Stellar Partners, Inc.
Shipping Guidelines for

Stellar Partners, Inc.
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Overview
Stellar values its vendor partners and recognizes we have a shared objective; your product reaching the sales floor and our customers as quickly possible.

Purpose of this Manual
To ensure that all merchandise shipped to Stellar is consistent, timely and cost-efficient, this manual contains instructions for packing, ticketing, labeling, routing, and documentation of all merchandise.

Failure to comply with these guidelines will result in a debit against your account for added handling costs, or in merchandise being returned to you for correction (see Vendor Non-Compliance). A written document for proposed deviations must be submitted to and approved by the Director of Merchandising before shipping.

I. Shipping Requirements

Ground Shipments:

For POs weighing less than 150 lbs.

1. Please login to Fedex.com using your Unique User ID and Password, or apply FedEx 3rd Party Billing Account # to shipping papers.
2. Create your FedEx shipping label to be attached to your letter or package
   a. Section 1 (From) will pre-populate with your company information
   b. Fill in Section 2 (To), and Section 4 will then pre-populate a reference ID.
   c. Select Ground as the Service Type. Please note that Express shipments must be pre-approved by Stellar.
   d. If your shipment contains one pallet or more, please contact Andres Lendoiro at alendoiro@spi-team.com for routing instructions.
3. Failure to enter the location code in the Reference Number 1 field will result in a $100 chargeback. If you have any questions or concerns regarding this implementation, please contact Andres Lendoiro: alendoiro@spi-team.com
For POs weighing 150 lbs. or more

1. POs 150 lbs+ or Multiple POs exceeding 150 lbs+ going to same destination require individual direction.
2. For these shipments, email the Distribution Manager for an LTL and Fed Ex Ground rate comparison. Send PO#, total weight, number of boxes/pallets, dimensions of each pallet (L x W x H), and weight for each pallet.
3. Distribution Manager: Andres Lendoiro
   Email: alendoiro@spi-team.com

Air Shipments:

1. Expedited shipments will not be accepted unless prior written approval is received and is attached to the packing list. Email the DC Manager for approval.
   Distribution Manager: Andres Lendoiro
   Email: alendoiro@spi-team.com

II. Merchandise Labeling
   A. Garment Identification
      1. All garments must have a permanently attached label affixed to them that contains the following information and meets this criteria:
         a. Labels should remain legible throughout the useful life of the garment.
         b. If the garment is to be dye treated, the label should be affixed after the dye process is complete.
         c. The size of the garment must appear on the garment label.
         d. The "Country of Origin" must appear on the garment label.
         e. The fiber(s) and/or Fabric content(s) must be identified on the garment label by the generic name with percentage(s) preceding it. The larger percentage must be listed first.
         f. The "RN" number must appear on the garment label and needs to be in accordance to Federal Trade Commission Regulations.
         g. Failure to comply with the Federal Trade Commission Regulations for fiber/fabric content and RN Numbers will result in returned merchandise to be corrected by the vendor. Charges for transportation costs will be deducted from your invoice.
   B. Permanent Care Labels
1. All merchandise must conform to Federal Trade Commission Regulations for the permanent care instruction label.
2. The care label must be affixed to the item so that it cannot be separated from the product during its useful life.
3. Failure to comply with the Federal Trade Commission Regulations for fiber/fabric content and RN Numbers will result in returned merchandise to be corrected by the vendor. Charges for transportation costs will be deducted from your invoice.

C. Placement of Garment Label

1. Full length or upper body garments - The labels should be sewn on the inside of the neck of the garment, and positioned midway between the shoulder seams. If buttons or zippers are located on the back of garments, then the label should appear just to the right in the seam between the shoulders.
2. Lower body garments - Labels should be sewn on the inside of the waistband, and positioned midway between the side seams. Again, if any buttons or zippers are located in the back of garments, then the label should be positioned just to the right in the back seam as you wear the garment.

III. Pre-Pricing Guidelines

Proper placement/location of tickets and bar codes is critical to Stellar Partners, Inc. Consistency is imperative in applying all types of tickets. Vendors and suppliers must not make any exceptions to the ticket placement requirements without pre-approval from Stellar. All product tickets must have an item-specific UPC and Stellar Retail Price affixed to the item prior to shipping, unless prior approval is obtained.

A. Garments

1. All tops, dresses, and jackets must be priced in the size/care label in the collar.
2. All walk shorts, volleys, board shorts, pants, and skirts can be priced in the permanent size/care label in the waistline located in the back of the garment. Also, if label is sewn tight to the garment then the price tag should be placed in the seam at the waistline on the left side of the garment.
3. Garments that have belt loops could be priced using a looping fastener, if preferred.
4. UPC barcodes must be specific to the color and size of the item.

**NOTE**: Under no circumstances should any of the price tickets be applied directly into the material of the garments causing damage.

B. Accessories

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1. On sunglasses, the price ticket should be applied to the vendors hang tag located in the center of the bridge.

2. Purses, beach bags, duffle bags, back packs, hip sacks, etc. should all be priced with a looping fastener in a manner that does not allow for removal.

3. Items such as pens, key chains, pins, jewelry, small trinkets, etc. should have the barbell price ticket application.

4. On all plush products, the ticket should be applied to the care/country of origin tab that is sewn in the seam of the product.

5. All baseball hats should have the ticket applied in the seam on top of the hat. The ticket should never be applied underneath in the permanent care label for security reasons.

C. Hard goods
   1. Price tickets must appear on the back or bottom of each item.
   2. Tickets should not cover any pertinent information or the UPC bar code.

IV. Preparing the Merchandise

A. Packaging
   1. Under NO CIRCUMSTANCES should multiple purchase orders be packed in the same carton. One purchase order shipped per carton(s).
   2. Merchandise must be properly grouped and divided by style number if shipped in the same carton with other styles.
   3. NO SUBSTITUTIONS should be packed without Stellar approval.
   4. Any breakable items must be protected inside the carton with bubble wrap or other shock-absorbing material.
   5. All packages should measure less than 84 inches in length and girth combined to avoid packages being shipped oversized. FedEx Terms and Conditions for oversized packages measuring over 84 inches in length and girth combined and weighing less than 50 pounds ("oversize") will be considered a 50-pound package in calculating the shipment billed weight used to determine total charges. Do not ship oversized cartons.

B. Carton Label Specifications
   1. Purchase Order number must appear on carton(s).
   2. Packing List must appear on the outside top of the lead/master shipping carton.
   3. Cartons must be numbered if more than one carton per order. For example: 1 of 2; 2 of 2, etc.
   4. An address label must appear on the outside top of each carton shipped.
5. Store location must appear on the address label or written legibly on cartons shipped.

6. Cartons should not display any previous markings or brand names which may be misconstrued as to the actual contents in the carton.

7. If one style is shipped per carton the style number, quantity, and color is **required** to be on the carton in label or printed form. If information is handwritten, it must be legible and in English.

C. Carton Address Label Example:

<table>
<thead>
<tr>
<th>FROM:</th>
<th>TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Designs</td>
<td>Stellar Distribution Center</td>
</tr>
<tr>
<td>1234 Design Way</td>
<td>5511 Pioneer Park Blvd.</td>
</tr>
<tr>
<td>Designer, FL 12345</td>
<td>Tampa, FL 33634</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STORE LOCATION:</th>
<th>PO#</th>
<th>Box #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stellar Distribution Center</td>
<td>99999</td>
<td>1 of 6</td>
</tr>
</tbody>
</table>

V. **Required Documentation**

Providing complete and accurate documentation is imperative for our receiving department. Proper documentation will help expedite the orders through the Distribution Center’s receiving process and as a result, will expedite payment for the invoice(s).

All documentation must be legibly printed in English.

A. Packing Slip

1. A packing slip must accompany each delivery/purchase order.
2. The packing slip must provide an itemized list of what was shipped.
3. The packing slip must be securely attached to the outside top of the leading or master shipping carton.
4. The packing list must include the following information:
   a. Vendor name and address.
   b. Invoice number.
   c. Stellar Partners Purchase Order Number.
   d. Breakdown of quantities by vendor style #, size, color, and description.
   e. Full description of product shipped.
   f. Quantity of units ordered/Quantity shipped and extended totals.
g. Total number of cartons shipped.

h. Order Date and Actual ship date (Not the day the invoice was processed).

i. Ship to: Name and address of the location.

B. Bill of Lading

1. Bill of Ladings, when used in shipping, must provide the following information.
   a. Vendor name and address.
   b. Purchase order(s) shipped.
   c. Number of carton(s) shipped per PO#.
   d. Total weight of shipment/PO#.
   e. The freight classification.
   f. A description of the articles shipped.
   g. The proper ship to address, store location, and store number.

C. Invoices

1. All invoices must be emailed to stellarinvoices@hmhost.com. Paper invoices are
   strongly discouraged.

2. Invoices must obtain the same information as listed for the packing slip. In
   addition we require:
   a. Invoice Date.
   b. Payment Terms.
   c. Itemize cost per style number and total extension of costs.
   d. List freight carrier.
   e. Due Date.
VI. Vendor Chargebacks

ATTACHMENT A

VENDOR NON-COMPLIANCE

<table>
<thead>
<tr>
<th>Item</th>
<th>Chargeback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipped before PO ship date or PO past cancel date</td>
<td>$100</td>
</tr>
<tr>
<td>Shipped to incorrect delivery address</td>
<td>$100</td>
</tr>
<tr>
<td>Shipped by carrier other than FedEx Ground (100 weight)</td>
<td>Free Freight, $100</td>
</tr>
<tr>
<td>PO number missing or incorrect on FedEx shipping label</td>
<td>$75</td>
</tr>
<tr>
<td>PO number missing or incorrect on packing slip/invoice</td>
<td>$75</td>
</tr>
<tr>
<td>No packing slip included in shipment</td>
<td>$100</td>
</tr>
<tr>
<td>Product not ticketed or ticketed incorrectly</td>
<td>0.45 per item</td>
</tr>
<tr>
<td>Incorrect item shipped</td>
<td>$100</td>
</tr>
<tr>
<td>Incorrect quantity shipped (overages or shortages)</td>
<td>$100</td>
</tr>
<tr>
<td>PO not shipped complete without back order approval</td>
<td>$100</td>
</tr>
<tr>
<td>Price discrepancies (Accounts Payable - AP)</td>
<td>$100</td>
</tr>
<tr>
<td>Did not list location code in reference field 1</td>
<td>$100</td>
</tr>
<tr>
<td>PO 150LBS+ shipped without routing request</td>
<td>$200</td>
</tr>
<tr>
<td>Multiple POs 150LBS+ to same destination without routing request</td>
<td>$200</td>
</tr>
</tbody>
</table>

TOTAL CHARGEBACK