Boscov's.

10.5. Return Notifications and Credit Memos

Suppliers will provide Boscov's with notification of receipt of a customer return through Boscov's designated 3rd party SDF order processing provider. The returns notification will also act as a credit memo, and suppliers will see the cost of goods sold for any returned goods debited from subsequent payment.

- All customer returns must be processed in Boscov's designated 3rd party SDF order processing provider within five (5) days of receipt of the customer package.
- A customer inquiry which reveals non-compliance will result in the following compliance fee:

Violation Code 904 --- Failure to meet return notification requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the 5 days.

- Suppliers will be debited for the full cost of goods sold for all customer returns to the supplier unless terms have been otherwise negotiated
 - In the event the supplier receives a return back that shows obvious customer use, and is not defective, suppliers will be instructed to utilize a process to dispute the creation of a credit memo. These returns will be reviewed and audited by Boscov's to determine if the supplier shall not be debited for the cost of goods of that returned product. Boscov's may contact the supplier for clarification and feedback regarding the return.

10.6. Undelivered Returns

When a package is returned directly to the supplier by the carrier due to customer refusal or the carrier's inability to deliver the package it is considered undelivered.

- The same policies are in effect for undelivered returns as for all customer returns.
 - If a shipment is refused by the customer or returned directly to the supplier, the supplier agrees to submit a credit memo within five (5) days of receipt of returned product.

10.7. Return Authorizations

Boscov's customers return products directly following the instructions on the pack list. Suppliers must be able to process returns without returns authorizations.

- Customers will NOT be required to obtain a Return Authorization prior to shipping their returns back.
- Suppliers may pre-assign RA's or assign a blanket RA# and insert this information with the shipment, however Boscov's cannot guarantee use of a Returns Authorizations process. Any insert containing this information must be approved in advance by Boscov's.

11. Compliance

Suppliers are expected to follow all Boscov's policies. Boscov's reserves the right to terminate a partnership or apply a chargeback fee for non-action to repeat non-compliance offenses to any policies listed in this manual.

11.1. Compliance Fee Schedule

All suppliers participating in SDF at Boscov's will be subject to the SDF violations schedule outlined below:

ASN Violations

Code	Description	Fee Schedule	Routing Guide Section
800	ASN does not match carton contents	\$25 +transportation + .25 per unit	SDF Program Vendor Participant Policies 6.9
801	Asn received after receipt of merchandise	\$25.00	SDF Program Vendor Participant Policies 9.3
802	No usable ASN	\$7.50 per carton	

Carton Violations

Code	Description	Fee Schedule	Routing Guide Section
820	Insufficient packaging resulting in mdse damage		

Other Violations

Code	Description	Fee Schedule	Routing Guide Section
840	Unapproved additional charges	\$25 + cost of additional charges	SDF Program Vendor Participant Policies 6.4
841	Transmitting Inventory not set up with Boscovs	\$25 + .10 per kilo-character or portion their of	SDF Program Vendor Participant Policies 5.2
842	Vendor cancelled PO due to out-of-stock or discontinued mdse		
843	Vendor provided incorrect mdse info/photo		

Packing Slip Violations

Code	Description	Fee Schedule	Routing Guide Section
860	Packing slip not included	\$25 + processing	
861	wrong purchase order referenced	\$25.00	
862	No purchase order number referenced	\$25.00	

PO Violations

Code	Description	Fee Schedule	Routing Guide Section
880	Quantity shipped exceeds quantity ordered	\$25 + processing + Transportation + .25 per unit	SDF Program Vendor Participant Policies 6.7
881	Quantity shipped short against ASN	\$25 + processing + .25 per unit	SDF Program Vendor Participant Policies 6.8

Transportation Violations

Code	Description	Fee Schedule	Routing Guide Section
900	A \$10 per order charge for each SDF order that is not confirmed as shipped or canceled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given calendar month.	\$10 per order	SDF Program Vendor Participant Policies 6.3
901	For returns due to mis-ship, damaged or defective merchandise the Supplier is responsible for all service fees and shipping charges related to the return and replacement of the merchandise.	Service feels + Shipping Charges	SDF Program Vendor Participant Policies 6.7
902	Unauthorized Use of prepaid Billing Account --- Improper use of prepaid shipping account results in debit of charges due to improper use + \$25 fee per occurrence	\$25 per occurrence	SDF Program Vendor Participant Policies 7.3
903	Failure to respond to the Service Requests within one (1) business day will result in a \$20.00 penalty per service request. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, suppliers may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.	\$20 per request per day past 24 business hours	SDF Program Vendor Participant Policies 8.1
904	Failure to meet return notification requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the 5 days.	\$25.00	SDF Program Vendor Participant Policies 10.5
905	Invalid Tracking information	\$25 + processing	SDF Program Vendor Participant Policies 6.9
906	Failure to use correct carrier	\$25 + transportation	SDF Program Vendor Participant Policies 7.4

UPC Violations

Code	Description	Fee Schedule	Routing Guide Section
------	-------------	--------------	-----------------------

920	No UPC on item	\$25 + .25 per unit +processing	
921	Manual entry charge for UPC/EAN Catalogue Data	\$5 per UPC/EAN manually Entered	
922	UPC Catalogue Incorrect	\$25 + \$0.25 per unit	
923	Other UPC/EAN Charges	\$25 + \$0.25 per unit	
924	Keying charge for UPC/EAN catalog data corrections	\$25 + \$5 per unit	

11.2. New Supplier Partnership Evaluation

New suppliers are closely monitored during their first 60 day evaluation period for policy and process compliance. All violations and variances are managed closely with the supplier to correct.

- Violations during that 60 day evaluation period may be assessed or waived pending collaborative review by Boscov's Merchandising and Boscov's SDF Operations Team.
- Suppliers with extreme or uncorrectable issues will be evaluated for removal from the SDF program.

11.3. Service Level Management

Supplier service level performance and adherence to the policies will be monitored on an ongoing basis. Supplier performance evaluations will be conducted at least semi-annually and communicated with the supplier.

- Service level performance metric categories include, but are not limited to financial impact, operational performance (e.g., fill rates, fulfillment lead-time), policy compliance and relationship commitment.
- All suppliers are assigned a Supplier Classification upon entering the program. Supplier classifications are defined as a categorizing technique used to measure supplier performance in pre-defined metrics.
- Changes in a Supplier Classification will be based on service level performance and communicated to suppliers prior to the change.

12. Supplier Direct Fulfillment (Drop Ship) – Contact Information

Boscov's Supplier Direct Fulfillment to customer program is straightforward, easy to implement and highly automated. If you have any questions or need assistance, please contact us using the information below:

AREA	NAME	E-MAIL	PHONE NUMBER
Supplier Direct Fulfillment Manager	Lori Reilly	lreilly@boscovs.com	(610) 370-5821
Operations - Order Management	Michelle Satz	msatz@boscovs.com	(610) 370-5823
New Supplier Direct Vendor/V2C On boarding	Jennifer Redcay	jenredcay@boscovs.com	(610) 370-5824

13. Certificate of Insurance Specifications

Please have your Risk Manager/Insurance Broker or Carrier forward a Certificate of Insurance satisfying the specifications listed below to the corporate office listed below, Attn: Risk Management:

Name in Certificate Holder area:

Boscov's, Inc.
 Boscov's Department Store, LLC
 P.O. Box 4116
 Reading, PA 19606
 Attn: Risk Management

Note – we buy under both company names listed above. You may name both as an Additional Insured or you may name "Boscov's, Inc, et al".

INSURANCE: Vendor shall carry the following insurance with an insurance company or companies rated "A" or higher by A.M. Best Company:

- General liability coverage of not less than \$1,000,000 each occurrence; \$1,000,000 personal and advertising injury, \$2,000,000 general aggregate; \$2,000,000 products and completed operations aggregate;
- Automobile liability coverage, including coverage for owned, non-owned, and hired/borrowed vehicles, with a minimum coverage of not less than \$1,000,000 for bodily injury and property damages combined limit, each accident;
- Worker’s Compensation coverage as required by statute;
- Employer’s liability insurance with minimum limits not less than \$1,000,000 for bodily injury each accident, \$1,000,000 bodily injury by disease – each employee, and \$1,000,000 bodily injury by disease – policy limit.
- Boscov’s Inc. and Boscov’s Department Store, LLC shall be listed on the general liability policy as additional insured. Vendor shall furnish promptly to Boscov’s an insurance carrier certificate evidencing such above-required insurance policies, listing Boscov’s Inc. and Boscov’s Department Store, LLC as Certificate Holder and providing a minimum of sixty (60) days written notice (or maximum allowed by statute) prior to cancellation or non-renewal. All liability policies shall be written on an “occurrence” basis. Said certificate must set forth the amount of coverage, policy, number and date of expiration.

If there are any questions concerning this request, please contact Risk Management at (610) 779-2000 ext 4084 or (610) 406-4084 by phone, (610) 406-4071 by fax, or Email to: gmartinez@boscovs.com.

14. BOSCOV’S DEPARTMENT STORE, LLC, PURCHASE ORDER TERMS AND CONDITIONS

Unless otherwise agreed to in writing, these Purchase Order Terms and Conditions shall cover all goods and services sold or otherwise provided to Boscov’s, either on- or off-site.

I. INVOICING INSTRUCTIONS

1. Merchandise Invoices:
 - a. Manual Invoices: must be sent by Store/Purchase Order
 - b. Mail original invoices to:

Boscov's Department Store LLC,
Attn: Merchandise Accounts Payable
P.O. Box 4131
Reading, PA 19606-0531
OR

E-Mail: APIInvoices@boscovs.com

- c. EDI 810 Invoices: 810 Invoices must be formatted to the specifications that are outlined in the **VENDOR INFORMATION AREA – EDI Mapping Specifications**

2. Expense Invoices:
 - a. Mail original Invoice to:

Boscov’s Department Store, LLC
Attn: Expense Accounts Payable
P.O. Box 4505
Reading, Pa. 19606-0531

3. Drop Ship to Customer Invoices:
 - a. Invoices must be sent via an EDI 810 Invoice Document formatted to the specifications that are outlined in the VENDOR INFORMATION AREA – EDI Mapping Specifications

II. ROUTING, PACKING, TICKETING, ELECTRONIC DATA INTERCHANGE, AND OTHER INSTRUCTIONS

1. VENDOR MUST BE AWARE OF BOSCOV'S MOST CURRENT ROUTING GUIDE PROVISIONS PRIOR TO SHIPPING ANY PURCHASE ORDERS. BOSCOV'S ROUTING GUIDE (AS IN EFFECT FROM TIME TO TIME) IS INCORPORATED HEREIN AS AN INTEGRAL PART OF BOSCOV'S PURCHASE ORDER TERMS AND CONDITIONS. ANY DEVIATION FROM THESE INSTRUCTIONS MAY SUBJECT VENDOR TO EXPENSE OFFSETS.
2. Please visit Boscov's Vendor Information Area web site at vspec.boscovs.com for the most up-to-date information regarding all shipping instructions, including the current routing guide. Vendors may print the Routing Guide in Adobe Acrobat Reader ("PDF") format, or browse through the entire Routing Guide "online."
3. Check Boscov's Vendor Information Area web site often for changes to Boscov's guide and other information. Vendors may request updates via e-mail by visiting our web site and clicking on the mail icon next to "Request Email Updates via email."
4. Boscov's expects all Vendors to provide merchandise marked with a UPC bar code and retail price. Hanging merchandise is to be shipped with approved VICS floor-ready hangers inserted. Additionally, all Vendors are expected to have full EDI capabilities, including the ability to receive electronic purchase orders, transmit advance ship notices (ASN) and identify cartons with unique UCC-128 shipping container labels.
5. Additional information is provided in Boscov's Routing Guide or from its Vendor Services Dept. at (610)370-4128.

All exceptions must be in writing from Boscov's Vendor Services and Transportation Departments. At no time will verbal routing instructions be considered as valid.

III. GENERAL PURCHASE TERMS AND CONDITIONS

1. **OFFER, ACCEPTANCE, AND MODIFICATION:** These Terms and Conditions govern any purchase order (the "Purchase Order") in any form issued by providers of goods or services ("Vendors") to Boscov's, and each contract and agreement for sale of goods or services to Boscov's, including any attachments and any specifications and other materials expressly incorporated in the Purchase Order or other contract documents (collectively, the "Agreement"). Accordingly, each and every Vender has agreed or is deemed to agree to these Terms and Conditions. Vendor's acceptance may be affected only by (a) written confirmation, (b) shipment of goods or commencement of services in accordance with Vendor's Purchase Order, or (c) other commencement of performance in accordance therewith. The Agreement, including these Terms and Conditions, shall be the sole and exclusive statement of the contract between Boscov's and Vendor notwithstanding any terms and conditions that may be contained in any Purchase Order proposal, acknowledgment, confirmation, invoice or other document issued or promulgated in any manner by the Vendor, all of which, to the extent they are inconsistent with these Terms and Conditions or contain any different or additional terms, are hereby objected to and rejected. No act of Boscov's in accepting or paying for any goods or services shall constitute consent to Vendor's additional or different terms. No additional or different terms or conditions proposed by Vendor either orally or in writing (such as standard terms contained in any Purchase Order) shall be a part of the Agreement unless expressly agreed to by Boscov's in writing. A Purchase Order is not valid unless a purchaser's name is included. If the Terms and Conditions contained herein do not appear on or agree with Vendor's invoice as rendered, Vendor agrees that Boscov's may change the invoice to conform to the Terms and Conditions contained herein, and make payment accordingly.
2. **PRICE:** Unless expressly agreed otherwise, the prices to be paid for the goods ordered or services to be performed shall be as set forth in the Agreement. No extra charges of any kind shall be allowed unless specifically agree to in the Agreement. All prices include all applicable Federal, state, and local taxes, assessments and duties, except for those for which an exemption may be claimed by Boscov's. If prior to shipment, Vendor makes or offers to make sales of the same goods or services to others in the quantities and of like quality, at prices lower than the prices then in effect under the Agreement, Vendor shall give Boscov's notice of said lower prices. Said lower prices shall apply on all goods thereafter shipped to or services performed for Boscov's under any Agreement; provided, however, that nothing herein contained shall permit an increase in the price specified in any Agreement unless approved in writing and signed by a Boscov's authorized representative.
3. **DELIVERY SCHEDULE; RISK OF LOSS; TRANSPORTATION, AND PACKAGING:**
 - a. Shipment and delivery of goods or performance of services shall be in accordance with the schedule set forth in the Agreement unless otherwise agreed to in writing by Boscov's. All goods are sold to Boscov's "DDP – Delivered Duty Paid" unless otherwise indicated. Time is of the essence under the Agreement. Vendor shall promptly advise Boscov's

of any inability to make timely shipment. If Vendor does not, or it appears that Vendor will not, meet Boscov's delivery or work schedule, Boscov's may, in addition to any other rights or remedies provided by law or the Agreement: (a) cancel the Agreement, in whole or in part, without liability to Vendor except for payment for goods previously shipped and accepted or services previously performed to the extent reasonable in amount; (b) approve an agreed-upon revised delivery or work schedule; or (c) require that Vendor ship via expedited routing to meet such delivery schedule or to recover the time lost. If Boscov's approves a revised delivery schedule or requires Vendor to ship via expedited routing, any additional transportation cost incurred as a result shall be paid by Vendor.

- b. All risk of loss, damage in transfer, or delay in delivery shall remain with Vendor until delivery to and acceptance by Boscov's, except where transportation is provided by Boscov's own vehicles, and then risk of loss, damage or delay shall shift to Boscov's upon completion of loading of Boscov's vehicle. Vendor shall prepare all goods for shipment so as to secure the lowest transportation rates consistent with timely delivery. Boscov's has the right to specify carrier and routing. Vendor shall mark the identification number of the Purchase Order and enclose or transmit electronically a packing slip showing the order number and quantity in each container or other receptacle. If not accompanied by a packing slip, Boscov's count and weight shall be conclusive. Vendor shall not make a commitment for materials or production arrangements to fulfill the Purchase Order in excess of the amount or in advance of the time necessary to meet Boscov's delivery schedule. Transportation costs on goods on back order shall be paid only at the rates which would have been applicable had the complete order been shipped at one time.
4. **OVERSHIPMENTS; NON-CONFORMING TENDER:** Vendor shall ship goods in accordance with Boscov's requirements. Over shipments exceeding five percent (5%) of the quantity ordered or \$750.00 in amount may be accepted by Boscov's upon the terms and conditions set forth herein, or rejected by Boscov's. All goods shipped shall be of the type(s) and in all respects in accordance with the applicable specifications, including those contained in any description, sample, catalog, promotional material or other statements as may have been delivered or made to Boscov's. If Vendor tenders goods that do not conform to the Agreement, including goods that, in whole or in part, are not (a) delivered timely; (b) as represented or warranted; (c) fit for the purpose for which they were sold or otherwise defective; (d) in the quantity ordered; (e) in accordance with the specifications upon which the Agreement was predicated; (f) consistent with samples or (g) otherwise in compliance with all other terms and conditions of the Agreement, such performance shall constitute a non-conforming tender. Boscov's may elect, without any further authorization from Vendor, as to any or all the non-conforming goods, to (a) accept the goods, (b) cancel the Agreement, (c) return the goods to Vendor at Vendor's expense.
5. **DELIVERIES IN ADVANCE OF SCHEDULE:** Goods delivered or services offered in advance of schedule without authorization from Boscov's may, at Boscov's option: (a) be returned to Vendor at Vendor's sole risk and expense; (b) be accepted by Boscov's with payment withheld by Boscov's until the scheduled date; or (c) stored at Vendor's sole risk and expense, until the scheduled date, as applicable.
6. **PAYMENT TERMS; OFF-SET:**

 - a. Vendor shall comply with these terms concerning payment, payment instructions and invoices, unless expressly agreed in writing by Boscov's.
 - b. Payment to Vendor may, at Boscov's option, be made on a consolidated basis that nets the aggregate debits, credits and allowances of Boscov's and any Boscov's affiliate.
 - c. Vendor's Eligibility for prompt payment discounts shall be computed from the date of delivery and/or accepted performance, or the receipt by Boscov's of a correct invoice, whichever is later.
 - d. Boscov's shall be entitled at all times to off-set any amount owing at any time from Vendor, or any affiliated company of Vendor, to Boscov's, or any affiliated company of Boscov's, against any amounts payable at any time by Boscov's or any affiliate company.
7. **NO SUBSTITUTION OF MATERIALS:** No change in the goods or services ordered, or their method of production, including substitutions or changes in materials, equipment, processing, or production location, shall be made by Vendor or any approved subcontractor without the prior consent of Boscov's which shall be in writing or commercially accepted electronic format (e.g. e-mail).
8. **WARRANTIES:** Vendor represents and warrants that: (a) it is the sole owner of any goods to be sold under the Agreement and that it has the unrestricted right to convey marketable title free and clear of all liens and encumbrances; (b) any goods delivered or services performed will conform to the Agreement and any description, specification, drawing or sample

relating to such goods or services that has become part of the agreement of the parties; (c) all goods shall be merchantable and fit for the use intended by Boscov's, or by the consumers who will purchase them, and that all goods shall be free of all defects in design, material and workmanship, and shall be in good working condition; (d) all goods shall be manufactured in accordance with good manufacturing practices, (e) all services shall be performed in strict accordance with the Agreement and any work order, service order, statement of work or similar document associated with the services, with due care, and in accordance with the highest professional standards in the industry, and (f) all goods and/or services shall conform to and be furnished in accordance with all applicable Federal, state and local law, rules and regulations. These warranties shall run to Boscov's, its affiliates, successors, assigns, and customers, and the users of its products, and shall survive any delivery, inspection, testing, acceptance or payment by Boscov's, and the termination of the Agreement for any reason. Acceptance of goods or work product by Boscov's shall not relieve Vendor of any of its warranty or other obligations hereunder. Vendor acknowledges that it is an expert in producing and supplying the goods and/or services to be purchased pursuant to the Agreement, and notwithstanding Boscov's acceptance of specifications, samples, test data and the goods and/or service, Boscov's may rely on Vendor as an expert.

9. INSPECTION, REJECTION AND RETURN OF GOODS: All goods and services are subject to Boscov's testing, inspection and approval, notwithstanding prior payment by Boscov's. Goods may be inspected at Boscov's destination or Vendor's plant or warehouse. Boscov's reserves the right, in addition to any other rights which it may have at law, at equity or under the Agreement, to reject and refuse acceptance of all or a portion of such goods or services which are not in conformity with Vendor's warranties as determined by Boscov's. Boscov's shall have the right to return to Vendor all or a portion of such non-conforming goods at Vendor's sole risk and expense, for full credit or refund, or require that Vendor, at its sole risk and expense, correct or replace such goods or services with conforming goods or services within such time as Boscov's may require, provided, however, that such corrected or rejected goods or services shall not be corrected or replaced by Vendor without written authorization from Boscov's. If Vendor fails to correct or replace any nonconforming goods or services promptly after notification and authorization from Boscov's, Boscov's may correct or replace such goods or services and charge Vendor therefor, equitably adjust the order price for such goods or services or set-off the cost hereunder, at the sole discretion of Boscov's. Any goods or services corrected, replaced or repaired by Vendor shall be subject to the warranties and other terms of the Agreement. In the event of rejection by Boscov's of all or a portion of the goods or services, Boscov's may charge to Vendor and set-off against any payments due Vendor all expense of unpacking, examining, repacking, storing and shipping any goods rejected. Boscov's failure to inspect and accept or reject any goods or services shall not relieve Vendor from responsibility for nonconforming goods nor for latent defects in any goods, whether inspected or not, nor for fraud or such gross mistakes as amount to fraud, nor shall anything herein relieve Vendor from the obligation to inspect and test the goods or services covered by the Agreement in accordance with good commercial practices and Boscov's requirements and specifications, nor impose any liability upon Boscov's for such failure or defects. Vendor shall maintain inspection and test records pertaining to such goods and services for a period of two (2) years after delivery of such goods or completion of such services or as otherwise specified by Boscov's and copies thereof shall be made available to Boscov's on terms reasonably satisfactory to Boscov's at any time upon request and without charge. Such records shall include the time and the manner in which, and the person by whom, the goods or services have been inspected and tested and the result of such inspections and tests.

10. RESERVATION OF BOSCOV'S RIGHTS; LICENSE:

- a. Boscov's reserves the right to advertise, offer the goods for sale, and to sell such goods at any Boscov's retail facility and/or by means of any medium, including electronic or other non-traditional venues. The foregoing reservation is an essential term of all Boscov's transactions effected under or pursuant to the Agreement.
- b. Vendor grants to Boscov's a nonexclusive, nontransferable, royalty free license to use, with the right to sublicense, Vendor's trademarks, service marks, trade names, trade dress, copyrights and rights of publicity associated with goods for the limited purpose of Boscov's marketing, promoting or selling goods through any promotional, advertising or distribution channel, including, without limitation, print, television, radio or worldwide web.

11. TERMINATION AND REMEDIES:

- a. Boscov's may terminate all or any part of the Agreement at any time or times by written notice to Vendor: (a) if Vendor fails to observe or comply with any covenants, terms, conditions or warranties contained in the Agreement; (b) if Vendor, in Boscov's opinion, fails to make progress so as to endanger performance or shipment in accordance with the

Agreement or Boscov's has other reasonable grounds to believe performance by Vendor in accordance with its obligations is unlikely or endangered; (c) if performance by either Vendor or Boscov's is impaired, or substantially delayed, by force majeure; (d) in the event of any proceeding by or against Vendor in bankruptcy or insolvency, the appointment of a receiver or trustee, or an assignment for the benefit of creditors is made by Vendor; or (e) at any time for Boscov's sole convenience.

- b. Upon termination, Boscov's may produce or purchase or otherwise acquire the goods or services ordered under the Agreement elsewhere on such terms or in such manner as Boscov's may deem appropriate, and Vendor shall be liable to Boscov's for any excess cost or other expenses incurred by Boscov's. In addition, Boscov's shall have all other rights and remedies provided by law, at equity and under the Agreement, and all of Boscov's rights and remedies shall be cumulative and none shall be considered exclusive. Upon termination, Boscov's only responsibility to Vendor shall be to pay (x) the purchase price for goods previously made, delivered to, inspected and accepted by Boscov's and services performed and accepted in accordance with the terms of the Agreement before the date of receipt by Vendor of the termination notice, and (y) in case of termination by Boscov's for convenience, (i) an amount equal to Vendor's out-of-pocket costs incurred and irrevocable financial commitments made in order to perform the Agreement, plus (ii) a cancellation charge of 15% of such amounts, less all costs that could have been avoided through reasonable mitigation efforts. Any claim under this clause (y) that is not presented to Boscov's within thirty (30) days of notice of cancellation, accompanied by reasonable documentation and calculation of all such charges, shall be waived.

12. OFFER OF EMPLOYMENT: Boscov's may terminate and cancel any Agreement, in whole or in part, in the event that Vendor, without Boscov's written consent, extends an offer of employment to, employs, retains, hires, engages (or attempts any of the foregoing) or otherwise secures the services of a person who, at the time of such Vendor conduct or within the preceding one hundred and eighty (180) days, was employed by Boscov's (or any Boscov's affiliate doing business with Vendor) in the position of "General Merchandise Manager", Divisional Merchandise Manager", Buyer, whether Senior Buyer, Associate Buyer or Assistant Buyer.

13. INFRINGEMENT OF PROPRIETARY RIGHTS: Vendor represents and warrants that the sale or use by Boscov's of goods or services provided by Vendor will not infringe any United States or foreign patent, copyright, trademark, industrial design right or other proprietary right or intellectual property. Vendor shall indemnify, defend and hold Boscov's, its affiliates, successors, assigns, members, officers, directors, employees, agents, customers and those persons selling or using any of Boscov's products harmless from and against any damage, liability, claims, loss, costs, damages, judgments, settlements, expenses and fees including reasonable attorneys' fees) (collectively, "Losses") which may be incurred on account of infringement or alleged infringement of any such proprietary right by the goods or use of the goods supplied under the Agreement. Vendor shall reimburse Boscov's on an on-going, periodic basis for all Losses incurred by Boscov's promptly after submission of statements of expenses of Boscov's during the pendency of any such proceeding. In addition to all other rights and remedies Boscov's has at law, at equity or under the Agreement, in the event Boscov's, its customers or anyone selling or using Boscov's products are enjoined from the use, sale or other disposition of the goods, conditionally or otherwise, Vendor shall, at no additional cost to Boscov's, repurchase the goods at the purchase price, and repay all costs of all shipments of such goods and products incurred by Boscov's.

14. CODE OF CONDUCT:

- a. Vendor acknowledges that Vendor has been furnished a copy of the Boscov's Code of Conduct (the "Code of Conduct"), which is available through vspec.boscovs.com. Vendors shall support the Code of Conduct and shall not directly or indirectly take any action that may cause Boscov's or any employee or other associate to violate the law or Code of Conduct. Without limiting the foregoing, Vendor shall not directly or indirectly offer or give any personal benefit (other than infrequent, non-cash gifts of nominal value consistent with the Code of Conduct), including, but not limited to, commissions, kickbacks, payments, loans, gratuities (including travel and entertainment), bribes, gifts, samples, services, promises of future employment or personal considerations (each a "Benefit") to any Boscov's associate or member of the associate's family, to any entity which Vendor knows a Boscov's associate or member of the associate's family owns a direct or indirect interest, or to any person affiliated with nay subcontractor or consultant for Boscov's.

15. COMPLIANCE WITH LAWS AND EQUAL OPPORTUNITY:

- a. Vendor shall comply with all applicable Federal, state and local laws, rules and regulations relating to the goods and/or services to be furnished hereunder, including, but not limited to, the Consumer Product Safety Act and the Consumer Product Safety Improvement Act of 2008, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Fair Packaging and Labeling Act, the Flammable Fabrics Act, the Federal Hazardous Substances Act, the Federal Toxic Substances Control Act, the Textile Fiber Products Identification Act, the Fair Labor Standards Act, the Wool Products Labeling Act and the Occupational Safety and Health Act, all as amended from time to time, and shall furnish certificates of compliance whenever requested by Boscov's. Boscov's serves from time to time as a contractor for the United States Government. Accordingly, Vendor shall comply with all applicable Federal laws, rules and regulations applicable to subcontractor's of government contractors including Section 202 of Executive Order 11246, as amended by Executive Order 11375, the Vietnam Era Veterans Readjustment Assistance Act, the Rehabilitation Act, as amended, and those governing contracts with business concerns operating in areas of surplus labor (48 C.F.R. Part 29), with women owned business concerns (Executive Order 12138) and with small and disadvantaged business concerns (15 U.S.C. 637), all as amended from time to time, and shall furnish certificates of compliance whenever requested by Boscov's. Contract clauses required by the Government in such circumstances, and all rules and regulations promulgated under the specific acts cited, are incorporated into the Agreement by reference.
 - b. It is solely Vendor's obligation to identify and comply with the Code of Conduct and all applicable laws as may be in effect in all jurisdictions in which the goods are transported or offered for sale or which are otherwise relevant to Vendor and/or Boscov's operations as of the date of acceptance of the goods by Boscov's.
 - c. Vendor shall maintain and provide to Boscov's together with the goods and/or immediately upon request thereof any and all materials necessary for Boscov's to document that the goods are in compliance with all applicable laws and shall use its best efforts to ensure that all such materials are available on a timely basis and sufficient for the purpose required by Boscov's.
 - d. Vendor shall cause each and every one of its employees, agents, contractors, and representatives (collectively, "Vendor Representatives") to comply with all applicable laws and with all Boscov's policies and procedures, including the Code of Conduct, at all times when interacting with Boscov's or Boscov's affiliates and/or their respective employees, customers and invitees, whether or not then on Boscov's premises or the premises of any Boscov's affiliate. To the extent that any Vendor provides Vendor Representatives, equipment and/or fixtures to Boscov's or any Boscov's affiliate, such Vendor shall use its best efforts to ensure that all such Vendor Representatives, equipment and/or fixtures shall likewise comply with applicable law and the policies and procedures of Boscov's and Boscov's affiliates.
- 16. RECALL OF GOODS:** If Vendor becomes aware that any ingredient, material, part or component in the goods is or may become harmful to persons or property, or that the design or construction of the goods or services is defective in any manner which is or may become harmful to persons or property, or if Vendor otherwise breaches any of its warranties to Boscov's hereunder, Vendor shall immediately give notice thereof, including all relevant information with respect thereto to Boscov's, and Vendor shall indemnify, defend and hold Boscov's, its successors, assigns, shareholders, officers, directors, employees, agents, customers and those selling or using its products, harmless from and against any and all Losses paid or incurred by them arising out of or relating or incidental to such goods or services provided by Vendor, including, without limitation, any costs associated with recalling products developed, manufactured, or created by Boscov's with the aid of such goods or services. Without limiting the foregoing, Vendor is responsible for immediately notifying Boscov's of any goods which contain any material known to the state of California to be harmful to individuals (California Proposition 65). Should Boscov's, either voluntarily or involuntarily, initiate a recall of such products, or if a government or agency shall take action with respect to them, Vendor shall assist and cooperate with Boscov's in all respects with said recall, including, but not limited to, developing a recall strategy for the products and working with Boscov's and any applicable governmental agency in monitoring Boscov's recall operating and in preparing and furnishing such reports, records or other such information as is necessary in connection therewith, and Vendor agrees to pay all costs and Losses associated with such recall.
- 17. GENERAL INDEMNIFICATION:** To the fullest extent permitted by law, Vendor shall indemnify, defend and hold Boscov's, its successors, assigns, members, affiliates, officers, directors, employees, agents, customers and those persons selling or using any of Boscov's products, and any affiliated company of Boscov's, its shareholders, officers, directors, employees, agent and customers and agents, harmless from and against any and all Losses arising out of or relating or incidental to any breach by

Vendor of the terms, covenants, warranties and conditions of the Agreement, or any act or failure to act by Vendor or its agents, representatives or employees in the performance of the Agreement, including, but not limited to:

- a. Death or injury to persons or damage to property, by whomsoever suffered, claimed to have resulted from any alleged defect in the goods or services, or the performance by Vendor of work or services pursuant to the Agreement, or the work or performance of services by Vendor's agents, representatives or employees, on the premises of Boscov's or one of its customers or suppliers, or from the failure of the goods to comply with any applicable sample or specification or with the express or implied warranties given by Vendor, its agents, representatives or employees, and
- b. Losses arising out of the alleged violation by Vendor in the manufacture, processing, storage or sale of the goods, or in the performance by Vendor under the Agreement of any work or services pursuant to the Agreement, of any Federal, state or local law, statute, ordinance or administrative order, rule, regulation or standard.
- c. Boscov's shall have the right to employ counsel separate from counsel employed by Vendor in any such proceeding for which Boscov's may be indemnified by Vendor under the Agreement and to participate in the defense thereof, and the expense of such counsel employed by Boscov's shall be borne by Vendor. Vendor shall reimburse Boscov's on an on-going, periodic basis for all fees, costs and expenses incurred by Boscov's promptly after submission of statements of expenses of Boscov's during the pendency of any such proceeding.

18. INSURANCE: Vendor shall carry the following insurance with an insurance company or companies rated "A" or higher by A.M. Best Company:

- a. General liability coverage of not less than \$1,000,000 each occurrence; \$1,000,000 personal and advertising injury, \$2,000,000 general aggregate; \$2,000,000 products and completed operations aggregate;
- b. Automobile liability coverage, including coverage for owned, non-owned, and hired/borrowed vehicles, with a minimum coverage of not less than \$1,000,000 for bodily injury and property damages combined limit, each accident;
- c. Worker's Compensation coverage as required by statute;
- d. Employer's liability insurance with minimum limits not less than \$1,000,000 for bodily injury each accident, \$1,000,000 bodily injury by disease – each employee, and \$1,000,000 bodily injury by disease – policy limit.
- e. Boscov's Inc. and Boscov's Department Store, LLC shall be listed on the general liability policy as additional insured. Vendor shall furnish promptly to Boscov's an insurance carrier certificate evidencing such above-required insurance policies, listing Boscov's Inc. and Boscov's Department Store, LLC as Certificate Holder and providing a minimum of sixty (60) days written notice (or maximum allowed by statute) prior to cancellation or non-renewal. All liability policies shall be written on an "occurrence" basis. Said certificate must set forth the amount of coverage, policy, number and date of expiration.

19. ADVERTISING, NONDISCLOSURE OF CONTENTS OF AGREEMENT: Except as approved by Boscov's and in conformity with Boscov's policies published from time to time, Vendor shall not, without Boscov's written consent (a) in any manner advertise, publicize, publish or otherwise draw attention to the fact that Vendor has furnished or contracted to furnish to Boscov's the goods or services purchased hereby, (b) or disclose any of the details connected with the Agreement to any third party except as required for procurement of supplies and services for use in the performance of the Agreement, and then only after the substance of this prohibition is inserted in its orders and made binding upon any third party, or (c) in any television or radio appearance or other public occasion or before any audience disclose or refer to Vendor's relationship with Boscov's. The terms of this section shall survive the termination of the Agreement for any reason.

20. CONFIDENTIAL INFORMATION, BOSCOV'S PROPERTY:

- a. Drawings, electronic data, designs, samples, trade secrets, trademarks, trade names, trade dress, copyrights, rights of publicity, order requirements, financial and marketing information, strategic plans, pricing, customers, vendors, employees, and any other information regarding its business supplied by Boscov's shall remain Boscov's property and proprietary information and shall be held in confidence by Vendor. Such information shall not be reproduced, used and/or disclosed to others by Vendor without Boscov's prior written consent, except as required for the performance of the Agreement and except to the extent that Vendor is able to establish to Boscov's satisfaction that such information (i) was known by Vendor at the time of disclosure to it by Boscov's, (ii) became known to Vendor after such disclosure to it by Boscov's through a third party as a matter of right and without restriction on disclosure, or (iii) is or has become generally known or available to the public through no act or failure to act on the part of the Vendor. All such information including all reproductions shall be returned to Boscov's immediately upon demand, and otherwise

upon completion or performance by Vendor of the Agreement or its termination for any reason. The foregoing information shall be at all times labeled as confidential property of Boscov's and treated in a confidential matter by Vendor, and Vendor acknowledges and agrees that disclosure of this information to the industry as a whole would injure Boscov's competitive advantage. The terms of this section shall survive the termination of the Agreement for any reason.

21. CUSTOMER PRIVACY AND DATA SECURITY:

- a. Vendor (i) has adopted and will maintain policies and procedures designed to protect the privacy and security of Boscov's customers' nonpublic personal information in compliance with applicable law, including without limitation, Title V of the Gramm-Leach-Bliley Act and any rule or regulation promulgated thereunder, any applicable law, rule, or regulation, of the Federal Trade Commission, the Securities and Exchange Commission, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve Board, state regulatory authorities and industry self-regulatory organizations (collectively, "Legal Requirements"), related to the privacy and security of Non-Public Personal Information (as defined below); (ii) will cooperate fully with Boscov's, and follow and comply with all reasonable instructions and directions by Boscov's to ensure compliance with the Legal Requirements; and (iii) will not sell, transfer, rent or disclose to any affiliated or non-affiliated third parties or use, except as expressly agreed by Boscov's, any of the Non-Public Personal Information or any data which could reasonably be used to identify a specific named individual ("Individual Data"). Where Boscov's grants permission for release of Individual Data to third parties, Vendor will obtain written assurances from the third party recipients of Individual Data that such third party will provide the option, in any communications generated by, or on behalf of, the third party recipients of Individual Data, for the customer of Boscov's to elect not to receive any further communications from such third party. For purposes of the Agreement, "Non-Public Personal Information" shall mean any and all customer information collected and obtained from Boscov's, including, but not limited to name, e-mail, mailing or other address; account number, postal code; telephone number; gender other demographic characteristics; year or date of birth; social security or other tax identification number; educational background; occupation or other socio-economic or financial information; credit situation; pattern of use; nature, subject matter, date or amount paid in any commercial transaction(s); number or identification of viewed/downloaded web site(s); preferences, profile, personal interests or habits; and any other identifying information, regardless of its accuracy or completeness.
- b. If Vendor (i) receives a complaint concerning a violation or alleged violation of privacy rights or other customer notice with respect to information sharing involving an opt out of sharing any Individual Data between the parties, or (ii) if Vendor becomes aware of a breach of data security involving Individual Data, Vendor shall promptly notify Boscov's.
- c. Vendor understands and agrees that Boscov's will suffer irreparable harm in the event that of a breach of any obligations in this section and that monetary damages will be inadequate to compensate Boscov's for such breach. Accordingly, Vendor agrees that, in the event of a breach or threatened breach of any of the provisions of this section, in addition to and not in limitation of any other rights, remedies or damages available at law or in equity and notwithstanding any dispute resolution provisions in the Agreement, Boscov's will be entitled to a temporary restraining order, preliminary injunction and permanent injunction in order to prevent or restrain any such breach.

22. AUDIT:

- a. Without advance notice but during regular business hours, Boscov's, its designated representatives and any independent inspectors approved by Boscov's, may inspect any facilities at which any goods or components for goods are being manufactured or assembled or stored (including any facilities of Vendor, its affiliates, subsidiaries, subcontractors and suppliers) and any and all goods at any stage of manufacture, assembly or delivery.
- b. Upon seven (7) business days' notice to Vendor, Boscov's shall have the right to audit all books, systems and records of Vendor in order to verify reports, statements and invoices issued by Vendor in relation to Vendor's performance under the Agreement. Any such audit shall be conducted during normal business hours without unreasonable burden on Vendor's business by Boscov's corporate internal audit personnel or by an auditor of nationally recognized standing selected by Boscov's. Should any inspection or audit referred to in this Section 22 reveal any violation of the Agreement (including the Code of Conduct) Vendor shall reimburse Boscov's for all costs directly or indirectly related thereto.

- 23. LABOR DISPUTES:** Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of the Agreement by Vendor, Vendor shall immediately give notice to Boscov's.

- 24. FUTURE TAXES:** All taxes, assessments, duties or any charge or increase not in effect on the date of the Agreement which may, prior to the completion of deliveries of goods or performance of services, be levied by any governmental agency on products, containers for products or services shall be the liability of Vendor without recourse to Boscov's.
- 25. CHANGES:** In addition to Boscov's right to cancel the Agreement, Boscov's reserves the right to make changes within the general scope of the Agreement, by any reasonable means, and if requested by Vendor, such changes shall be confirmed in writing by Boscov's. If any such change causes and increase or decrease in the cost of, or time required for, Vendor's performance, the price therefor and/or time required for performance shall be equitably adjusted. Any claim for adjustment hereunder must be asserted in writing within thirty (30) days from the date the change is ordered. Failure on the part of either party to assert its claim within the time provided shall operate as a waiver thereof.
- 26. DISPUTES AND RESOLUTIONS:** In the event of a dispute with respect to the Agreement, the parties shall endeavor, in good faith, to reach an amicable resolution of the dispute. If the dispute is not resolved within thirty (30) days after receipt of the notice of the existence of the dispute, either party may seek any resolution in accordance with Section 28 hereof. As to disputes concerning any amount invoiced by Vendor, Vendor shall provide to Boscov's, promptly after any Boscov's request therefore, such additional documents and/or information as Boscov's reasonably may request, including written proof of delivery. Should Boscov's dispute any invoice, in whole or in part, Boscov's may withhold the disputed amount and Boscov's failure to pay such disputed amount shall not be deemed a breach of the Agreement or otherwise subject Boscov's to any liability, charge or penalty.
- 27. FORCE MAJEURE:**
- a. Boscov's reserves the right to defer any shipment under the Agreement, cancel or modify the Agreement or change any performance dates if Boscov's performance is delayed on account of strikes affecting Boscov's plant or the plants of any of Boscov's suppliers, fire, an act of God, government order or regulation or other conditions beyond Boscov's control.
 - b. Vendor shall not be liable for delays or defaults in delivery due to fire, an act of God, governmental order or other unforeseeable causes beyond its control and without its fault or negligence, provided that Vendor notifies Boscov's within ten (10) days after Vendor first knows of same, the nature of such notification being of the essence, and Boscov's shall have the right to cancel the Agreement or any part of it without penalty.
- 28. GOVERNING LAW AND CONSENT TO JURISDICTION:** The Agreement shall be governed by and construed in accordance with the laws and decisions of the Commonwealth of Pennsylvania, excluding its laws of conflict of laws, and Vendor consents, exclusively to the adjudication of any dispute arising out of the Agreement by any federal or state court of competent jurisdiction sitting in Berks County, Pennsylvania and waives any objection to such venue.
- 29. ASSIGNMENT:** The Agreement and any payment or performance due under it may not be assigned, transferred, sublet, subcontracted or delegated, in whole or in part, by Vendor without the prior written consent of Boscov's. Boscov's may assign its rights under the Agreement to any of its affiliated companies or to other parties at any time and the Agreement shall inure to the benefit to Boscov's, its successors and assigns.
- 30. WAIVER:** No act or failure to act of Boscov's shall constitute a waiver of any provision contained in the Agreement and to be valid a waiver of any requirement or obligation under the Agreement must be in writing and signed by Boscov's. A waiver and/or failure to insist on strict performance of any of the terms or conditions of the Agreement, or the failure to take advantage of any rights provided in the Agreement, shall not constitute a waiver or excuse for nonperformance of any other terms or conditions of the Agreement or relinquishment of any other rights in the Agreement, or a waiver or excuse of nonperformance or relinquishment of rights regarding any later failure to perform.
- 31. SECTION HEADINGS:** The section headings contained herein are not part of the Agreement, but are included solely for the convenience of the parties.
- 32. INDEPENDENT CONTRACTORS:** Nothing contained in the Agreement shall be construed as creating a partnership or joint venture between Boscov's and Vendor, and Vendor shall at all times during the term of the Agreement be deemed to be an independent contractor, solely responsible for the manner by and the form in which it fulfills the Agreement. To the extent Vendor's obligations under the Agreement require the performance of services by Vendor on the premises of Boscov's, Vendor agrees that such services are to be rendered by Vendor as an independent contractor and Vendor shall comply with all of Boscov's safety rules and regulations and shall provide all safeguards and take all necessary precautions to prevent the occurrence of any injury to any person or property during the performance of such services.

- 33. NOTICES:** Any and all notices, consents or approvals called for hereunder shall be in writing or e-mail and shall be delivered or sent by overnight delivery service or by certified mail, return receipt requested, enclosed in a sealed envelope with first class postage thereon, addressed in the case of Boscov's to its office located at the address set forth on the front side of this document, and in the case of Vendor, at such address as Vendor shall provide Boscov's, or if no address is provided, at Vendor's principal offices. The address of either party may be changed by written notice to the other. Any notice will be deemed to have been received by a party the same date as sent if sent by telecopier or telex, the next day if sent by overnight delivery service and three (3) days from the date sent if given by certified mail, return receipt requested.
- 34. SEVERABILITY:** The provisions of the Agreement are severable, and if any provision is held to be enforceable, in any jurisdiction, the remaining provisions will continue in full force and effect.
- 35. AMENDMENT:** The Agreement may be amended only by a writing signed by a duly authorized representative of Boscov's.

15. Boscov's Department Store, LLC Code of Conduct for Vendors

At Boscov's Department Store, LLC ("Boscov's", "We" and "Us"), we are committed to:

- Standards of excellence in every aspect of our business, in every corner of the world;
- Ethical and responsible conduct in all of our operations;
- Respect for the rights of all individuals; and
- Respect for the environment.

We expect these same commitments to be shared by all vendors (and by the factories in which the merchandise they sell us is manufactured), (collectively "Vendors") of Boscov's. At a minimum, Boscov's requires that all Vendors meet the following standards:

1. Child Labor

Vendors will not use child labor. The term "child" refers to a person younger than 14 years of age or, the local legal minimum age for employment if higher than 14. If the laws of a country do not define a minimum age for employment or if the defined minimum age for employment or "child" is less than 14, We define "child" as 14 years of age.

2. Involuntary Labor

Vendors will not use any forced or involuntary labor, whether in the form of prison labor, bonded labor, indentured labor, labor acquired through slavery or human trafficking, or otherwise.

3. Coercion and Harassment

Vendors will treat each employee with dignity and respect. We will not tolerate human rights abuses including, but not limited to corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.

4. Nondiscrimination

Vendors will not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion, disability, cultural beliefs or any other prohibited basis.

5. Association

Vendors will respect the rights of employees to associate, and bargain collectively in a lawful and peaceful manner, without penalty or interference.

6. Health and Safety

Vendors will provide employees with a safe and healthy workplace in compliance with all applicable laws, rules, regulations and industry standards. Vendors will ensure, at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Vendors will also ensure that the same standards of health and safety are applied in any housing that they provide for employees.

7. Working Hours

Vendors will not, on a regularly-scheduled basis, require their employees to work in excess of 60 hours per week, or fewer hours if prescribed by applicable law or regulation. All overtime must be voluntary. In all except extraordinary circumstances, employees must be entitled to at least one day of rest in every seven day period.

8. Compensation

We expect Vendors to recognize that wages are essential to meeting employees' basic needs. Vendors will, at a minimum, comply with all applicable wage and hours laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation, and provide legally mandated benefits. If local laws do not provide for overtime pay, Vendors will pay at least regular wages for overtime work. Where local standards are higher than applicable legal requirements, we expect Vendors to meet the higher standards.

9. Protection of the Environment

Vendors will comply with all applicable laws and regulations. Our vendors are strongly encouraged to join our commitment to environmentally sustainable business practices such as reusing, reducing and recycling waste.

10. Compliance with Laws, Regulations and Standards

Vendors will comply with all applicable laws and regulations, including, without limiting the foregoing, those laws and regulations pertaining to the manufacture, pricing, sale and distribution of goods. All references to "Applicable laws and Regulations" in this Code of Conduct include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards

11. Subcontracting

Where a Vendor is also the manufacturer, such Vendor shall not use subcontractors for the manufacturing of Boscov's merchandise or components thereof without Boscov's express written consent, which shall not be unreasonably withheld. If a Vendor uses a manufacturer, Vendor shall provide notice of Boscov's and shall have the responsibility to ensure that such manufacturer complies with all laws and regulations; and this Code of Conduct.

12. Importation and Exportation of Merchandise

Vendors are responsible for compliance with all laws and regulations regarding the exportation and importation of goods. Without limiting the foregoing, Vendors must ensure that all merchandise must have accurate country-of-origin labels and accurate descriptions of the product or goods (including the contents, component or materials thereof).

13. Consumer Product Safety and Quality

Vendors are responsible for compliance with all laws and regulations regarding the safety of products intended for use by children and consumer product safety regulations generally. Vendors will maintain testing and reporting programs in compliance with all Consumer Product Safety Commission laws, regulations and rules. Vendors will meet all Industry and International Standards Organization standards related to the quality and safety of their products.

14. U.S Foreign Corrupt Practices Act and Other Anti-Bribery Laws

Vendors are responsible for compliance with the Foreign Corrupt Practices Act of 1977 and all similar laws of the United States and other countries which prohibit bribery and other undue influence of public officials.

15. Trademarks, other Boscov's Intellectual Property and Confidential Information

Vendors may, in some cases, be licensed to use Boscov's trademarks or other intellectual property. If so licensed, the Vendor may only use Boscov's trademarks or other intellectual property for the purposes designated in the license agreement. Vendors will maintain and protect all Boscov's confidential information with the same degree of diligence that they protect their own confidential information.

16. Boscov's Employee Business Conduct Policy

Boscov's maintains an Employee Business Conduct Policy. Vendors are required to understand this policy as it relates to Gifts, Favors and Payments Received by Boscov's Coworkers; Meals; Sporting and Cultural Events; Vendor Sponsored Trips; Honoraria; Samples; Prizes; Reporting; Confidential Information; Conflicts of Interest; Anti-Trust Matters; and Harassment, Discrimination and Retaliation. Vendors must report any violation of the Boscov's Employee Business Conduct Policy immediately to [Toni Miller – Sr. Executive Vice President / CAO / CFO by immediately writing to 4500 Perkiomen Ave, Reading, PA 19606, USA, emailing ToniMiller@Boscovs.com or calling +1-610-370-3440.]

17. Monitoring and Compliance

Vendors authorize Boscov's and its designated agents (including third parties) to engage in monitoring activities to confirm compliance with this Code of Conduct, including unannounced on-site inspections of facilities and employer-provided housing; reviews of books and records relating to employment matters; and private interviews with employees. Vendors will maintain on site all documentation that may be needed to demonstrate compliance with this Code of Conduct.

18. Publication

Vendors will ensure that the provisions of this Code of Conduct are communicated to employees, including the prominent posting of a copy of this Code of Conduct, in the local language(s) and in a place readily accessible to employees, at all times.

16. DATA PRIVACY AND INFORMATION SECURITY

(a) Vendor (i) has adopted and will maintain policies and procedures designed to protect the privacy and security of

Non-Public Personal Information (as defined below) in compliance with applicable law, including without limitation, any applicable law, rule, or regulation of the Federal Trade Commission, the Payment Card Industry Data Security Standard, state regulatory authorities and industry standards (collectively, "Legal Requirements"); (ii) will cooperate fully with Boscov's, and follow and comply with all reasonable instructions and directions by Boscov's to ensure compliance with the Legal Requirements; and (iii) will not sell, transfer, rent or disclose to any affiliated or non-affiliated third party ("Third Party") or use, except for the limited purposes expressly set forth in the Agreement, or except as expressly agreed by Boscov's, any of the Non-Public Personal Information or any other data provided by Boscov's. Where Boscov's grants permission for release of data to a Third Party, Vendor will obtain written assurances from the Third Party that such Third Party will provide the option, in any communications generated by, or on behalf of, the Third Party, for the customer of Boscov's to elect not to receive any further communications from such Third Party. For purposes of this Agreement, "Non-Public Personal Information" shall mean any and all customer information collected and obtained from Boscov's, including, but not limited to name; e-mail, mailing or other address; account number, postal code; telephone number; gender or other demographic characteristics; year or date of birth; social security or other tax identification number; educational background; occupation or other socio-economic or financial information; credit situation; pattern of use; nature, subject matter, date or amount paid in any customer transaction(s); number or identification of viewed/downloaded web site(s); preferences, profile, personal interests or habits; and any other identifying information, regardless of its accuracy or completeness.

(b) If Vendor (i) receives a complaint alleging a violation of privacy rights or other customer notice with respect to misuse or mishandling of Non-Public Personal Information shared between the parties, Vendor shall promptly notify Boscov's of the nature of the complaint. Boscov's may, in its sole discretion, control or participate in the response to the complaint or the defense of any action arising out of the complaint. If Vendor becomes aware directly or from a Third Party of a breach of Non-Public Personal Information, Vendor shall promptly notify Boscov's of the breach and provide reasonable information regarding the nature of the breach, the data that may have been compromised, and the actions taken to respond to and remediate the effects of the breach. Vendor shall fully indemnify and hold Boscov's harmless for, from and against any and all liability, claims, demands, losses, costs, expenses, including reasonable attorney's fees, or judgments arising out of any such complaint or incident of breach including any costs, expenses and reasonable attorney's fees associated with a decision by Boscov's to take control of the defense of any such claim, suit or proceeding.

(c) Vendor shall carry the following insurance with an insurance company or companies rated "A" or higher by A.M. Best Company:

(i) General liability coverage of not less than \$1,000,000 each occurrence; \$1,000,000 personal and advertising injury, \$2,000,000 general aggregate; \$2,000,000 products and completed operations aggregate;

(ii) Worker's Compensation coverage as required by statute;

(iii) Employer's liability insurance with minimum limits not less than \$1,000,000 for bodily injury each accident, \$1,000,000 bodily injury by disease – each employee, and \$1,000,000 bodily injury by disease – policy limit.

(iv) Data security and privacy coverage insuring against liability for the wrongful release, theft, duplication or misappropriation of Non-Public Personal Information at a limit not less than \$10,000,000 with Boscov's Department Store, LLC named as an additional insured. This shall include, among other available data security and privacy coverage, coverage for costs associated with a disclosure of Non-Public Personal Information to unauthorized persons including the cost of investigation, notification and credit monitoring or similar services designed to minimize identity theft for affected persons."

Boscov's Inc. and Boscov's Department Store, LLC shall be listed on the general liability policy as additional insured. Vendor shall furnish promptly to Boscov's an insurance carrier certificate evidencing such above-required insurance policies, listing Boscov's Inc. and Boscov's Department Store, LLC as Certificate Holder and providing a minimum of sixty (60) days written notice (or maximum allowed by statute) prior to cancellation or non-renewal. All liability policies shall be written on an "occurrence" basis. Said certificate must set forth the amount of coverage, policy, number and date of expiration.

(d) Vendor agrees that it, as well as any Third Party recipient, will dispose of all Non-Public Personal Information in compliance with the Legal Requirements and will provide documentation of such destruction as Boscov's may request.

(e) Vendor understands and agrees that Boscov's may suffer irreparable harm in the event of a breach of any obligations in this Agreement and that monetary damages may be inadequate to compensate Boscov's for such breach. Accordingly, Vendor agrees that, in the event of a breach or threatened breach of any of the provisions of this Agreement, in addition to and not in limitation of any other rights, remedies or damages available at law or in equity and notwithstanding any dispute resolution provisions in the Agreement, Boscov's will be entitled to a temporary restraining order, preliminary injunction and permanent injunction in order to prevent or restrain any such breach.

17. CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

1. Confidential Information. In connection with discussions concerning a future business relationship between Boscov's and Vendor and/or in connection with an ongoing business relationship, Boscov's and Vendor may disclose to the other certain information that is confidential and proprietary to the disclosing party (whether or not such information is marked as "Confidential") for the purpose

of bidding, negotiating—and, if successful—providing Boscov’s with goods and/or services and/or participating in Boscov’s Supplier Direct Fulfillment program pursuant to the terms and conditions of the Supplier Direct Fulfillment Vendor Agreement and the Supplier Direct Fulfillment Program Vendor Participant Policies (the “Permitted Use”).

As used herein, the term “Confidential Information” shall mean any and all information disclosed to a receiving party (whether previously disclosed, disclosed simultaneously herewith or hereafter disclosed), in whatever form or medium (whether oral, written, graphic, visual or computer generated), which has or could have commercial value or other utility in the business or prospective business of the disclosing party or any information of which unauthorized disclosure could be detrimental to the interests of the disclosing party. By example and without limitation, Confidential Information includes, but is not limited to:

- (a) Intellectual Property – trade secrets, patent applications, ideas, formulas, client lists, private or secret processes of the disclosing party as they exist from time to time, inventions, methods, designs, blueprints, drawings, customers, suppliers, mailing lists;
- (b) Business Information - strategic plans, the identity of business partners, descriptions of non-public transaction structure proposals, descriptions of business operations, store operations, billing and receivable operations, healthcare information including claims, marketing and operational procedures and strategies, other business plans and strategies, products, services;
- (c) Technical Information - computer systems, inventory systems, distribution networks, systems development, technical systems, product development methodologies and strategies, technical data, know-how, discoveries, manufacturing data, engineering data, test data, materials, costs, tolerances, specifications, software, equipment;
- (d) Financial Information - financial performance figures, financial information and projections, credit and financial information and techniques, procurement and sales activities and procedures, promotions, pricing; and/or
- (e) Other Nonpublic Information – any information received from others that the disclosing party is obligated to treat as confidential, any information that (under the circumstances surrounding disclosure) ought to be treated as confidential.

Each party further acknowledges and agrees that all information disclosed by a disclosing party hereunder and all other information to which a recipient may have access by virtue of any such disclosure or relating to the disclosing party shall be presumed by the parties to be Confidential Information unless the disclosing party shall advise the recipient that any item or items need not be regarded or treated as confidential.

2. Use of Confidential Information. The receiving party acknowledges the economic value to the disclosing party of all Confidential Information. With respect to Confidential Information, the recipient shall:

- (a) use Confidential Information only for the Permitted Use;
- (b) restrict disclosure of (i) Confidential Information; (ii) the fact that Confidential Information is being disclosed by or to either party; and (iii) the fact that discussions, proposals, meetings and/or work in connection with the Permitted Use are taking place; solely to those employees of such party with a “need to know” and those representatives of such party with a “need to know” (but only after first informing the representatives of the obligation of confidentiality and receiving from the representatives an executed confidentiality agreement containing similar restrictions as those found herein) and not disclose it to any other person or entity without the prior written consent of the disclosing party;
- (c) advise those employees and representatives who gain access to Confidential Information of their obligations with respect to the Confidential Information;
- (d) make only the number of copies of the Confidential Information necessary to disseminate the information to those employees and representatives who are entitled to have access to it, and ensure that all confidentiality and proprietary notices and legends affixed to or set forth on Confidential Information are reproduced in full on such copies;

- (e) safeguard Confidential Information with the same degree of care to avoid unauthorized disclosure as recipient uses to protect its own confidential and private information of a similar nature (but in no event less than a reasonable degree of care); and
- (f) notify the disclosing party immediately upon discovery of any suspected unauthorized use or disclosure of Confidential Information or any other breach of this Agreement by the receiving party, and cooperate with the disclosing party in every reasonable way to help the disclosing party regain possession of the Confidential Information and prevent its further use or disclosure.

For the purposes of this Agreement only, a “need to know” means that the employee or representative requires the Confidential Information in order to perform his or her responsibilities in connection with the Permitted Use.

All communication between the parties with respect to the Permitted Use will be channeled only through designated individuals at each party's respective offices at the above-referenced addresses. Except to the extent required by law, neither party will make, or permit to be made by any of their directors, officers, employees, representatives or agents any public statement or press release regarding the Permitted Use or the fact that discussions, proposals, meetings and/or work with regard to the Permitted Use are taking place without first consulting with the other party so that such public statement or press release may be jointly issued by the parties. No such public statement or press release shall be made or issued by either party unless and until jointly approved by both parties.

3. Exceptions: Notwithstanding the foregoing or anything to the contrary expressed or implied herein, “Confidential Information” shall not include any item of information which the recipient can demonstrate with written evidence:

- (a) is or becomes available to the public through no breach of this Agreement;
- (b) was previously known by the recipient without any obligation to hold it in confidence;
- (c) is received from a third party free to disclose such information without restriction;
- (d) is independently developed by the recipient without the use of Confidential Information of the disclosing party;
- (e) is approved for release by written authorization of the disclosing party, but only to the extent of and subject to such conditions as may be imposed in such written authorization;
- (f) is required by law or regulation to be disclosed, but only to the extent and for the purposes of such required disclosure; or
- (g) is disclosed in response to a valid order of a court or other governmental body of the United States or any political subdivisions thereof, but only to the extent of and for the limited purposes of such order; provided, however, that the recipient shall first notify the disclosing party of the order and permit the disclosing party to seek an appropriate protective order.

4. Securities Laws. Each party acknowledges that it is aware (and that its employees and representatives who have access to Confidential Information have been or will be advised) that federal and state securities laws prohibit any person or entity who has material, non-public information about a publicly-traded Vendor (such as the Confidential Information) from purchasing or selling securities of such Vendor, or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to sell or purchase such securities. Each party further acknowledges that if one of its employees or representatives uses Confidential Information that it receives from the other party in a manner that violates federal and state securities laws (as set forth above), such use will be deemed a violation of this Agreement and the disclosing party will be able to seek any remedies available to it pursuant to the terms contained herein as well as at law or in equity.

5. Return of Information. Confidential Information, including permitted copies, is and at all times shall remain the property of the disclosing party. Each recipient shall, upon the termination of its business relationship with the other or upon a written request by

the other party, whichever is earlier, promptly return to the disclosing party all Confidential Information, including all copies, reproductions or summaries thereof and all records, notes and other written, printed or tangible materials in its possession pertaining thereto, or, if so directed by the disclosing party, provide written certification that all of the aforementioned has been destroyed in a manner which preserves its confidentiality. The return of Confidential Information, copies thereof and other written materials pertaining thereto shall in no event relieve the recipient of any obligation of confidentiality and non-use contained herein with respect to the Confidential Information.

6. Reasonableness; Remedies. Both parties acknowledge that these covenants are reasonable and necessary for the protection of the proprietary interests of each other and agree that an impending or existing violation of any provision of this Agreement may cause the disclosing party irreparable injury for which it would have no adequate remedy at law, and that the disclosing party shall be entitled to seek immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity. Each party further agrees to indemnify the other party against any and all losses, damages, claims, and expenses incurred or suffered as a result of a breach of this Agreement, including the reimbursement of the other party (if successful on the merits) for all court costs and legal fees, including reasonable attorney's fees, incurred in enforcing this Agreement or obtaining relief hereunder.

7. Miscellaneous.

(a) Nothing contained in this Agreement or in any discussions undertaken or disclosures made pursuant hereto shall (i) be deemed a commitment on the part of Boscov's to engage in any business relationship, contract or future dealing with Vendor or any other party, or (ii) limit either party's right to conduct similar discussions or perform similar work to that undertaken pursuant hereto, so long as said discussions or work do not violate this Agreement.

(b) No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement or any disclosure hereunder, except for the right to use such information for the sole purpose of the Permitted Use. Unless otherwise agreed to in writing by the parties, no warranties of any kind are given with respect to the Confidential Information disclosed under this Agreement, except each party warrants to the other that: (i) the party providing the Confidential Information is the owner of such information; and (ii) the provision of any of the Confidential Information hereunder shall not violate or conflict with any third party's legal (contractual or otherwise) rights with respect to such information.

(c) This Agreement shall be effective as of the date first written above and shall continue until terminated by either party upon thirty (30) days prior written notice. All obligations undertaken respecting Confidential Information already provided hereunder shall survive any termination or cancellation of this Agreement.

(d) This Agreement may not be assigned by either party without the prior written consent of the other. No permitted assignment shall relieve a party of its obligations hereunder with respect to Confidential Information disclosed to that party prior to the assignment. Any assignment in violation of this Section shall be void. This Agreement shall be binding upon the parties and their respective successors and any permitted assigns.

(e) If any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.

(f) Each party (i) warrants that it has the authority to enter into this Agreement and to lawfully make the disclosures contemplated hereunder and (ii) expressly agrees that, with respect to this Agreement, facsimile signatures are binding on the parties.

(g) This Agreement represents the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings relating thereto. The provisions of this Agreement may not be modified, amended or waived, except by a written instrument duly executed by both parties. This

Agreement and the parties' rights and obligations hereunder shall, in all respects, be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard for its conflicts of law principles. The parties hereto agree that the exclusive jurisdiction for any claim or suit brought to enforce a party's rights under this Agreement shall be the courts of the Commonwealth of Pennsylvania, Berks County or the U.S. District Court for the Eastern District of Pennsylvania and each party hereby waives any claim that Berks County or the Commonwealth of Pennsylvania is an inconvenient forum.