

The Paper Store Domestic Compliance Guide

Introduction

Thank you for your partnership in the growth and continued success of The Paper Store. Our vendors play an integral role in our mission to be the premier destination spot for all of our customers' gift giving needs by providing an ever-changing assortment of exciting merchandise. We believe that through high standards and expectations of ourselves, as well as our vendors, we will be able to cultivate relationships that are mutually beneficial.

The Paper Store Vendor Compliance Guidelines contains the terms and conditions that support the demands necessary to efficiently continue to evolve all aspects of our organization. The following document outlines the requirements of The Paper Store to maintain an effective supply chain and allow us to quickly and efficiently distribute product to our sales floors in order to continue to increase our number of stores and their subsequent product offerings. We have also created a new digital resource which can be found at www.thepaperstore.com/suppliers.

It is the responsibility of our vendors, and any third-party representative, to read and understand the following document. By accepting a purchase order, you are agreeing to all terms, conditions and requirements within and any form of non-compliance may result in a chargeback. Our Vendor Compliance team encourage questions that pertain to the specifics that are outlined within these guidelines. It is our desire to accomplish these goals through dedicated communication with our vendors. We look forward to working with you and our continued success together.

Sincerely,

The Paper Store

Revision History

The Paper Store reserves the right to change, add or modify this document at any time. Any changes made will supersede all previous terms and conditions set forth in this document. It is the responsibility of the vendor, and any 3rd party representative, to periodically review this chart for changes and reach out with any questions.

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1.0 Purchase Orders

This section outlines all purchase order types, terms, freight definitions and acceptance requirements.

1.1 Types of Purchase Orders

All Purchase Orders (POs) will be submitted as either a Bulk Order or Pack by Location.

Bulk

Bulk orders reflect product that is packed and shipped to one single location.

Pack by Location

Pack by Location purchase orders reflect multiple locations under one Purchase Order Number and are packed by each separate location. This type of PO could ship to one or more locations.

1.2 Ship Dating

All accepted purchase orders must arrive on or between the *From Delivery Date* and *To Delivery Date* as indicated on the purchase order. These two dates represent the earliest The Paper Store will accept a shipment against a PO and the effective cancel date.

- Orders that arrive outside of the *From Delivery Date* or the *To Delivery Date* without buyer approval, are subject to return or refusal and the vendor will be liable for all associated costs.
- If an order will not be ready to ship until after the *To Delivery Date*, buyer must approve change prior to shipping and expedited shipping may be required at the vendors expense.
 - If The Paper Store is responsible routing, expedited shipping will be selected and the difference will be charged back to the vendor.

1.3 Payment Terms

The net terms on a Purchase Order reflect the net terms approved for that specific Purchase Order ONLY. These terms will reflect either the standard recurring net terms that have been negotiated or any special terms approved for the Purchase Order submitted (i.e. NET 60, NET 90, etc.).

1.3.1 Discounts

All negotiated discount will appear on each purchase order submitted to the vendor.

1st Trade Discount

The recurring and standard deduction from the wholesale cost of product as negotiated between The Paper Store and the vendor.

2nd Trade Discount

Any additional discounts to be applied to a particular Purchase Order after the application of the 1st trade discount.

Early Pay Discount

An additional discount to be taken off the invoice total when processing payment on an invoice within a specific window prior to the due date of the invoice

Damage Allowance

A discount that accounts for product damages, due to their fragility, in lieu of the vendor issuing a credit memo.

1.4 Freight Term Agreements

This section outlines the freight terms that will appear on a purchase order and their definitions. These terms will reflect either the standard recurring freight terms that have been negotiated or any special freight terms approved for the Purchase Order submitted. For specific details on the shipping requirements for each of these terms, please see section 6.1 and 6.2.

THE PAPER STORE PAYS FREIGHT (TPS Pays Freight)

Will appear on a purchase order when it has been negotiated that The Paper Store is responsible for the full cost of freight.

½ FREIGHT

Will appear on the purchase order when it has been negotiated that the vendor and The Paper Store will split the cost of freight.

THE PAPER STORE UPS ACCOUNT AUTHORIZATION (TPS UPS ACCT)

Will appear on a purchase order when it has been negotiated that direct to store orders will ship using The Paper Store UPS account number.

- Approval to ship using the UPS account number will only be given under specific circumstances or when the vendors estimated rate falls outside of The Paper Stores freight margin tolerance.

FREE FREIGHT

Will appear on a purchase order when it has been negotiated that the vendor assumes full responsibility for the cost of shipping, including any delivery/notification charges.

FREIGHT CAP

Will appear on a purchase order when it has been negotiated that The Paper Store is responsible for freight costs up to a specified percent of the shipment invoice.

FLAT RATE

Will appear on a purchase order when it has been negotiated that The Paper Store will pay one flat fee per receiving location.

- Import shipments – freight charges applied to either product invoice or on a separate freight invoice.

PRE-PAY & ADD (PPA)

Will appear on a purchase orders when it has been negotiated that a vendor will ship pre-paid and add the cost of freight to the invoice. Pre-Pay & Add will only be considered for the following reasons:

- Bulk purchase orders where the vendor rate consistently comes in at, or lower than, the rate of The Paper Store. The vendor will add the cost of freight to the shipment invoice as a separate line item.
- Pack by location purchase orders shipping direct to stores when it has been determined that this is the most effective shipping method.
- Import shipments – when it is determined that the vendors rate/carrier is the most cost-effective method.

1.5 Purchase Order Acceptance

All purchase orders submitted by The Paper Store must be responded to within 2 business days to accept, question or ask for clarification of the terms stated within.

Acceptance acts as a contract of all terms and indicates that all information on the PO has been reviewed, is correct and will be fulfilled as agreed upon, including but not limited to, SKU numbers, quantities, unit costs, discounts, dating, pre-ticketing negotiations, freight terms and net terms.

- A vendor 3rd party representative response, confirming receipt of an order, will be understood as full acceptance of the PO. It is the responsibility of each vendor or 3rd party representative to fully review terms before replying to each PO submission.

Vendors may only ship against open and accepted purchase orders. Any purchase order that the vendor has not accepted is considered invalid. Orders shipped against an invalid or cancelled PO, may be subject to return or refusal and the vendor will be liable for all associated costs. However, if The Paper Store chooses to keep the shipment, any shipment made against an invalid PO will be considered a full acceptance of the terms of that PO.

The Paper Store reserves the right to cancel all open purchase orders, in whole or in part, at any time without penalty, unless otherwise negotiated.

1.5.1 Price Changes

The Paper Store requires notification of all price changes on any previously purchased and replenishable product as soon as the information is available.

Any SKU that undergoes a price change after a purchase order has been accepted, the originally accepted cost(s) must be honored on the invoice. If the original cost does not appear on the invoice, a revised copy will be requested.

1.5.2 Product Substitutions

Under no circumstance will the vendor substitute merchandise on a PO for that of a similar kind because the originally ordered product is discontinued or out of stock without first obtaining written authorization from the buyer. The Paper Store reserves the right to return any substituted product at the vendor's expense.

1.5.3 Backorder Policy

Backorders are defined as any SKU(s) that are out of stock and will not be available to ship before the To Delivery Date indicated on the purchase order. All backorders must be communicated immediately to the buyer and estimated ship dates provided by SKU. Any backorder(s) shipped after the new ship date, without receiving approval from the buyer, are subject to return or refusal.

The buyer reserves the right to cancel all unshipped backorders. Any backorder(s) shipped that have been cancelled off a Purchase Order are subject to return or refusal at the vendors expense.

1.5.4 Co-op Allowance

A co-op allowance featuring a particular SKU(s) in The Paper Store catalog(s) can be inquired about. The negotiated costs will be through the PO acceptance process. The payment method will be coordinated through the buyer and/or Accounts Payable.

1.5.5 Product with Strict On-Shelf Dating

For any SKU where there is a strict on-shelf selling date, the vendor must identify those skus by providing the buyer the on-shelf date at the tie of PO acceptance. Failure to communicate this information will indemnify The Paper Store from all liability and responsibility if the product is sold prior to the on-shelf date.

1.6 Vendor Insurance and Indemnification

By accepting a purchase order, you agree to meet the following Insurance and Indemnification requirements.

1.6.1 Vendor Insurance

Vendor will secure and maintain appropriate products and contractual liability insurance coverage in adequate amounts, including:

- (a) commercial general liability insurance of at least \$1,000,000 per occurrence, \$1,000,000 aggregate;
- (b) personal and advertising injury insurance of at least \$1,000,000 per occurrence; and
- (c) products/completed operations insurance of at least \$1,000,000 aggregate.
- (d) excess umbrella insurance of at least \$5,000,000 aggregate.

Such insurance coverage will be primary and not contributory and provide cross-liability coverage. Vendor's insurance will name The Paper Store and its affiliates as additional insureds. Upon The Paper Store's request, Vendor will give The Paper Store certificates evidencing such insurance coverage. Vendor will bear its own insurance and insurance-related expenses and its liability will not be limited to its insurance coverage.

1.6.2 Indemnification

Vendor will be solely responsible for and will indemnify and hold The Paper Store and affiliates, and their respective directors, managers, officers, employees and agents (collectively, the "**The Paper Store Indemnified Parties**") free and harmless from and will (at The Paper Store's sole option) defend The Paper Store Indemnified Parties against any and all losses, damages, liabilities, actions, judgments, reasonable attorneys' fees, costs, or expenses of whatever kind ("**Claims**") including Claims arising from or related to (a) any actual or alleged defect in Goods, including any Claim of strict liability in tort and/or failure to provide adequate warning; (b) actual or alleged infringement of any patent, copyright, trade secret, trademark or other intellectual property right arising from or related to any Goods; and (c) actual or alleged violation of any Applicable Law or breach of the Agreement by Vendor, its affiliates, and/or their respective employees, agents and contractors.

2.0 Product Labeling

This section outlines product labeling requirements for all commodities shipped to The Paper Store.

2.1 Universal Product Codes (UPC)

- At minimum, all products sold to The Paper Store are required to have a human readable UPC number and scannable barcode.
 - Vendor UPC numbers must be provided when available.
 - The Paper Store can provide UPCs to vendors when necessary.
- In accordance with the 2019 GTIN standards, UPC reuse is not permitted.

2.2 MSRP Notification

Vendors must notify the buyer if any product ordered is ticketed or printed with the vendor's MSRP. If the MSRP is ticketed or printed on the product, approval to ship must be obtained from the buyer. The Paper Store may require the vendor to remove MSRP tickets prior to shipping and re-ticket with The Paper Store retails.

2.3 Pre-ticketing

All tickets must be adhered directly to the product and be visible from within any protective, disposable packaging.

2.3.1 Pre-Price Notification

It is the responsibility of the vendor to review each Purchase Order to verify if they are required to pre-price with The Paper Store retail cost. The Paper Store will not accept product labeled for another company.

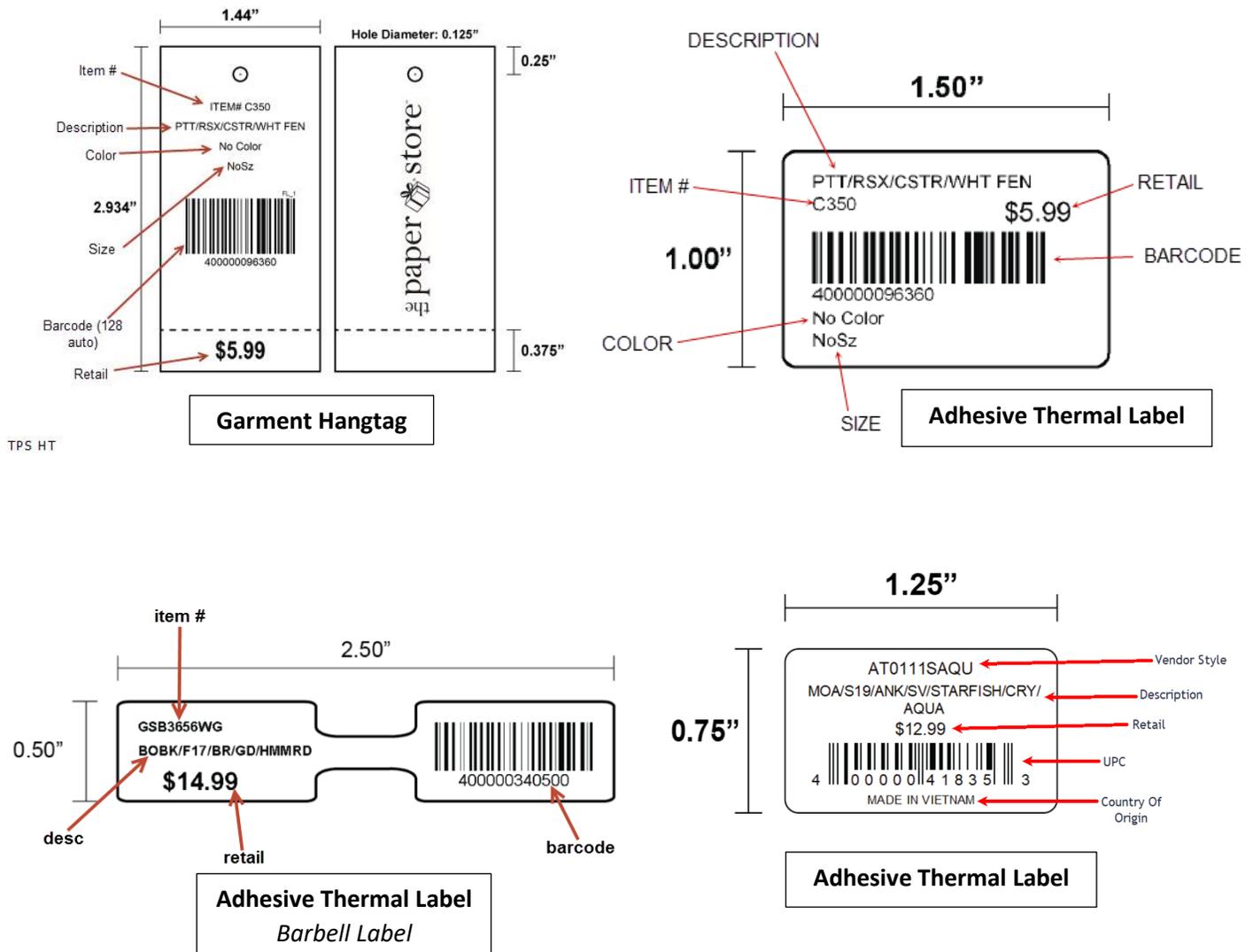
PLEASE NOTE: *If the product has a retail price sticker that is lower than The Paper Store retail price provided, the lower price must be removed prior to shipping. The lower cost may NOT be priced over.*

2.3.2 Acceptable Types of Ticketing

The following methods are the only forms of pre-ticketing accepted by The Paper Store. For the specific ticketing examples and requirement please reference the criteria in the following section.

1. PRINTER RETAIL STICKER
2. HAND HELD PRICE MARKING (SLUG TAGGING)
3. GARMENT HANG TAG LABEL
4. ADHESIVE THERMAL LABEL

Please Note: If a SKU does not have a UPC on the product itself and requires an adhesive thermal label or a garment hang tag, tickets must contain all the information shown in the following examples. If the vendor is unable to produce their own labels, please contact the buyer and labels can be provided. It is the responsibility of the vendor to communicate with the buyer when the tickets will be needed by in order to be applied at the placement of the purchase order. See ticket examples below.



IMPORTANT: Vendor must use pre-printed tickets for product labeling when provided by The Paper Store.

2.3.3 Ticket Placement

1. Printed Retail Sticker

- This type of labeling must be adhered next to, above or below the UPC barcode.
- Under no circumstance should a UPC number or barcode be covered.



2. Hand Held Price Marking

- This type of labeling must be adhered next to, above or below the UPC barcode.
- Under no circumstance should a UPC number or barcode be covered.



3. Garment/Hang Tag

- This type of label must contain the SKU#, retail price, UPC and scannable barcode.
- All tags must be adhered directly to the product and be visible from within any protective, disposable packaging.
- Retail tickets can be provided by The Paper Store or created by the vendor.

Ticketing Apparel		
A	Pants, Shorts, Skirts, Outerwear Bottoms	Attach on the left outside seam at waist; fine fabrics attach through vendor label
B	Shirts, Dresses, Jackets, Sports Shirts, Outerwear tops, Shawls, Capes, Robes & Pajamas	1) Attach through the main label in the back center of the neck 2) If there is no main label, the ticket must be attached through the seam at the back center of the neck 3) Garments with no neck seam must attach the label under the left arm where the seam is reinforced
Ticketing Accessories		
C	Scarves	Attach through main label. If there is no main label the ticket should be attached to the bottom of the item and through a seam (if applicable).
D	Hats	Attach through the seam at the top of the hat
E	Wallets/Clutches	Attach through the zipper or metal loop on either the left or right side
F	Handbags	Attach around the right side of the handle
G	Belts	Attach ticket through the belt buckle or prong

EXAMPLES:



4. Adhesive Thermal Label

- This type of label must contain the SKU#, retail price, UPC and scannable barcode.
- This type of label must be adhered to the product on the bottom, side or back of the product.
- Retail tickets can be provided by The Paper Store or created by the vendor.

Jewelry & Accessories		
H	Card Back	Price label may be placed on the back of the jewelry card back
I	Barbell	Bracelets and necklaces may be ticketed with a barbell label
J	Standard Label	All other product that does not contain a UPC must be ticketed on the back or bottom of the product.



3.0 Product Packaging

This section outlines the requirements for protective packaging added to merchandise in order for it to withstand transit to any The Paper Store location or customer. It is the vendors responsibility to understand the terms for packaging negotiated by the buyer.

3.1 Fragile Goods

- All items should be packaged individually or by inner carton. When packing by inner carton please separate by one of the following:
 - Inner box
 - Egg crate
 - Poly foam/Styrofoam
 - Bubble bag (1/2" minimum)

3.2 Bottled or Jarred Food/Liquids

- All caps/covers should be secured with a tamper proof seal
- Pump caps must be sealed in the locked position
- Scented products should be boxed and wrapped in a polypropylene film individually or by inner

3.3 Glass/Ceramics

- All items should be packaged individually or by inner carton. When packing by inner carton please separate by one of the following:
 - Inner box
 - Egg crate
 - Poly foam/Styrofoam
 - Bubble bag (1/2" minimum)

3.4 Soft Goods

- Apparel items – Polybagged individually or by inner, by SKU and by size, when applicable
- Plush items – Polybagged individually or by inner
 - Jewelry items – Individually boxed or polybagged by selling unit to prevent tarnish

4.0 Carton Criteria

This section outlines all carton criteria from master/inner definitions, weight/size to outer labeling requirements. The buyer must be informed of all master and inner carton quantities, by SKU, prior to order placement or acceptance of a Purchase Order.

4.1 Master & Inner Cartons

All merchandise sold to The Paper Store must be packed and shipped in a Master Carton. Each Master Carton must contain product for only one purchase order and one location.

All merchandise sold to The Paper Store must be packed in the following types of cartons:

A **Master Carton** is the outer most carton of a single SKU that consists of a standard quantity of units.

- Master cartons may contain inners.
- Each Master Carton must contain product for only one purchase order and one location.
- The Master Carton will function as the order multiple when placing a bulk purchase order.

An **Inner Carton** is identified as a standard quantity of units divisible by the master carton quantity.

- Inner cartons within a master carton must be in some form of a protective packaging (i.e. boxed, wrapped in polybagged packs, Styrofoam, etc.)
- Inner cartons should not be shipped individually. If The Paper Store places a bulk order that breaks the master carton quantity, please inform the buyer so it may be reviewed and allow for potential revisions to the total order quantity by SKU.

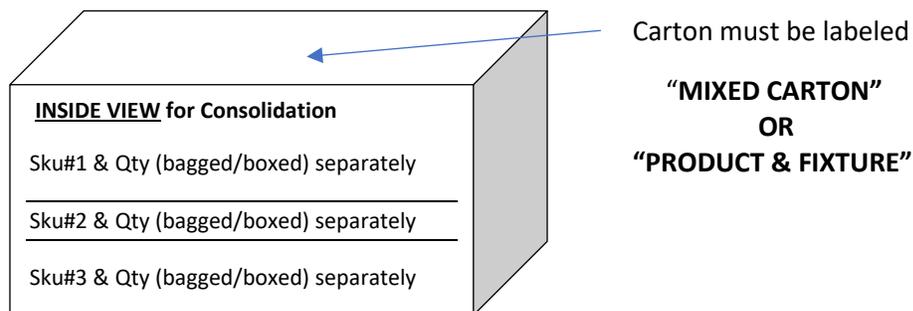
An **Outermost Carton** is a non- standard quantity of units/ inner cartons. This type of carton pertains to direct to store dropship orders.

- Units/inner cartons shipped in a non-standard quantity due to not fulfilling a master carton that the order quantity could not be revised at this time are preferred to be packed in an outermost carton rather than individual smaller cartons.
 - This will assist in decreasing the number of cartons shipped, save on shipping costs for both parties.
 - If packing in an outermost carton, only one SKU per carton and only one PO# per carton, is permitted.
 - If a shipment gets palletized, this will promote adequate pallet stacking- see section 5.2.

IMPORTANT: If either the master carton or its inners are to undergo a change in quantity, the buyer must be notified and will make any necessary adjustments to existing purchase orders.

Jewelry/Pack by Location Exception (Mixed Carton): Jewelry skus or cartons being packed by location that do not fill a master carton in its standard quantity of units, are authorized to have multiple skus packed into one carton. Each selling unit must be individually boxed or polybagged. When combined in a mixed carton, each SKU must be bagged, boxed or separated by SKU.

Jewelry Notation: If a fixture is being shipped with product in the same carton, the carton must be labeled with “Product & Fixture” as shown in the following example:



PACKING

All cartons must be packed so that its contents are fully immobilized on all sides and avoids the need for excess packing materials.

- While The Paper Store does allow most forms of packing material, we request that all forms of packing peanuts be avoided.

WEIGHT

Master cartons must not exceed 50lbs.

Jewelry Restriction: Cartons must not exceed 30lbs to minimize damage and/or loss of product that can occur during transit.

DIMENSIONS

Master Cartons must not exceed 30in x 20in x 20in to adequately convey through our material handling equipment. Any exception to this carton size must be approved by The Paper Store Compliance Team.

BOX SEALING

Each carton must be sealed securely with heavy duty packing tape to withstand transit.

FIXTURES & DISPLAY EXCEPTION

The Paper Store does authorize fixtures and/or displays to go outside of the outlined carton criteria due to the nature of the commodity.

4.2 Carton Labeling

The following information must appear on all cartons shipped to The Paper Store. This information may be split between the shipping label, carton label and/or printed directly on the carton depending on the vendors capabilities. All information must be present regardless of whether shipment goes ground or freight.

- Company name [The Paper Store]
- Location Number (i.e. 98 - Distribution Center, 994 - Ecommerce, 17 - Hingham, MA)
- Ship to address (*as indicated on the purchase order*)
- The Paper Store purchase order number
- Each box must have a box number and the total number of boxes in its shipment by location
 - I.E. grouped as Box 1 of 3, Box 2 of 3, etc.
- Carton Weight (lbs.)
- Any special handling must be noted on each box (*i.e. Fragile, Display etc.*)
- SKU information:
 - Item#/description
 - Color/size (when applicable)
 - UPC# (when possible)
 - Total SKU quantity
 - Total number of inner cartons (if applicable)
 - Quantity within each inner carton
- All Inner, Mixed and Odd cartons must contain, at minimum:
 - Item#/Description
 - Quantity per SKU
 - Carton box counts (i.e. 1 of 2, 2 of 2)

ACCEPTABLE CARTON LABELING/MARKINGS:

- Ink printed
- Thermal adhesive label
- Both (partially split between ink printed and, on a label) if all information is present.

Please note: *The sequencing of information on the following examples is not a requirement.*

Master Carton	
The Paper Store	
PO# 10064566 - 0098 DISTRIBUTION CENTER	
46 INDUSTRIAL ROAD, UPPER LEVEL,	
LEOMINSTER, MA 01453	
CTN#: _____ OF _____	N.W.: _____ lbs.
ITEM#: _____	G.W.: _____ lbs.
DESC: _____	MEAS.: _____ in. X _____ in. X _____ in.
UPC: _____	
MASTER QTY: _____ PCS	
INNER QTY: _____ PCS	

Odd/Mixed Carton	
The Paper Store	
PO# 10064566 - 0017 HINGHAM	
94 DERBY STREET	
HINGHAM, MA 02043	
CTN#: _____ OF _____	N.W.: _____ lbs.
ITEM#: _____ QTY: _____	G.W.: _____ lbs.
ITEM#: _____ QTY: _____	MEAS.: _____ in. X _____ in. X _____ in.
ITEM#: _____ QTY: _____	

5.0 Preparing an Order for Shipment

The following section outlines what to do when preparing an order to ship.

Please note: Import Shipment are excluded from section 5.1.2 and all of 5.2- sections only- please follow the Import Shipment Control Form.

5.1 Packing List Requirements

All shipments are required to have one packing list per location per purchase order.

5.1.1 Packing Lists

All packing lists are required to contain the following information:

- Vendor name and address
- Contact number(s)
- Location Number (i.e. 98 – Distribution Center, 994 - Ecommerce, 17 - Hingham, MA Ship To address as indicated on the purchase order)
- The Paper Store purchase order number
- Each sku # within the shipment
- SKU Descriptions (*Size/color per SKU (when applicable)*)
- Quantity shipped per SKU (in eaches)
- Total number of units shipped (if your system allows)
- Fixtures/Display Requirements:
 - When product is packed INSIDE of a fixture/display – the packing list must identify the quantity shipped per sku.
 - When a fixture/display is shipped WITHOUT product inside – a single line item must be listed separately on the packing list with total quantity shipped.

5.1.2 Packing List Placement

GROUND & PACK BY LOCATION ORDERS

- The packing list must be on the outside of the lead box and in a plastic sleeve marked with “Packing List Enclosed”.

PALLETIZED SHIPMENTS

- The packing list must be in a plastic sleeve marked “Packing List Enclosed.”
- The packing list must be placed on the outside of a carton adjacent to the pallet label on pallet #1.
- When shipping multiple POs together the packing list for each PO must be placed in separate sleeves adjacent to the pallet label all located on pallet #1 (see section 5.2.1 for pallet label requirements).

5.2 Pallet Specifications

DIMENSIONS

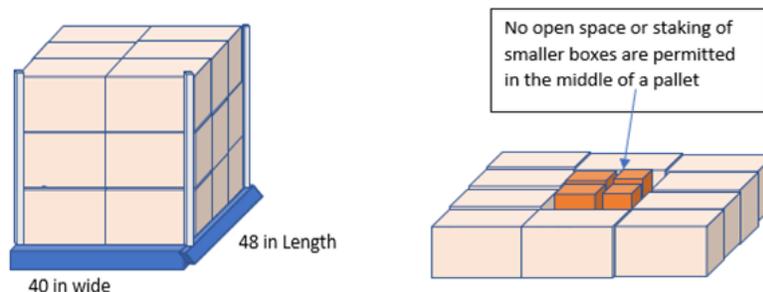
- Only standard size pallets (40 inches wide x 48 inches long) in good, reusable condition (i.e. no cracks, missing stabilizing feet, loose and/or missing slats) may be used.
- Pallets must not exceed 94 inches in height.

WEIGHT

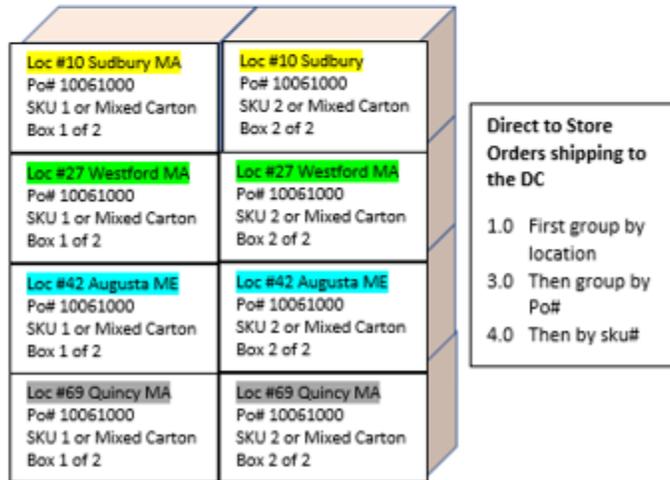
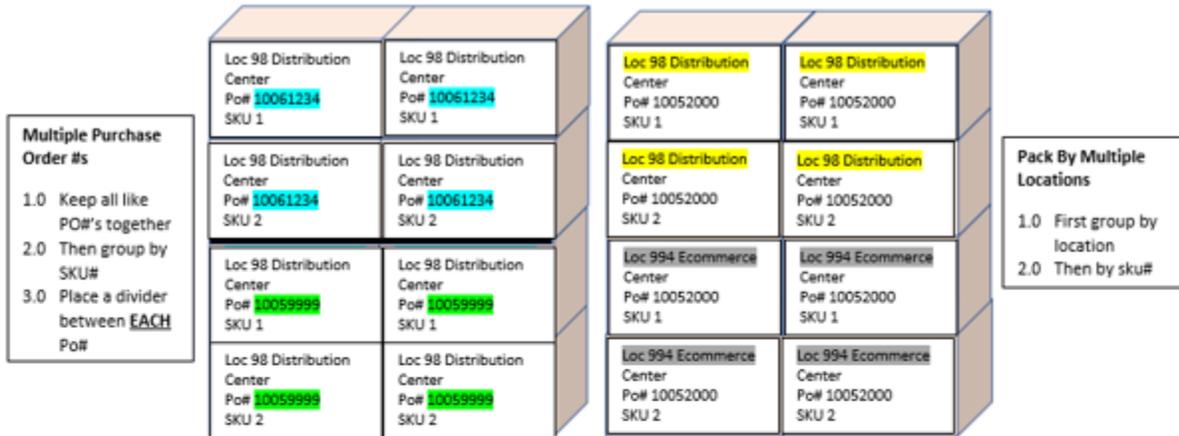
- Each pallet may not exceed 3,000lbs in weight.

STACKING

- Each pallet must be constructed as close to a perfect cube as possible by performing the following:
 - Same size cartons as well as varying size cartons must be squarely stacked by either one or a combination of these styles:
 - Column
 - Brick
 - Grid
 - Do not stack cartons middle in the of a pallet that are not viewable from the outside (see below)
 - Do not stack cartons of varying sizes in the middle of the pallet that do not follow the logical pattern of the surrounding cartons (*see example below*).
 - No gaps between cartons
 - No overhang is permitted
- Pallets must be stacked with the sturdiest and heaviest boxes on the bottom and gradually ascending with the lightest boxes on top.
- Edge protectors and strapping is recommended for additional protection during transit
- Gaylord pallet boxes are not permitted for use under any circumstances
- Double stacking pallets is not permitted under any circumstances



- Multiple purchase orders cannot be mixed together on a single pallet unless authorized by The Paper Store Shipping Team.
 - If consolidation is authorized, POs must be kept together, clearly partitioned and easily identified at the time of delivery (i.e. using a sheet of cardboard)
- All cartons containing the same sku must be kept together.
 - The same sku should not be mixed across multiple pallets unless more than one pallet of the same sku has been ordered when shipping.
 - Orders that are packed by location must first be grouped by location, then by PO# before grouping by sku/mixed carton.



SHRINK-WRAPPING

- The vendor is responsible for ensuring that pallets are adequately shrink-wrapped.
- A minimum of three layers of shrink-wrap should be applied beginning at the base of the pallet to avoid toppling during transit.

FIXTURES & DISPLAY EXCEPTION:

The Paper Store does authorize fixtures and/or displays to go outside of the pallet specifications due to the nature of the commodity.

5.2.1 Labeling

Each pallet must be clearly labeled with the following information printed on a sheet of paper and placed on the inside of the shrink wrap (see example).

Pallet #1 of _____ The Paper Store 46 Industrial Road Leominster, MA. 01453 PO# 100xxxx1 Multi-Location 20 boxes PO# 100xxxx2 98 Distribution Center 10 boxes
--

- Pallet Number (Pallet 1 of 2, Pallet 2 of 2, etc.)
- The Paper Store Ship to Address
- The Paper Store purchase order number
- Number of cartons per pallet, per purchase order
- Location # (*see example on left*)

PLEASE NOTE: *If multiple Purchase Order numbers have been approved for consolidation, EACH purchase order number must be listed on the pallet label with the corresponding Location & number of boxes beside EACH purchase order number.*

6.0 Routing Instructions

This section outlines all the requirement and restrictions for routing once an order has been prepared to ship.

For all import shipment please follow instructions in the Import Shipment Control Form.

IMPORTANT: All shipments must be packed & ready for pick up at the time routing is requested.

6.1 Collect Shipments

This section outlines the requirement of each freight term for collect shipments.

TPS PAYS FREIGHT

Vendors whose purchase order states TPS PAYS FREIGHT, must submit a request for routing by filling out the Shipment Control Form as instructed in section 6.1.1.

½ FREIGHT

Vendors whose purchase order states ½ FREIGHT, must submit a request for routing by filling out the Shipment Control Form as instructed in section 6.1.1.

TPS UPS ACCT

A pack by location purchase order will state TPS UPS ACCT# when the vendor is authorized to **ship direct to store** using The Paper Store UPS account number.

6.1.1 Shipment Control Form

All collect shipments routed through The Paper Store Shipping team must fill out the **Shipment Control Form** in its entirety and email it to shipping@thepaperstore.com.

- **A COPY OF THE PACKING LIST MUST BE ATTACHED WHEN SUBMITTING THE SHIPMENT CONTROL FORM.** Shipping cannot proceed without this document and failure to submit will delay shipment processing.
- After The Paper Store shipping team has calculated the cost of freight, you will receive one of the following:
 1. A **Bill of Lading (BOL)** with the carrier contact information:
 - A pick-up must be scheduled by the vendor within 24 business hours of the BOL being issued.
 - Only the BOL issued by The Paper Store may be presented to the carrier at the time of pick-up.

- Once the pro number is available it must be provided by replying to the routing request email stream.
2. **Pre-Paid Small Parcel labels:**
- All labels provided must be applied and all packages shipped within 24 hours of receipt.
 - If any pre-paid labels go unused the shipper must notify The Paper Store shipping team immediately by providing any unused tracking numbers.
 - The Paper Store reserves the right to request a credit or replacements at the vendors expense for any shortages when shipping labels do not get scanned by the carrier.
3. **Instruction to ship via vendor carrier:**
- If it has been determined by The Paper Store shipping team that the vendor's quote provided on the Shipment Control Form will be the preferred shipping method, the vendor will be instructed to follow the Pre-Pay & Add guidelines in section 6.2.

PLEASE NOTE: Any incorrect information submitted on the Shipment Control Form that results in a freight variance (reweigh, inspection certificates, etc.) will be reviewed and assessed for a chargeback.

All requests for routing will be responded to within 48 business hours. Any information left blank and/or filled out incorrectly will delay processing.

RESTRICTIONS

The Paper Store reserves the right to ask for shipments to be held for consolidation if one or more shipments will be available to route within 3 business days (import shipments excluded).

6.2 Pre-paid Shipments

This section outlines the freight terms that require the vendor to ship an order pre-paid and the requirements of those terms.

PLEASE NOTE: United States Postal Service is not an authorized carrier for shipping product to any Paper Store location.

FREE FREIGHT

Purchase orders whose freight terms state FREE FREIGHT:

- Vendor will ship pre-paid using the carrier of their choice.
- Freight charges will not be added to the invoice.

FREIGHT CAP

Purchase orders whose freight terms state FREIGHT CAP:

- Vendor will ship pre-paid using the carrier of their choice.
- Vendor will apply the negotiated freight cap to the shipment invoice.
- Shipping charge must appear as a separate line item on the invoice.

FLAT RATE

Purchase orders whose freight terms state FLAT RATE:

- Vendor will ship pre-paid using the carrier of their choice.
- Vendor will apply negotiated flat rate fee to the shipment invoice.
- Shipping charge must appear as a separate line item on the invoice.

PRE-PAY & ADD (PPA)

Purchase orders whose freight terms state PRE-PAY & ADD:

- Vendor will ship pre-paid using the carrier of their choice.
- Vendor will add the cost of freight to the shipment invoice.

- Shipping charge must appear as a separate line item on the invoice.

PLEASE NOTE: *If a vendor ships PPA without authorization, an assessment will be performed and could result in an automatic short pay for the full cost of freight per invoice.*

RESTRICTIONS

Ground shipments must not exceed 20 boxes per PO/per shipment, unless otherwise negotiated. If your shipment exceeds 20 boxes, please reference the palletized guidelines.

United States Postal Service (USPS) is not an authorized carrier when shipping product to any Paper Store location and may not be used under any circumstances. No exceptions will be made.

6.2.1 Bill of Lading (BOL) Requirements

The following information is required on each Bill of Lading (BOL):

- Complete shipper address & vendor name
- Complete address of the consignee as stated on the purchase order.
- The Paper Store purchase order number(s)
- Total number of pallets per purchase order number (*Import Shipments are excluded*)
- Total number of cartons per purchase order number
- Delivery Appointment required with 24-hour notification
 - **For Distribution Center Only:** Please contact 978-466-7514
- Freight terms must be clearly marked as pre-paid (when shipping Free Freight or Pre-pay & Add) as defined within freight terms.
 - Under no circumstance should The Paper Store receive a collect invoice.
- Special Instructions must be noted on all BOLs:
 - Pallets Non-Stackable
 - Drivers are not allowed to park over night at The Paper Store facility
 - **For Stores Only:**
 - Inside Delivery REQUIRED
 - The Paper Store personnel will not assist in unloading trucks or bringing in shipment.

Delivery Appointments

- **Deliveries to the Distribution Center (DC):**
 - Delivery appointments **are required** and can be made by calling 978-466-7514.
 - Deliver appointments can be made Monday – Friday 9:00am – 3:30pm EST
 - No appointments are needed when shipping ground **unless** you are a local vendor that chooses to use a courier/local delivery service other than UPS or FedEx Ground.
 - If a carrier is unable to arrive within the schedule appointment window, they must call the DC to reschedule.
 - Any carrier that arrives without a scheduled appointment is subject to having the delivery rescheduled.
 - If the Paper Store chooses to accept an unscheduled delivery, any detention fees incurred will be at the vendors expense.
- **Deliveries to Store Locations:**
 - No delivery appointments are required.
 - Deliveries can be made Monday through Friday 11:00am-5:00pm EST

6.3 Advanced Ship Notice (ASN) Requirements

The Paper Store requires an ASN to be provided at the time of shipping.

- Vendors who have received a BOL must provide the PRO# to shipping@thepaperstore.com.
- Vendors set up to transmit an ASN via EDI (EDI Document 856), must provide a separate ASN per PO, per location.
- All other vendors must provide an ASN via email using the following instructions:
 - **Send To:** Shipping@thepaperstore.com
 - **Subject Title:** ASN, (Vendor Name), and PO #(s)
 - **Attachment: **COPY OF PACKING SLIP****
 - Purchase order number(s)
 - Carrier name
 - Tracking information
 - Total number of pallet and/or cartons per PO

7.0 EDI

The Paper Store currently supports EDI functionality. However, It is to our discretion whether or not a vendor is set up this way. The versions that are currently supported are 4010 and 5010. Please see below for the documents that The Paper Store currently sends and receives.

- Document 850 – Purchase Orders
- Document 856 – Advanced Shipping Notice

8.0 Quality Control (QC)

All shipments delivered to The Paper Store will undergo a 360-degree inspection at the time of delivery followed by a more detailed inspection by the Quality Control Team.

8.1 Damages & Shortages

Identifiable damages and shortages will be notated on the carrier receipt at time of delivery.

- Shortages that are located at the shipper’s facility will require expedited shipping at the vendors expense.

Following the QC process, all additional damages and shortages will be communicated to the vendor and require a credit and/or replacement (*if applicable*).

- The Paper Store reserves the right to report any damages and shortages within 30 days
- Credits must be supplied to The Paper Store within 2 weeks of notification and is not dependent on the vendor carrier claim.
- Significant damages, exceeding 20% or more of a shipment or SKU, are subject to full return at the vendors expense.

If replacements are required, the vendor must:

- Submit credit to the original invoice
- Generate a new Invoice for the replacements with reference to the original PO#
- Packing list must state “Replacement”
- Must be shipped at the vendors expense
 - If product has been classified as “Hot Market”, Catalog, Promotional, etc., expedited shipping is mandatory
 - Provide associated tracking number(s)

PLEASE NOTE: *If a damage allowance has been negotiated credits will not be required for standard damages. If significant damages are noticed at the time of delivery the shipment, a portion of the shipment may be returned, and a credit required.*

The Paper Store audits, at minimum, 20% of each item on a Purchase Order. If product arrives in store and has excessive damage or quality issues, The Paper Store will work directly with each vendor on a credit and return or disposal resolution.

8.2 Defects

Significant quality issues within a shipment or SKU will require a more thorough quality check. All products that do not meet The Paper Store quality standards will require a merchandise credit and replacements (*if applicable*).

If it is determined that 20% of a shipment or sku is affected by product defects, the shipment or sku may be returned in its entirety and all related expenses (including additional TPS labor costs) will be incurred by the vendor.

- A full credit will be required, including any inbound freight costs paid for by The Paper Store.
- If replacements are needed, expedited shipping is required at the vendors expense.
- If the vendor has not provided written instructions within 30 days of notification with a preferred solution, The Paper Store reserves the right to dispose, donate or destroy the merchandise.

8.3 Changes to Product Packaging

The Paper Store requires notification of product packaging changes and updated images on previously purchased product as soon as the information is available.

8.4 Discontinued Product

Discontinued product is defined as any merchandise that is no longer going to be manufactured or any merchandise that will undergo changes to product in which the previous version will no longer be in production.

If previously purchased and replenishable product is to be discontinued, The Paper Store must be notified of the dates and details of these changes. The Paper Store reserves the right to cancel any unshipped discontinued product from a purchase order.

If the vendor replaces a discontinued sku with its updated version without buyer approval this will be considered a product substitution and treated as such.

8.5 Product Recalls

All product recalls, whether mandatory or voluntary, will require the vendor to issue a Bill of Lading or a call-tag for the recalled product to be returned.

8.6 Returns to Vendor

All returns to vendor require a Return Merchandise Authorization (RMA) to be issued by the vendor.

All returns due to recall, damage, defect, overages and miss ships will be returned at the vendors expense. The return process must be initiated by issuing a call tag in the form of pre-paid label or by providing a Bill of Lading within 72 hours of return request.

- If a Bill of Lading is issued, The Paper Store will schedule a pick-up with the vendor's chosen carrier.
- If after 72 hours, call tags or a BOL has not been provided, The Paper Store will charge a stocking fee of \$25.00 per pallet per day until a call-tag or BOL is provided.
- If after 30 days of the return request the vendor has not issued call tags or a BOL, the unreturned merchandise will be donated, destroyed, or disposed of at the vendors expense.

Product that a vendor has approved for return, by request of The Paper Store, The Paper Store will be responsible for all shipping costs and provide the vendor with tracking information once it is available.

8.7 Additional Labor Expenses

All shipments that require The Paper Store to perform additional quality control checks outside of the normal process or incur additional labor costs at the fault of the vendor will be at the vendors expense.

9.0 Invoicing

All invoices must be **emailed** to Accounts Payable at ap@thepaperstore.com **within 72 hours** of the release of shipment.

IMPORTANT: Invoices sent to an incorrect address will not be forwarded on to Accounts Payable and payment will not be made until sent to the correct address.

- All invoices must be issued per location per shipment and include the following information:
 - Vendor name and pay to company (if different)
 - Full address of where payment is remitted
 - Accounts Receivable email address & phone number
 - Invoice Date
 - Invoice date must reflect the release date of a shipment
 - Incorrect dating will require a re-issue of an invoice
 - Free Freight or Pre-Pay & Add shipments that have been delayed for any reason may, at The Paper Store's digression, require a reset of invoice dating based on the shipments recover date.
 - The Paper Store address and location number
 - All pack by location orders must have the address and number of the location that it is packed for.
 - Net terms of the purchase order
 - Late fee terms
 - The Paper Store Purchase Order Number
 - Quantity shipped by sku, size and color
 - Cost of each item by sku, size and color
 - Products provided free of charge must appear on the invoice as a separate line item and reflect a cost of \$0.00
 - Extended cost of each sku
 - Pre-ticketing merchandise charges (if applicable)
 - Applicable pre-ticketing charges must be a separate line item, not added to the unit cost of each sku
 - All negotiated discounts (i.e. First Trade, Second Trade, Early Pay, etc.)
 - If a First Trade discount applies to all sku's, discount must be applied to the total product cost and not to individual unit costs
 - Freight Charges
 - Freight charges can only be applied in accordance with the freight terms on the PO.
 - Total payment due

PLEASE NOTE: Any form of non-compliance may result in a delay of payment. If late payment due to non-compliance occurs, The Paper Store will not be subject to late fees, loss of early pay discounts or have a hold put on The Paper Store account.

10.0 Chargeback Table

Violation Category	Code	Description	Minimum Charge	Maximum Charge
Purchase Order	101	Failure to report changes to product, unit costs, purchase orders, etc.	\$100 per occurrence	
	102	Shipping incorrect product (style, color, size, etc.)	\$150 per SKU + shipping costs	
	103	Shipping incorrect quantity	\$150 per SKU + shipping costs	
	104	Shipping against a cancelled or unconfirmed purchase order	\$500 per invoice	
Product	201	Incorrect retail cost on merchandise that cannot be removed and reworked	\$200 + additional expenses	.50c pp
	202	Labeled for another company	\$100	.50c pp
	203	Incorrect and/or missing tickets requiring a rework	\$100	.50c pp
	204	No UPC number and/or barcode on product	\$100	.50c pp
	205	UPC barcode is not scannable	\$100	.50c pp
	206	Substituted item shipped without approval	\$200	.50c pp
	207	Change to packaging without notification	\$250 per SKU	
Quality Control	301	Shipments returned due to excessive damage/defects	\$200	2% of the invoice cost
	302	Merchandise not packed to adequately withstand transportation	\$200 + labor	
	303	Inadequate product packaging	.50 pp	
	304	Additional inspection beyond our normal QC process	Labor \$36 per hour	
Carton	401	Location Name and Number not provided on the outside of carton	\$25 per carton	\$1,500
	402	Carton exceeds maximum dimensions and/or weight	\$25 per carton	\$1,500
	403	Mixing product for multiple purchase orders and/or locations in one carton	\$250 per PO + Labor \$36 per hour	
	404	Master carton quantity change without notification	\$100 per SKU	
	405	Inner carton quantity changes without notification	\$100 per SKU	
	406	Incorrect and/or missing Carton Labeling	\$25 per carton	\$1,500
Pallet	501	Pallet exceeds maximum dimensions and/or weight	\$50 per pallet + additional carrier fees	
	502	Inadequate palletization	\$75.00 per pallet	
	503	Incorrect and/or missing information on pallet label	\$50.00 per pallet	
Packing list	601	Missing packing list	\$100 per packing list	
	602	Incorrect information on the packing list	\$100 per packing list	
	603	Incorrect packing list placement	\$100 per shipment	
Shipping	701	Order arrives 5 days before the "From Delivery Date"	\$250 per shipment	\$1,500
	702	Order arrives 5 days after the "To Delivery Date"	\$250 per shipment	\$1,500
	703	Shipping to incorrect location	\$250 per shipment + cost of reroute	

Violation Category	Code	Description	Minimum Charge	Maximum Charge
Shipping	704	Freight not available at confirmed pick-up time	\$150 per occurrence + additional carrier fees	
	705	Failure to ship in accordance with freight terms	\$200 per PO	Full cost of freight charge
	706	Missing and/or incorrect information on BOL	\$100 per shipment	
	707	ASN not provided within 24hrs of shipment release	\$100 per shipment	
	708	ASN missing information and/or attachments	\$100 per shipment	
	709	Shipment arrived without/missed delivery appointment	\$150 per shipment	
	710	Missing and/or incorrect information on Shipment Control Form	\$150 per shipment	
Invoicing	801	Failure to provide invoice on time and/or directly to accounting	\$100 per invoice	2% of the invoice cost
	802	Missing and/or incorrect information on an invoice	\$100 per invoice	

10.1 Chargeback Disputes

Chargebacks will be submitted as an invoice from Accounts Payable with all supporting documentation. Vendors that wish to dispute a chargeback must do so within the payment terms of the chargeback issued. Charge backs will be short-paid from the next open invoice due if no acknowledgement is made by the vendor.

All chargeback disputes must be emailed to vendorcompliance@thepaperstore.com who will acknowledge the dispute within 48 business hours. The Vendor Compliance Department will then review internally and provide a final decision within 10 business days of the acknowledgement. A chargeback dispute will NOT be warranted because the necessary parties did not familiarize themselves with The Paper Store Vendor Compliance Guidelines.

Please note: *The Paper Store is not obligated to inform a vendor of any non-compliance prior to issuing a chargeback.*

Contacts & Resources

COMPLIANCE INQUIRIES:

Vendor Compliance

978-263-2198 x9334 or x9317

vendorcompliance@thepaperstore.com

CORPORATE OFFICE:

20 Main Street

Acton, MA 01720

978-263-2198

DISTRIBUTION CENTER:

46 Industrial Road

Leominster, MA. 01453

978-466-7514

Hours of Operation M-F 8:00am – 4:00pm

EDI INQUIRIES:

EDI@thepaperstore.com

INVOICING & PAYMENT:

Accounts Payable

ap@thepaperstore.com

PURCHASE ORDERS & PRODUCT LABELING INQUIRES:

Please contact Buyer listed on Purchase Order

Please include: Purchaseorders@thepaperstore.com

SHIPPING:

Routing Requests & ASN Notifications: shipping@thepaperstore.com

Delivery Appointment Scheduling: 978-466-7514

WEBSITE:

www.thepaperstore.com/suppliers

1. Domestic Compliance Guide
2. Shipment Control Form (fill in PDF)
3. COMING SOON! - International Compliance Guide