

STAGE STORES INC.

BEALLS ■ PALAIS ROYAL ■ STAGE

VENDOR LOGISTICS GUIDELINES



2003
Release #0603

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Stage Stores Inc.
Bealls - Palais Royal - Stage

Message to Our Trading Partners:

Dear Trading Partner:

Enclosed is our new Stage Stores Inc. Vendor Guideline R0603. We've designed it to provide you with an accurate, one-stop reference to SSI's logistical strategy plus documentation and shipping requirements. **Please read this guideline carefully as it contains numerous revisions.** For your convenience a summary of the major changes for this latest version of the guideline is listed on the following page.

As you know, supply-chain efficiencies are more critical than ever in satisfying customer needs and remaining competitive. Smooth operations between you and Stage are absolutely critical for our mutual success. To this end, buyers do not have the authority to approve exceptions to any of the policies established in this guideline. **All exceptions to policies contained in this guideline must be approved by the Logistics Department in writing prior to shipment.**

Our heartfelt thanks for your on-going efforts in meeting our shipping requirements over the years. We trust our Vendor Logistics Guidelines will answer all of your questions. Please feel free to contact us at logistics@stagestores.com should you have any questions not addressed here or to suggest how we might improve this guide. You can also visit our website at <http://www.stagestoresinc.com/> to view or download these guidelines. These revised instructions are effective June 2003 and supersede all previously issued instructions (including all previously authorized exceptions).

We ask that you please distribute copies of this guideline to all departments that are impacted by these specific requirements.

Thank You,

Stage Stores Inc. Logistics/Transportation Department

HIGHLIGHTS OF NEW UPDATES TO IMPROVE STAGE STORE INC.'S ASSORTMENT QUALITY AND OPERATING EFFICIENCIES

IMPORTANT – This page will summarize new changes to Release 0603.

Technology Strategy

page 10

Effective July 1, 2003, shipments received without the associated EDI transaction sets for Advance Shipment Notifications (856 ASN) and Electronic Invoices (810) will be considered non-compliant and will be subject to non-compliance charges.

Hanger Standards

page 19

Children's Department is no longer exempt from hanger violations. Hanger sizes have been revised. Please reference page 19 for hanger requirements and page 20 for examples of appropriate hanger sizes. Infants and Toddlers 2T-4T will continue to be exempt and will be allowed to ship merchandise on white plastic hangers if necessary.

Pre-Ticketing

page 22

1. Effective February 1, 2003, all shoe vendors must be compliant with the new SSI shoe ticket format and ticket placement guidelines.

Please reference page 22 for ticket example and ordering information. All tickets must be approved through the Logistics Department. Vendors who do not comply with these new requirements will be subject to a non-compliance charge.

2. Revised ticket placement table can be referenced on page 24. Shoe ticket placement information is outlined on page 22. Vendors who do not comply with these new requirements will be subject to a non-compliance charge.
3. Jewelry tickets must be sent to the Logistics office for approval. Tickets can be ordered from Data 2 if vendor is unable to produce tickets based on Stage Stores requirements.

Packing Slip Documentation

page 28

1. In the case of small parcel carrier shipments, the Bill of Lading # must be on the exterior of the carton (handwritten is acceptable). If the Bill of Lading # is not on the exterior of the carton you will be subject to a compliance charge.

Packing Instructions

page 13

1. Stage Stores Inc. will no longer permit mixing of merchandise in cartons for shipments under 200 lbs. Merchandise for all bulk shipments, regardless of weight, must be packed with only 1 style, 1 color, and 1 size (single sku) per carton.

Transportation Routing Instructions

page 34

1. **Stage Stores Inc. has implemented a new "Transportation Management System (TMS). TMS is to be used on for the routing of all shipments for which Stage Stores is paying the freight cost.**

page 37

2. All requests for routing must be received by **4 p.m. Central Standard Time**. Any requests received after this time will be considered received the next business day.

page 38

3. All vendors prepaid inbound live unloads must be scheduled 24 hours in advance. If a live unload trailer arrives at the Distribution Center without advance notice and a scheduled time; or after the scheduled window the vendor will be subject to a \$500 charge.

page 37

4. Failure to provide correct and accurate information on TMS will result in a non-compliance charge.

5. Any accessorial charges incurred due to vendor error will be assessed as a non-compliance charge.

Shipping Violation Policy

1. Merchandise subject to return- if within 10 days, no RA has been received, a storage fee of \$50 per day will be charged to the vendor.
2. Faxes will no longer be accepted for any Distribution Center Freight Violation inquiries. All inquiries must be submitted in writing to the following address:
Stage Stores Transportation Department
10201 Main Street
Houston, TX 77025

The only authorized source of exemptions from any of the policies outlined in the Vendor Logistics Guidelines is the Logistics Office. Handwritten Buyer's notes, e-mails, verbal conversations, or phone conversations will not be honored. If an order is shipped to SSI without a written exemption from the Logistics Office, a non-compliance charge will be assessed.

Buyers are not authorized to exempt trading partners from complying with any SSI compliance standards. ***If after review of this manual, there are areas of concern that compliance will not be met immediately, you can apply to be approved for a temporary exemption. You must present in writing a plan with specific dates when compliance issues can be met. The Logistics office will review this information and a response will be issued in writing. Submitting an exemption request does not authorize an automatic exemption.***

CORRESPONDENCE ADDRESSES AND PHONE NUMBERS

It is the intent of Stage Stores, Inc. to investigate and resolve all issues, questions, problems or concerns in a reasonable time frame. To process your correspondence efficiently please communicate your concerns in writing as quickly as possible. **SSI will not research issues older than 6 months.**

- 1] Any question(s) or issue(s) regarding **EDI** should be directed to:

Stage Stores, Inc.
Attn: EDI Administrator
10201 Main Street
Houston, TX 77025

Phone: (713) 663-9756
email: EDI@stagestores.com
Fax: (713) 838-4494

- 2] Any question(s) or issue(s) regarding vendor **ticketing** requirements or **UCC labeling** should be directed to:

Stage Stores, Inc.
Attn: Logistics Dept
10201 Main Street
Houston, TX 77025

Phone: (713) 838-4446
email: Logistics@stagestores.com
Fax: (713) 838-4494

- 2] Any question(s) or issue(s) regarding **packaging, Floor Ready Merchandise, or general Vendor Requirements** should be directed to:

Stage Stores, Inc.
Attn: Logistics Dept
10201 Main Street
Houston, TX 77025

Phone: (713) 295-5461
email: Logistics@stagestores.com
Fax: (713) 838-4494

- 3] Any question(s) or issue(s) regarding **routing or transportation** should be directed to:

Stage Stores, Inc.
Attn: Transportation
10201 Main Street
Houston, TX 77025

Phone: (713) 838-4474
email: Traffic@stagestores.com
Fax: (713) 838-4494

- 4] Any question(s) or issue(s) regarding **freight violations and distribution allowance deductions** should be directed to:

Stage Stores, Inc.
Attn: Transportation
10201 Main Street
Houston, TX 77025

Phone: (713) 295-5461
email: Transportation@stagestores.com

- 5] Any question(s) or issue(s) regarding **shipping violations** should be directed to:

Stage Stores, Inc.
Attn: Vendor Compliance Manager
506 Beall Blvd.
Jacksonville, TX 75766

Phone: (903) 589-5658
email: VendorCompliance@stagestores.com

- 6] Any question(s) or issue(s) concerning **invoice payments, remittance advice, shortages, new store discount, or markdown allowances** should be directed to:

Attn: Vendor Relations Manager
Accounts Payable
P.O. Box 20768
Houston, TX 77225-0768

Phone: (713) 838-4260
email: Vendorrelations@stagestores.com

- 7] Any question(s) or issue(s) concerning **Damage Allowance** percent or deduction disputes should be directed to the appropriate buying office.

- 8] All manual invoices should be directed to Stage Stores

Attn: Accounts Payable
PO Box 20768
Houston, TX 77225

Terms and Conditions of Purchase

Ensure you have a valid purchase order prior to shipping merchandise to Stage Stores Inc. Valid purchase orders are received via EDI transmission or system generated hard copy purchase orders only.

This order is subject to the terms and conditions herein stated and appearing on the original front side of the purchase order. By accepting this order or by delivery of merchandise pursuant thereto, seller agrees to be bound thereby. No modifications or addition shall be binding on buyer unless agreed to in writing.

- (1) Timing is of the essence in this contract. All goods ordered will be shipped complete NO LATER than the "DO NOT SHIP AFTER" DATE on the front of the order. The goods should NOT BE SHIPPED before the "DO NOT SHIP BEFORE" DATE on the front of this order. The "DO NOT SHIP BEFORE" DATE on the front of this order is defined as the date that you, the Vendor will tender the shipment to the designated carrier.
- (2) The seller guarantees that the goods shall be delivered in a single lot, said lot being made up of all of the goods ordered herein.
- (3) The seller warrants and guarantees that all goods delivered pursuant to this order will comply with the descriptions, colors, fabrics, sizes and quantities specified herein, and that all goods delivered will conform to the sample of goods, if any, displayed by seller.
- (4) Buyer expressly reserves the right to cancel all or any part of this order if all of the terms and conditions hereof are not fully complied with, including, but not limited to, the terms specifying the date of delivery, shipment by a single lot, and quality of goods. Buyer has the right to return, at seller's expense, all merchandise sent which fails to comply with any of the terms and conditions specified herein. Acceptance of all or any part of the goods or payment of all or any part of the purchase price shall in no way bind buyer to accept future deliveries on any order or constitute a waiver of any right buyer might have with respect to seller's failure to deliver goods on a specified date or otherwise fail to comply with the terms and conditions of this order. The remedies provided for buyer in this paragraph, shall be in addition to and cumulative of the remedies buyer may be afforded either by law or equity.
- (5) Notwithstanding any agreement to pay freight, express, or other transportation charge, the risk of loss or damage to goods in transit shall be borne by the seller until the goods have been actually received by and accepted by buyer.
- (6) By signing a copy of this order or making any deliveries of the merchandise specified herein, vendor warrants and represents that it has the right to sell the merchandise purchased hereunder and agrees to indemnify, defend, and save the purchaser harmless from and against any and all suits, actions, claims or demands that may be brought against purchaser, and from and against all liability, loss, damages, costs and expenses, including attorney's fees, incurred by purchaser by reason thereof, on the ground that the purchase or sale of any of the merchandise covered by this order constitutes unfair competition or infringement of patent, copyright or trade mark or an invasion of the rights of any person or corporation, and vendor further agrees at its own cost and expense to defend, upon the request of purchaser, any such suits, actions, claims and demands.
- (7) Vendor warrants that the merchandise covered by this order is fit and safe for consumer use, and acceptance of the order shall constitute agreement upon vendor's part to indemnify, defend, and hold the purchaser harmless from all claims, suits, actions, liability, loss, damage and expenses (including attorney's fees) incurred or sustained by or bought against purchaser by reason of any breach of such warranty including, but not limited to, any of the foregoing based upon or alleging any design defect, manufacturing defect, marketing defect, strict liability in tort and/or failure to provide an adequate warning. Vendor agrees that if any of the merchandise covered by this order when examined or tested by purchaser after delivery shall be found defective, at purchaser's request, vendor will accept return thereof for full credit to purchaser and make full refund thereof to purchaser, including payment of all transportation charges. Vendor agrees that any merchandise returned to Vendor by the purchaser as a result of having been found to be defective for any reason is not to be repaired and returned to purchaser unless specifically requested to be repaired and returned by the purchaser on the Return To Vendor document accompanying the merchandise. Acceptance of all or any part of the merchandise shall not be deemed to be a waiver of purchaser's right to cancel or return all or any part thereof because of failure to conform to order or by reason of defects, latent or patent or for breach of warranty or to make any claim for damages, including manufacturing cost and loss of profits or for special damages occasioned the purchaser. Such rights shall be in addition to any other remedies provided by law. All obligations of the vendor under this agreement shall survive acceptance of the merchandise and payment therefore by purchaser.
- (8) Vendor represents and warrants that the merchandise covered by the order has been manufactured and labeled in accordance with the requirements of all applicable Federal, State and Municipal laws, rules and regulations, including but not limited to the Fair Labor Standards Act, the Wool Products Labeling Act, the Fur Products Labeling Act, the Textile Fiber Products Identification Act, the Flammable Fabrics Act and the Federal Hazardous Substance Labeling Act as any of the foregoing may be amended, modified, supplemented and/or recodified. Vendor's invoice shall bear the separate guarantees provided for under any of such acts or shall contain the appropriate statement that a continuing guarantee has been filed in accordance with such acts and applicable rules and regulations of the Federal Trade Commission and other Government agencies with jurisdiction in the premises. Further, vendor represents and warrants that the merchandise covered by the order has been manufactured in compliance with all applicable foreign laws, rules and regulations relating to child labor practices. Vendor further certifies that the merchandise covered by this order has been produced in compliance with all the applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof. Vendor shall ensure that all of its factories, contractors and subcontractors are in compliance with all such U.S. and foreign laws. Vendor agrees to indemnify and hold purchaser harmless from and against any and all suits, actions, claims, demands, penalties, fines, charges, expenses, fees (including reasonable attorney's fees) arising out of Vendor's violation of such U.S. and foreign laws.

- (9) Vendor represents and warrants that the merchandise covered hereby conforms to all applicable Consumer Product Safety standards issued pursuant to the Federal Consumer Product Safety Act or other applicable legislation and agrees at the time of delivery to furnish a written certificate to such effect in the term specified in the Consumer Product Safety Act.
- (10) Vendor will provide Special Retailers, Inc. (SRI) with a Certificate of Insurance evidencing Commercial General Liability coverage, specifically including Product Liability coverage, with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and naming SRI and its subsidiaries and affiliated companies as additional named insured, with thirty days written notice to SRI of any material modifications or cancellation.
- (11) SRI reserves the right to assess Vendor an appropriate NON-COMPLIANCE charge for any violation of packing, shipping and routing instructions which are continued in the Routing Guide. Obtain a copy of the SSI Vendor Guidelines by visiting us at www.stagestoresinc.com. Click on "Logistics." The guidelines are available for view or download. To request a mailed hard copy of the Vendor Guidelines, fax your request with your mailing address to 713-838-4494.

Example A

Our Technology Strategy

Stage Stores Inc. is committed to supporting the Universal Product Code (UPC), Electronic Data Interchange (EDI), Voluntary Interindustry Commerce Standards (VICS), and the Uniform Code Council (UCC) standards. By implementing these standards and technologies Stage Stores Inc. can expedite merchandise through the Supply Chain insuring an expedited flow from trading partners to the selling floor, better management of inventories, increased sales and enhanced customer service. Stage Stores Inc. requires full EDI participation on all VICS documents for all vendors. If you are a current vendor and not yet EDI capable, contact the Stage Stores EDI Administrator @ 713-838-4402 for partnership development information.

We are committed to developing our existing vendor base to be fully EDI capable on all documents, including a carton level ASN. We have no objection to the use of outsourcing an EDI program. The amount of business that our companies transact may be affected by your ability, or inability, to partner with Stage Stores Inc. on EDI.

All new EDI vendors will be added using the 4010 VICS version of the EDI standards.

Effective July 1, 2003, shipments received without the associated EDI transaction sets for Advance Shipment Notifications (856 ASN) and Electronic Invoices (810) will be considered non-compliant and will be subject to non-compliance charges.

Summary of Standards

- Merchandise must be marked with quality, industry standard, vendor generated UPC bar-code ticket including vendor style, SSI department, SSI class, SSI retail, and size & color (if applicable & as it appears on SSI PO).
- To ensure prompt flow of merchandise it is strongly recommended that our trading partners provide accurate, updated UPC data via the Quick Response Services Keystone Catalog (**QRS**). QRS has been selected as Stage Stores Inc.'s sole provider of the UPC catalog.
- Required EDI documents
 - a) 810 Invoice
 - b) 850 Purchase Order including both bulk and spreadsheet formats.
 - c) 856 Accurate carton level EDI Advance Ship Notice. To create ASN use "pick and pack" method.
 - d) UCC-128 Shipping Container (carton) labels related to a valid ASN.
 - e) 997 Functional Acknowledgement
- Additional EDI Documents supported by Stage Stores
 - a) 855 Purchase Order Acknowledgement – Only for vendors participating in a VMI program.
 - b) 852 Sales/Activity Report
- For all Floor Ready Hanging merchandise manufactured on a hanger or requested by the buyer to be sent on a hanger, a clear VICS department store hanger is required. (*Exception: Suits, Heavy Coats, Infants, Toddlers (2T-4T), and Intimate Apparel can ship using own white Vendor hanger.*)
- Provide Automatic Replenishment/Quick Response programs on staple items.
 - a) UPC mark 100% of merchandise.
 - b) Include vendor style, SSI department, SSI class, SSI retail, and size & color (if applicable & as is appears on SSI Purchase Order) on vendor generated tickets.
 - c) Receive an 850 EDI Purchase Order, in bulk or spreadsheet format.

- d) Send a carton level 856 Advance Ship Notice/Manifest with a valid, related UCC-128 Shipping Container label.
- e) Provide VICS floor ready hangers on all merchandise that is manufactured on a hanger or is requested by the buyer to be sent on a hanger.
- f) Have inventory available to achieve a 95% or greater fill rate on all items.
- g) Ship complete within 5 working days of the EDI order transmission, no substitutions, partials, or late deliveries. Back orders will not be honored unless an exception is made in writing.
- h) Develop replenishment objectives and models with Stage Stores, Inc. buyers.
- i) Assist the buyers in resolving out-of-stock and over stock issues.
- j) Using our EDI Sales & Inventory Data, and buyer projections, accurately forecast future merchandise needs. Maintain shelf stock at the UPC level in accordance with Stage Stores, Inc.'s needs.

Outside Resources

<u>Organization</u>	<u>Phone #</u>	<u>Fax #</u>
Uniform Code Council www.uc-council.org	800-543-8137	937-435-7317
VICS (Voluntary Interindustry Commerce Standards) www.vics.org	609-620-4590	609-620-1201

Our Distribution Strategy

The goal in our Distribution Center is to take advantage of all available technology to enhance our efficiencies and improve upon our managing of the supply chain. We want to provide the most accurate and up to date information to our Merchant and Planning/Allocation Group to expedite the flow of merchandise from DC to selling floor. Our current methodology handles both cross-dock and bulk orders. At Stage Stores Inc. cross dock means your shipment is packed by store, 100% accurate, received 100% Floor Ready, is accompanied by a carton level ASN and moves quickly through our Distribution Center without any merchandise handling. **Merchandise requiring redistribution handling (Bulk Orders) will be subject to a 2% Distribution allowance.**

Summary of Standards

- Ship Valid Purchase Orders within ship dates
- Send an accurate 856 carton level Advance Ship Notice 24 hours prior to shipment with related UCC-128 shipping labels
- Provide 100% accurate quantities with no style or size substitutions
- Pre-Ticket all Merchandise including Pre-Pack Assortments with UPC, style, SSI dept, SSI class, and SSI retail and size and color (if applicable & as it appears on SSI PO).
- Provide 100% accurate and detailed Bill of Lading and Packing Slips

General Requirements

IF UNABLE TO FULFILL PURCHASE ORDERS AS INTENDED, SUBSTITUTIONS, QUANTITY CHANGES, AND SHIP DATE CHANGES MUST BE APPROVED BY THE BUYER. YOU MUST REQUEST A SYSTEM GENERATED P.O. ELECTRONICALLY TRANSMITTED OR A DATED SYSTEM SCREEN PRINT REFLECTING THE DATE CHANGE AND/OR CHANGES. A VERBAL APPROVAL IS NOT ACCEPTABLE. WRITTEN DATED APPROVAL MUST BE OBTAINED AND IN YOUR POSSESSION PRIOR TO SHIPPING OR THE PO WILL BE SUBJECT TO SHIPPING VIOLATIONS

SSI issues both packed by store and bulk pack orders. Please adhere to the following guidelines. If unsure how an order should be packed (i.e.-bulk vs. pre-pack), please contact the appropriate buying office.

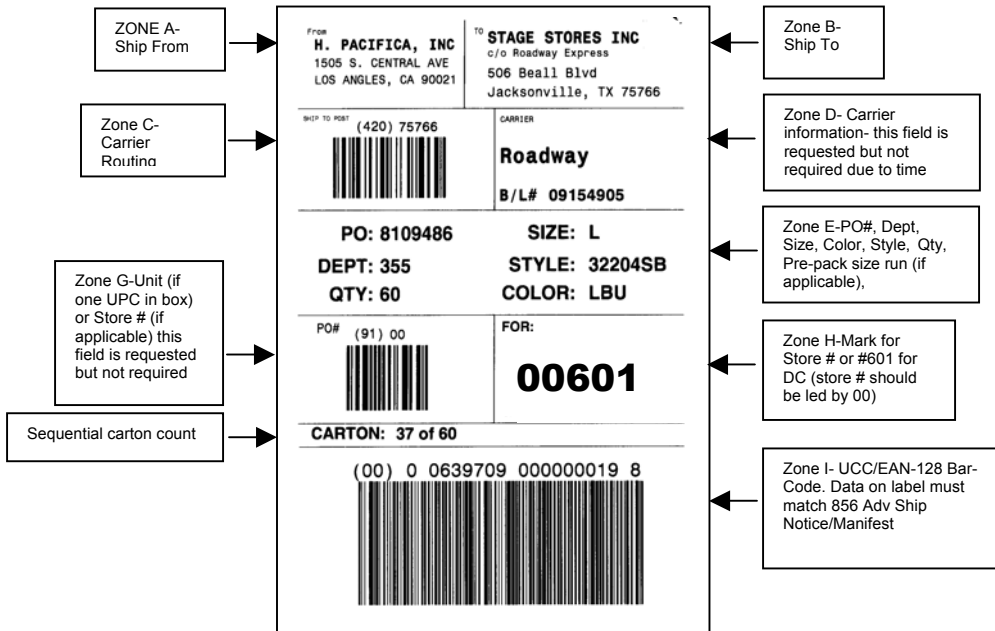
Do not combine or mix Purchase Orders or Department Numbers in the same carton (authorized vendors excluded).

I. LABELING, PACKING, and TICKETING




A. CARTON LABELING FOR EDI ASN VENDORS

****Please reference Example B 1-3 on page 13 for example of UCC-128 shipping labels**




1. Vendors are to use UCC-128 barcode carton labels on every carton of a shipment. The label must be correct and scannable. The UCC-128 barcode & human readable carton number on the carton label must match the ASN and must be unique to each carton. The UCC-128 carton number on the carton label must be included in the ASN, both of course pointing to the same store and shipment.
2. Stage Stores, Inc. requests that you follow the Uniform Code Council (UCC) specifications when producing the UCC-128 Label. You can request this information from them at the following address:
 - Uniform Code Council
 - 8163 Old Yankee Road, Suite J
 - Dayton, OH 45458
 - 800-543-8137
3. Create a UCC-128 Carton Label with the following accurate information:
 - a) Ship From Address
 - b) Ship To Address
 - c) Bar-coded and Human Readable Zip
 - d) Carrier Information (requested but not required due to time constraints)
 - e) PO #, Dept #, Style, Color, Size, Qty, and Pre-pack qty and size run
 - f) Pack for Store Number
 - g) Unit UPC Bar Code if Packed one UPC per box or Store # Bar Code (requested but not required)
 - h) Sequential carton count
 - i) UCC-128 Bar-code and Human Readable Carton Number
4. Place UCC-128 shipping label on lower right corner of the long side of the carton.



Example: B1
Bulk UCC-128 label

From CANDLESTICKS, INC. Rt 722 West Mount Joy, PA 17552		To SPECIAL RETAILERS, INC. Jacksonville DC 506 Beall Blvd Jacksonville, TX 75766	
SHIP TO POST (420) 75766 		CARRIER Roadway B/L#: 3246	
PO #: 10007389		STYLE: 9857	
DEPT: 223		QTY: 12	
COLOR: Asst Prints			
SIZE	4	6	8
QTY	2	3	3
	10	12	14
	2	1	1
FOR UNIT (91) 601 		FOR Special Retailers, Inc 601 Jacksonville, TX 75766	
CARTON 1 of 300		QTY: 300	
(00) 0 0639709 000000019 8 			

Example: B2
Pre-Pack Bulk UCC-128

From BALI DAYWEAR Division of Lee Corp 238 Commerce Dr Kings Mtn, NC 24446		To STAGE STORES INC c/o Roadway Express 506 Beall Blvd Jacksonville, TX 75766	
SHIP TO POST (420) 75766 		CARRIER Roadway	
PO #: 00047885		CARTON: 1 of 1	
DEPT: 402		PIECES: 12	
ORDER NO: 09528190		WEIGHT: 2.47	
FOR UNIT (91) 00233 		00233	
(00) 0 0639709 000000019 8 			

Example: B3
Pack-by-Store UCC-128 Label

Example B

B. CARTON LABELING FOR NON-EDI ASN VENDORS

****Please reference example C 1-2 below for example of standard shipping labels.**

- 1) All cartons are to be clearly marked with the ship from and ship to address.
- 2) Each carton must be labeled with the SSI department number, purchase order number, style number, color and size (if applicable & as it appears on the SSI purchase order), pre-pack quantity with size run detail (if applicable), quantity, and the SSI Distribution Center number. Color and size codes are not adequate; these fields must have descriptive color and size.
 *Once set up on EDI ASN with Stage Stores Inc, vendors must submit a UCC-128 label for approval via fax to 713-838-4494.
- 3) Cartons must be numbered sequentially with the number of cartons per order or per style, or per store in the case of a cross-dock shipment, (i.e. 1 of 3, 2 of 3, etc).
- 4) Place shipping label on lower right corner of the long side of the carton.

SHIP TO: STAGE STORES DISTRIBUTION CENTER #601 506 BEALL BLVD. JACKSONVILLE, TX 75766	
SHIP FROM: LAVA ENTERPRISES 3979 LOCKRIDGE ST. SAN DIEGO, CA 92102	
PO: 10011111 DEPT: 012 QTY: 60	STYLE: 32204 COLOR: BLACK SIZE: XL
CARTON 1 OF 30	

**EXAMPLE: C1
STANDARD BULK SHIPPING LABEL**

SHIP TO: STAGE STORES DISTRIBUTION CENTER #601 506 BEALL BLVD. JACKSONVILLE, TX 75766													
SHIP FROM: LAVA ENTERPRISES 3979 LOCKRIDGE ST. SAN DIEGO, CA 92102													
PO: 10011111 DEPT: 012	STYLE: 32204 COLOR: BLACK												
QTY: 60													
PRE-PACK DETAIL:													
<table style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 0 5px;">SIZE: 4</td> <td style="padding: 0 5px;">6</td> <td style="padding: 0 5px;">8</td> <td style="padding: 0 5px;">10</td> <td style="padding: 0 5px;">12</td> <td style="padding: 0 5px;">14</td> </tr> <tr style="border-top: 1px solid black;"> <td style="padding: 0 5px;">QTY: 2</td> <td style="padding: 0 5px;">3</td> <td style="padding: 0 5px;">3</td> <td style="padding: 0 5px;">2</td> <td style="padding: 0 5px;">1</td> <td style="padding: 0 5px;">1</td> </tr> </table>		SIZE: 4	6	8	10	12	14	QTY: 2	3	3	2	1	1
SIZE: 4	6	8	10	12	14								
QTY: 2	3	3	2	1	1								
CARTON 1 OF 30													

**EXAMPLE: C2
STANDARD PRE-PACK SHIPPING LABEL**

Example C

C. LABEL APPROVAL (REQUIRED FOR ALL LABELS)

- 1) Please submit your carton label for approval via fax to:
713-838-4494 Attn: Logistics

When submitting shipping labels for approval, please allow 48 hours to receive a response. If no response has been received after 48 hours, please contact the Logistics Office. If able, please note on label what type of order the label is being approved for (i.e. bulk order, pack-by-store). Making this note on the fax will aid the Logistics Dept. in approving based on the appropriate criteria. Labels are approved for format and required fields. Responsibility lies on the vendor to ensure all labels are scannable. A shipping label that is in the process of approval does not exempt a vendor from violations associated with the label. It is the vendor's responsibility to obtain approval prior to shipping. Buyers are not authorized to approve shipping labels.

2. PACKING INSTRUCTIONS

A. BULK PACK ORDERS

1. For all bulk shipments– each carton and /or inner-pack must be packed with only 1 style, 1 color, and 1 size (single SKU). All cartons and inner-packs must be clearly labeled with style, size, color, quantity and Purchase Order.
2. For bulk shipments ordered as a pre-pack – All vendor pre-pack assortments must be Pre-Ticketed with UPC, SSI department number, SSI class number, SSI retail, style number, and color and size (if applicable). Cartons shipped must be marked with the pre-pack detail/breakout printed on the shipping label. All "Pre-Pack" orders must be packed as ordered.
3. Ship all purchase orders complete. If that cannot be accomplished it is mandatory that all line items/styles on a purchase order be shipped as ordered and complete. A line item/style on a purchase order may not be shipped more than once. SSI does not allow split shipments.
If you ship subsequent shipments of a style on a purchase order, you must ship 'freight pre-paid', or you will be assessed for the full freight expense plus a processing fee.
4. Fragile shipments must contain **"Re-shippable Innerpacks"**. These Re-shippable's must use corrugated packing materials of at least 225 weight and a container that will prevent product movement and breakage once it is removed from the Master Carton. This is necessary in order to reship independently to a specific store without incurring any damage. There will be a charge to the vendor for the full product amount for any damages that occur to reshippables.
5. Mark all fragile cartons with a Fragile label. Use corrugated packing materials of at least 225 weight and a container that will prevent product movement and breakage.
6. SSI requires a ticket with UPC, vendor style, SSI department number, SSI class number, SSI retail, size and color (if applicable), and UPC barcode with human readable data.
7. Merchandise normally shipped on hangers or shipped on hangers at the buyers request must be shipped on clear VICS approved hangers.
8. A clear poly bag must protect all garments.
9. All sets and coordinates with two items hung on interlaced hangers with one UPC must be packaged together, top/bottom on same hanger or bundled in a clear poly bag.
10. All related separates ordered as a set must be sent in the same shipment with the same Bill of Lading and arrive on the same trailer/container.

11. Each carton must be in accordance with the following carton size and weight requirements:

Minimum: Length: 9" - Height: 6" – Width 4" – Weight: 5 lbs.

Maximum: Length: 36" – Height: 28" – Width: 24" – Weight: 50 lbs.

Each carton **MUST NOT WEIGH** more than 50 pounds.

B. **STORE PACKED ORDERS**

1. If the order is packed by store you are not required to segregate merchandise by style, size and color, however, the UCC-128 carton label must clearly identify department, purchase order, store number, quantity (in carton) and carton number/lot size (i.e. 1 of 3, 2 of 3, etc.).
2. SSI requires a ticket with UPC, vendor style, SSI department number, SSI class number, SSI retail, and size and color (if applicable as it appears on SSI Purchase Order).
3. Merchandise shipped on hangers should utilize the VICS approved hanger.
4. A clear poly bag must protect all garments.
5. All sets, including related separates ordered as a set, must be packaged together, top/bottom on same hanger or bundled in a clear poly bag.
6. Mark all fragile cartons with a Fragile label. Use corrugated packing materials. The corrugated carton must have a minimum bursting strength of 175 psi.
7. Ship all purchase orders complete. If that cannot be accomplished it is mandatory that all line items/styles on a purchase order be shipped as ordered and complete. A line item/style on a purchase order may not be shipped more than once. SSI does not allow split shipments. **If you ship subsequent shipments of a style on a purchase order, you must ship 'freight pre-paid', or you will be assessed for the full freight expense plus a processing fee.**
8. In packed by store orders, each carton must contain merchandise for one store and purchase order must be in accordance with the following carton size and weight requirements:

Minimum: Length: 9" - Height: 6" – Width 4" – Weight: 5 lbs.

Maximum: Length: 36" – Height: 28" – Width: 24" – Weight: 50 lbs.

Each carton **MUST NOT WEIGH** more than 50 pounds.

C. **MASTER PACK**

In the event that your carton size does not meet our **minimum size requirement** (i.e. Too small to be conveyable), you may package multiple styles for one purchase order in one carton. To master pack follow the steps below:

1. Inner cartons/packages must be **separate for each style, color, size and/or store.**
2. **Each inner carton/package must include a UCC-128 shipping container label.** Do NOT place a UCC-128 on the outside of the masterpack. Create a carton label with the required information (ship to, ship from, carrier info, PO#, and dept #) exclude the UCC-128 barcode and place on the outside of the masterpack.
3. **Write or attach labels stating "Master pack"** on the outside of the master carton on all six sides.
4. Carton strength should be a minimum of 32 ETC (edge test crush) to prevent crushing during transit. Large or heavy cartons may require a higher ETC.

3. WRINKLE PREVENTION

- a. **Cover each garment** with a **clear**, dry cleaning style plastic (1 mil) bag, **if necessary, to prevent wrinkling or soiling**, leaving the bag open at the bottom. (Bags are not required except to prevent wrinkling and soiling).
- b. Merchandise should be packed '**flat**' in cartons. If the merchandise must be folded, use no more than one fold, at the bottom of the garment.
- c. Place garments **lengthwise** in cartons.
- d. **Bundle hangers** with string, twine or rubber bands to prevent shifting (do not use metal or tape) alternating top and bottom carton placement approximately every 6 hangers to eliminate excess bulk, maximize cube, and prevent shifting. **DO NOT OVER PACK CARTONS.**
- e. Place **cardboard or tissue** between alternating bundles if necessary to **prevent crushing and reduce shifting of contents.**
- f. **Delicate items should be placed on top to prevent crushing.**
- g. If improper carton handling during transportation could cause wrinkling, use "THIS END UP" labeling.
- h. A vendor compliance charge of \$1 per garment will be assessed if your merchandise requires pressing.
- i. **DO NOT USE: PINS, TAPE, CLIPS, TIE BACKS, REMOVABLE FOAM INSERTS ON BOTTOM HANGERS, EXCESSIVE TISSUE, PAPER, CARDBOARD, OR ANY OTHER UNNECESSARY MATERIAL THAT WILL REQUIRE REMOVAL AT OUR DISTRIBUTION CENTER OR STORES. SAFETY NOTE: Do not use safety pins, straight pins, or pins of any type on any merchandise in any category for any reason.** A vendor compliance charge will be assessed for any merchandise received with pins (except men's packaged dress shirts).
- j. **Seal cartons securely with tape.** Do not place bands, straps, or string on cartons as they may damage our sortation equipment. All cartons should be sealed with tamper proof, reinforced tape. **All openings on all sides** of the carton, including edges **must be sealed.**
- k. Use a **shipping carton** that **fits the garment.** Ideally merchandise should be packed ¼ " below the top of the carton, and 1/8" from the sides of the carton.
- l. **Carton strength** should be a minimum of 32 ETC (edge test crush) to prevent crushing during transit. Large or heavy cartons may require a higher ETC.

5. VICS HANGER STANDARDS

All vendors who normally ship on hangers or who ship on hangers at the Buyers request must ship merchandise on clear VICS hangers. Stage Stores Inc. is requiring **full vendor participation** in the use of standard clear VICS department store hangers with a turnable metal hook on all garments shipped to us on hangers (both inside and outside of cartons). All merchandise that is to be hung in our stores must be sent on a hanger. It is the buyer’s responsibility to notify vendors of orders that are to ship on hangers or ship flat packed.

Merchandise Area	Description	Color
Men’s, Women’s & Jr’s	19” Top	Clear
Men’s, Women’s & Jr’s	17” Top	Clear
Men’s, Women’s & Jr’s	15” Top	Clear
Children’s	12” Top	Clear
Infants	10” Top	Clear
Men’s, Women’s & Jr’s	14” Bottom	Clear
Men’s, Women’s & Jr’s	12” Bottom	Clear
Children’s	10” Bottom	Clear
Infants	8” Bottom	Clear

*** Please reference Example D on page 19 for example of standard clear VICS hangers.*

Exception Men's & Women's Suit & Coat Vendors, Infants, Toddlers (2T-4T), and Intimate Apparel Vendors can ship using own white Vendor hanger. (these vendors are exempt from any hanger violations).

*****The sizes mentioned are “recommended” sizes. Please utilize the appropriate hanger size/style for the merchandise being shipped.***

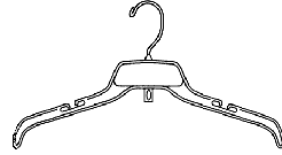
Approved Hanger Vendors – A&E (201) 558-3661, Randy Hangers (201) 842-6235, and Accessory Corp (888) 800-0170.



K resin, Color clear,
Wire hook,
12 inch



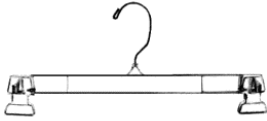
K resin, Color clear,
Wire hook,
15 inch



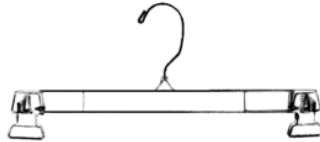
K resin, Color clear,
Wire hook,
17 inch



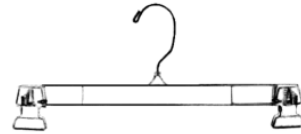
K resin, Color clear,
Wire hook,
19 inch



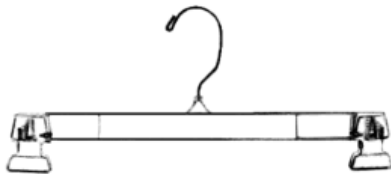
K resin, Color clear,
Wire hook,
8 inch



K resin, Color clear,
Wire hook,
10 inch



K resin, Color clear,
Wire hook,
12 inch



K resin, Color clear,
Wire hook,
14 inch

Example D

6. PRE-TICKETING

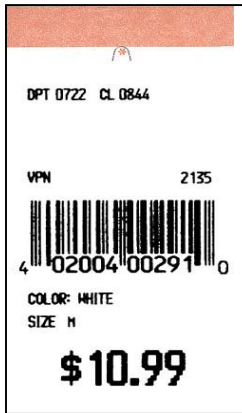
Stage Stores Inc. requires **all** merchandise to be “**Pre-Ticketed**” upon receipt. The following methods are acceptable:

- a. Mark your merchandise with Vendor generated UPC. Ensure the bar-code you produce is scannable and complies with the industry standard. UPC (barcode with human readable data) on vendor tag **must include vendor style, SSI department number, SSI class number, SSI retail, and size and color (if applicable & as it appears on SSI Purchase Order).**
- b. If you are unable to produce tickets please contact an outside resource. While you are not required to utilize, we have listed our approved ticket providers below to obtain information on their ticketing programs. If in the event you are unable to set up your account with a third party ticket supplier in a timely manner or an emergency order occurs, Stage Stores may make an exception and supply tickets to the vendor, excluding shoe tickets. A \$50 non-negotiable fee will be effective to cover the cost of tickets and shipping.
 - a) Brady Corp (206) 812-5683
 - b) Shore to Shore (888) 879-3768
 - c) FineLine Barcode Technology (800) 500-8687
 - d) Rapid Tag & Label (877) Get-Tags
 - e) QRS (201) 236-3801 x226

** Vendors that utilize QRS services for tickets must specify “For Stage Stores” on the order form to ensure the proper program/format label is utilized.
- c. UPC retail must match retail listed on the Purchase Order.
- d. UPC on merchandise must match UPC reference on QRS Keystone Catalog. Provide an accurate UPC catalog via the QRS Keystone catalog prior to product availability. If your UPC information is not accurate or timely, a vendor compliance charge will be assessed if we experience a delay in ordering or processing as a result.
- e. Do not use “secondary” bar-code formats (I 2/5, 128) on merchandise or ISBN (book numbers) on non-book items. If secondary bar-codes or ISBN numbers create POS or inventory rejects, a compliance charge will be assessed.
- f. Create your UPC’s based on the UCC specifications. A 100% nominal ‘version A’ UPC format bar code should be **1.25” in length** (including quiet zone), and **1.0” in height**, with the narrowest bar or space width of **13 mil (+ or – 4 mil)**.
- g. You should have an **ongoing UPC bar code quality control program** in place that ensures ANSI A or B printing quality when scanning with a 6 mil aperture.
- h. **Our retail must appear in Zone 6** (1” x 1 ¼”) of the standard UPC ticket. Our retail can be printed or you may use a plain white pressure sensitive ticket with black ink **or**, if you supply manufacturer’s suggested retail price (MSRP), use a **perforated Zone 7**, and label retail as “MSRP”, “MSR”, or “Manufacturers Suggested Retail”, leaving a **blank Zone 6**.
- i. Please submit a copy of your tickets for approval via fax to:
713-838-4494 Attn: Logistics

When submitting tickets for approval, please allow 48 hours to receive a response. If no response has been received after 48 hours, please contact the Logistics Office. Tickets are approved for format and required fields. Responsibility lies on the vendor to ensure all tickets are scannable. A ticket that is in the process of approval does not exempt a vendor from violations associated with the tickets. It is the vendor’s responsibility to obtain approval prior to shipping. Buyers are not authorized to approve tickets.

NOTE: In the event that you would like to use a Dept/Class gum label, please also send a copy of gum label attached to the existing vendor hangtag or box (excluding shoe vendors).



UPC Hang Tag



UPC Gum Label



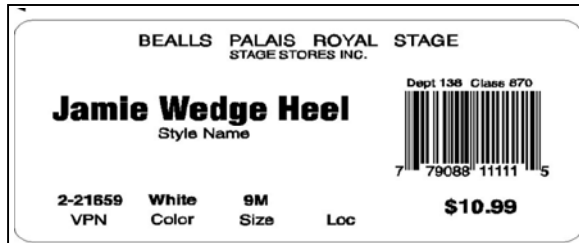
Dept/Class gum label



Jewelry barbell tag



Jewelry box tag



Shoe Box Label

Example E

- Effective February 1, 2003, Stage Stores Inc. will require all shoe vendors to be compliant with a new shoe ticket format and ticket placement guidelines. Vendors that will produce tickets in house, please contact Stage Stores Logistics Department for the ticket size and dimensions. Once the shoe ticket is created or obtained from 3rd party supplier, tickets must be faxed to Logistics Department @ 713-838-4494 for approval. Shoe vendors who are unable to create the shoe ticket format in-house must contact an outside ticket resource for ordering information. While vendors are not required to use the resources listed below, we have listed them for ordering convenience.
 - a) Brady Corp (206) 812-5683
 - b) FineLine Barcode Technology (800) 500-8687
 - c) Rapid Tag & Label (877) Get-Tags
- **Tickets must be placed neatly and consistently on the front, right bottom of the shoeboxes. Do not place tickets on top or side of the shoebox.** Non-compliance charges will be assessed for vendors who do not comply with these new requirements.
- Jewelry vendors who do not have a jewelry ticket approved by Stage Stores must contact Data2 @800-227-2121 x451 for ordering information.

RANDOM TICKET ERRORS

1. Random ticket errors found on a shipment, the vendor is subject to a compliance charge of \$0.50 for every piece of the problem style of that shipment. This charge is due to the 100% detail audit required to fix and verify all tickets.

4. SIZE STRIPS

Stage Stores, Inc. requires that all flat packed apparel have clear size strips.

1. Packaged/Folded Top – strip must be placed on right hand side of garment
2. Pants/Bottoms – strip must be placed on leg facing out on upper section of leg.

Industry Standards References

UPC ticket format and marking guidelines	Uniform Code Council “UPC Marking Guidelines for General Merchandise and Apparel.” 800-543-8137
UPC Catalog format	Uniform Code Council “UPC Data Communication Guideline for General Merchandise and Apparel” 800-543-8137
QRS Keystone catalog	QRS Corporation 800-872-8255
NRF Color & Size Codes	NRF Standard Color & Size Code Handbook 202-783-7971

Stage's Pre-Ticketing Placement Guide

Stage Stores Inc. appreciates your effort to provide Floor Ready Merchandise (FRM) for distribution to our stores. As you apply tickets to merchandise destined for Stage Stores, please follow the following placement guidelines:

CATEGORY	TICKET LOCATION
Women's & Girls Apparel	
Dresses, Coats/Outerwear	Bottom of left sleeve at the seam
Hanging Tops/Shirts/Vests	Bottom of left sleeve at the seam
Sleeveless Tops & Tank Tops	Through manufacture's label at neck
Packaged/Folded Tops	Through manufacture's label at neck
Sweaters (Hanging & Folded)	Through manufacture's label at neck
Bottoms	On the waistband at the left side seam
Sleepwear	Bottom of left sleeve at the seam
Swimwear	Through underarm seam at the left side
Men's & Boys Apparel	
Coats/Outerwear/Suit/Jacket	Bottom of left sleeve at the seam
Hanging Tops/Shirts & Robes	Bottom of left sleeve at the seam
Packaged Dress Shirts	Inside the placket at the 5 th placket button
Folded Tops, No placket	Through care label in the neckline
Folded Tops, with placket	Inside placket near 2 nd button
Sweaters (Hanging & Folded)	Through manufacture's label at neck
Pants/Bottoms	On the waistband at the left side seam
Ties	Through manufacture's label on back of tie
Belts	Swiftached to the first belt hole
Hats/Headwear	At the back of the head
Jokers	
Suits/Jackets	At the bottom of left sleeve
Pants/Slacks	On the waistband at the left seam or the left rear pocket
Infants/Toddlers	
Hanging Tops	Bottom of left sleeve at the seam
Hanging Bottoms	On the waistband at the left side seam
Boxed Products	
Shoes	Front right bottom of shoe box
Gifts	Bottom of the Box
Accessories	
Handbags	Attach ticket securely to handbag handle or shoulder strap w/ plastic securaloop
Gloves	Inside cuff, in seam
Ties	Through manufacture's label on backside of tie
Belts	Sewn in tag is placed at the buckle end of belt on backside, hangtag is attached w/ securaloop through the 5 th hole from end of belt.

- Tickets should not cover UPC barcode or any pre-printed information on packaging or a non-compliance charge will be assessed
- It is the vendor's responsibility to utilize the correct ticket type for the appropriate merchandise. Gum labels should not be placed directly on the merchandise.

EDI

A. QUALIFICATIONS

1. EDI is thoroughly supported by Stage Stores Inc. As vendors, you are requested to contact Stage Stores EDI Administrator for partnership development.
2. We strongly recommend that you are capable of transmitting all necessary EDI documents required by SSI to conduct business electronically. The amount of business our companies exchange may be affected by your EDI capabilities.
3. You must be 100% UPC marked and provide SSI access to your UPC catalog on the QRS Keystone catalog. To contact QRS for set-up information please call (800) 872-8255 or email telesales@qrs.com.
4. You must be capable of re-transmitting all EDI documents within 24 hours of request.
5. QRS is Stage Stores only VAN for all inbound and outbound files.

B. HOW TO SET UP YOUR ACCOUNT

1. The following vendors need to contact Stage Stores EDI Department regarding EDI enablement:
 - a) If you are an EDI partner, but not exchanging all primary EDI documents listed on page 9 in Our Technology Strategy.
 - b) If you are a current vendor with Stage Stores, Inc. and EDI capable but not set up with Stage Stores, Inc.
 - c) If you are a current vendor with Stage Stores, Inc. and not yet EDI capable.
 - d) If you are a new vendor with Stage Stores, Inc.
2. Vendors that are not able to invest in EDI technology should consider the use of the QRS Service Bureau. The QRS Service Bureau enables a non-EDI vendor to be capable of sending and receiving electronic documents. Stage Stores Inc. will send the electronic Purchase Order to the QRS Service Bureau, who will translate it to a fax for the vendor. The vendor faxes information (ex. Invoices and packing slips) to QRS Service Bureau which will be translated into the appropriate electronic documents and sent to Stage Stores Inc. electronically.

C. EDI DOCUMENT REQUIREMENTS

1. Packing slips are still required with each shipment at the Purchase Order detail level.
2. SSI exchanges documents using the QRS Value Added Network (VAN). SSI does not pay interconnect fees for users.
3. The use of the UPC and the Keystone Catalog facilitates accurate and timely merchandise flow. We strongly urge you to provide your UPC catalog electronically to QRS a minimum of 10 days before market. If your UPC's are not loaded accurately a vendor compliance charge will be assessed.
4. Once you have assigned size ranges and communicated your UPC's to QRS Keystone Catalog, size ranges cannot be altered (S-M-L cannot be changed to 5-7-9 etc.). If you change size ranges a vendor compliance charge will be assessed.

D. EDI TRANSMISSION STANDARDS

1. Transmission of #810 Invoices, and #856 Advanced Shipping Notices must contain the following **accurate** information:
 - a) Your name and address
 - b) Your invoice number
 - c) Our Purchase Order Number
 - d) The number of cartons in your shipment by P.O. & total.
 - e) Total weight of the shipment
 - f) The freight carrier
 - g) The exact quantity (in units) by style, color and size
 - h) The unit cost must match EXACTLY the unit cost listed on the PO.
 - i) Bill of Lading number
 - j) Carton detail information
2. Advance Shipping Notices (ASN's) must match the shipment and be transmitted to Stage Stores Inc. prior to the arrival of the shipment. If your distribution facility is in close proximity (less than 24 hours) to our distribution center, or if you ship by air, we will expect you to expedite the flow processes in order to provide the ASN before the shipment arrives at our DC.
3. The Bill of Lading number must be included in the ASN and **must be assigned at shipment level** (i.e., all cases in one shipment have the same BOL).
4. A separate notice must be provided for each Bill of Lading. In the case of multiple truckloads, each truckload requires a unique BOL and a separate ASN.
5. You must be able to retransmit any EDI document within 24 hours of request.
6. All vendors must respond to the 850 EDI PO with an accurate 997 Acknowledgment or a non-compliance charge will be assessed. (All vendors who respond to the 850 EDI PO with an **incorrect** 997 Acknowledgment, requiring retransmission or modification will be subject to a non-compliance charge.)

NOTE

Vendors must supply packing slips in addition to the 856 Advanced Shipment Notification. Packing slips are used in the event of problems in the receipt of the transmission. Please refer to Section III "Packing Slip Documentation" for Packing Slip information and placement instructions.

7. Invoices for Merchandise
 - a) Whenever possible, in order to maximize accuracy, utilize the 810 Invoice EDI transmissions. If you have questions regarding EDI please contact EDI at EDI@stagestores.com.

If you are not currently EDI capable contact EDI@stagestores.com.

Effective July 1, 2003, shipments received without the associated EDI transaction sets for Advance Shipment Notifications (856 ASN) and Electronic Invoices (810) will be considered non-compliant and will be subject to non-compliance charges.

E. UPC CATALOG DATA REQUIREMENTS

Stage Stores, Inc. requires the following UPC catalog data elements:

Vendor level:	Product Level:	UPC/EAN Level:
Vendor Name	Selection Code	Size Code/ Desc. (Short & Long)
Vendor Account Number	Selection Code Description	Color Code/Desc. (Short & Long)
Currency Indicator	Product ID (PID)	Fabric Description
	Product Desc. (Short & Long)	Country of Origin (Manufacturing)
	Image (Future)	Published Cost
	Image Des. (Future)	Manufacturers Suggested Retail
	Trade Name (label/brand)	UPC/EAN Type (pre-pack, set pack, GWP, PWP, collateral)
	Warranty	Record Change/Alter Date
	Hazardous Material Class	Discontinued Date
	Point of Origin (Shipping)	Cancel Date
		Booking Date
		Availability Date
		Seasonal Availability Flag
		Minimum/Maximum Order Quantity
		Re-order Flag
		Lead Time
		Manufacturers Pack Size
		Weight/Cube/Dimensions

Call QRS at 800-UPC-Talk (800-872-8255) for
information on the use of these fields

Provide your UPC catalog electronically (#832) a minimum of 10 days before market. If your UPC's are not loaded accurately a compliance charge will be assessed.

PACKING SLIP DOCUMENTATION

Prepare packing slips in addition to carton labels, as packing slips are used to enter receipt information into the SSI system in the event of a transmission error. Failure to supply packing slips delays your payment, slows the flow of merchandise, and results in a compliance charge. For small parcel carrier shipments, a packing slip must be placed on the outside of each carton, and should represent the contents of the carton.

- A. **All Shipments**, the packing slips should be consolidated into one envelope and **attached to and listed as a line item on the Bill of Lading**, and presented to the carrier with the merchandise. That envelope must be clearly identified as **“Packing Slips”**.
- B. Packing slips should not be packed inside cartons.
- C. A separate packing list **must** be provided for each purchase order and each store in the case of a pack by store order.
- D. Included on the packing slips **must** be the following **accurate** and legible information:
 - 1. Purchase order
 - 2. Department number
 - 3. Store name and number if packed by store
 - 4. Number of cartons representing the contents of the packing slip
 - 5. Style, color, and size information (as it appears on SSI Purchase Order)
 - 6. Total units shipped
 - 7. Quantity shipped by style, color, and size
 - 8. Carrier’s name, if available
 - 9. Class number
 - 10. Pre-pack quantity and size breakdown, if applicable
- E. The only exception for not tendering packing slips in an envelope, attached to the Bill of Lading and tendering to the driver is in the case of small parcel shipments.
 - 1. The Bill of Lading # must be on the exterior of the carton (handwritten is acceptable). If the Bill of Lading # is not on the exterior of the carton you will be subject to a compliance charge.

Example: (1) Purchase Order, (20) Cartons, (1) BOL

The lead carton should have the BOL for the entire shipment and the packing slip attached to the outside of the carton. Subsequent cartons should have the BOL # printed (handwritten is acceptable) and the packing slip for that individual carton attached to the outside of carton.

BILL OF LADING/INVOICE

- A. SSI requires the VICS Standard (long form) Bill of Lading. This Bill of Lading and Supplement to Bill of Lading may be copied from Example F2 and F3 found on page 31 or downloaded from the VICS Standards web site at www.vics.org. The Stage Stores Inc. website at www.stagestoresinc.com shows the VICS BOL with sample information (Example F1 page 30).
- B. All freight, which is to be paid by SSI, must be marked "COLLECT" on the BOL when using a common carrier.
- C. Cartons must be addressed correctly. See the "Ship To" address indicated on the Purchase Order. The "Ship To" address is:
Stage Stores Distribution Center #601
506 Bealls Blvd
Jacksonville, TX 75766
- D. All shipments to Stage Stores, Inc. must be consolidated and detailed on one Bill of Lading using the carrier specified in our Transportation Management System (TMS).
1. The consolidated Bill of Lading must individually list each Purchase Order in the shipment, the number of cartons for each Purchase Order, and the department number for each Purchase Order must be listed in the additional shipper info section on the Bill of Lading. The freight bill must also be listed by Purchase Order. **Vendor assumes liability for shortages where purchase order numbers are not itemized on the Bill of Lading.**
 2. If BOL does not allow enough space to list each purchase order, vendor must utilize the VICS approved Supplement to the Bill of Lading.
 3. Each trailer/container must have a unique consolidated Bill of Lading representing the entire content of the trailer/container and the corresponding unique ASN.
 4. For palletized vendors, follow the VICS Standard Bill of Lading by circling Pallets and Y for Yes in the pallet section, then placing quantity of pallets and type in the handling units section.
 5. You must include the number of cartons and the department number in the additional shipper info section.
 6. If TMS directs small parcel shipping, the BOL must be attached to the outside of the carton in addition to the packing slip. Every carton must be labeled with the BOL # (handwritten is acceptable).
- E. Vendor must include the SRR # assigned by TMS on the BOL
- F. The P.O. number and Department number MUST appear on the delivering carrier's freight bill. To insure this, you must record all Purchase Order numbers and the Department numbers on the BILL OF LADING for the carrier to use with the freight bill. For EDI shipments, the BILL OF LADING must match the ASN.
- G. Orders must be shipped according to the SHIPPING DATES specified on the Purchase Order.
- H. Merchandise must be described on the Bill of Lading with the correct National Motor Freight Classification number with any appropriate densities. All shipments

should be made at the lowest released value per classification. Failure to properly describe the shipment on the Bill of Lading will result in excess freight charges, incurred due to the error, being charged back to you. The Bill of Lading must also contain contact name, telephone, and fax number in case of a refusal. Please add the contact information to the Ship From section on the Bill of Lading. Small Parcel Carrier and authorized air shipments must NOT be insured unless shipment is Fine Jewelry.

I. Invoices for Merchandise

1. Whenever possible, in order to maximize accuracy, utilize the 810 Invoice EDI transmissions. If you have questions regarding EDI please contact EDI at EDI@stagestores.com.
2. If you are not currently EDI capable contact EDI@stagestores.com.

BILL OF LADING				Page 1 of 1						
SHIP FROM										
Name: Joe Smith Vendor Address: 12345 Smith Lane City/State/Zip: Canton, MS 39046 SID#:			Bill of Lading Number: 12345							
			FOB: <input type="checkbox"/>							
SHIP TO										
Name: Stage Stores		Location #:	CARRIER NAME: American Eagle							
		601	Trailer number: 485							
Address: 506 Beall Blvd City/State/Zip: Jacksonville, TX 75766 CID#:			Seal number(s): 084923							
			FOB: <input type="checkbox"/>							
THIRD PARTY FREIGHT CHARGES BILL TO:										
Name: Stage Stores Transportation Address: 10201 S Main City/State/Zip: Houston, TX 77025			SCAC: AEAL							
			Pro number: 012345							
SPECIAL INSTRUCTIONS:			Freight Charge Terms:							
			Prepaid <input type="checkbox"/> Collect <input checked="" type="checkbox"/> 3 rd Party <input type="checkbox"/>							
			<input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading (check box)							
CUSTOMER ORDER INFORMATION										
CUSTOMER ORDER NUMBER	# PKGS	WEIGHT	PA. LET/SLIP (CIRCLE ONE)		ADDITIONAL SHIPPER INFO					
10066852	300	6000	Y	<input checked="" type="radio"/> N	Dept # 111					
10072569	300	6000	Y	<input checked="" type="radio"/> N	Dept # 112					
10083208	50	100	Y	<input checked="" type="radio"/> N	Dept # 113					
	1		Y	<input checked="" type="radio"/> N	Packing slips					
(Please list Dept # in Add'l Shipper Info field)										
GRAND TOTAL	651	12,100								
CARRIER INFORMATION										
HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION <small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care.</small>	LTL ONLY			
QTY	TYPE	QTY	TYPE				NMFC #	CLASS		
650	CTN	650	CTN	12,100		Apparel				
		1	pkg			Packing slips				
		651		12,100	GRAND TOTAL					
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____"						COD Amount: \$ _____				
						Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>				
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. • 14706(c)(1)(A) and (B).										
RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.						The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. <i>J. Smith</i> Shipper Signature				
SHIPPER SIGNATURE / DATE			Trailer Loaded:		Freight Counted:		CARRIER SIGNATURE / PICKUP DATE			
This is to certify that the above named materials are properly classified, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.			<input checked="" type="checkbox"/> By Shipper		<input checked="" type="checkbox"/> By Shipper		Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle.			
			SRR # 1222							

Example F1-sample BOL w/ filled information

Date:		BILL OF LADING				Page _____				
SHIP FROM										
Name:				Bill of Lading Number:						
Address:				BAR CODE SPACE						
City/State/Zip:										
SID#: FOB: <input type="checkbox"/>										
SHIP TO				CARRIER NAME:						
Name: Location #: _____				Trailer number:						
Address:				Seal number(s):						
City/State/Zip:				SCAC:						
CID#: FOB: <input type="checkbox"/>				Pro number:						
THIRD PARTY FREIGHT CHARGES BILL TO:				BAR CODE SPACE						
Name:				Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid Collect 3 rd Party _____ <input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading <small>(check box)</small>						
Address:										
City/State/Zip:										
SPECIAL INSTRUCTIONS:										
CUSTOMER ORDER INFORMATION										
CUSTOMER ORDER NUMBER		# PKGS		WEIGHT		PALLET/SLIP (CIRCLE ONE)	ADDITIONAL SHIPPER INFO			
						Y N				
						Y N				
						Y N				
						Y N				
GRAND TOTAL										
CARRIER INFORMATION										
HANDLING UNIT		PACKAGE				COMMODITY DESCRIPTION		LTL ONLY		
QTY	TYPE	QTY	TYPE			WEIGHT	H.M. (X)	<small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section 2(e) of NMFC Item 360</small>	NMFC #	CLASS
								STAMP SPACE		
GRAND TOTAL										
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____."						COD Amount: \$ _____				
						Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/>		Customer check acceptable: <input type="checkbox"/>		
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).										
RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.						The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.				
						Signature _____ Shipper				
SHIPPER SIGNATURE / DATE <small>This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.</small>			Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver			Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces			CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. <i>Property described above is received in good order, except as noted.</i></small>	

Example F2-Blank BOL

SUPPLEMENT TO THE BILL OF LADING

Page _____

Date: _____

Bill of Lading Number: _____

CUSTOMER ORDER INFORMATION

CUSTOMER ORDER NUMBER	# PKGS	WEIGHT	PALLET/SLIP (CIRCLE ONE)		ADDITIONAL SHIPPER INFO
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
PAGE SUBTOTAL					

CARRIER INFORMATION

HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION <small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section 2(e) of NMFC Item 360</small>	LTL ONLY	
QTY	TYPE	QTY	TYPE				NMFC #	CLASS
						PAGE SUBTOTAL		

Example F3-Supplement Bill of Lading

TRANSPORTATION ROUTING INSTRUCTIONS

★ Transportation Announcement ★

Stage Stores Inc. has implemented a new "Transportation Management System" (TMS). The Stage Stores TMS is a web-based system used for the routing of all **in-bound freight to Stage Stores**. This system benefits both the Vendor and Stage Stores by the use of an "optimization routing" tool to save time and expense in the Supply Chain.

Effective immediately, all vendors are required to request routing for all shipments via the TMS.

The only exception to this requirement is for shipments that are shipped pre-paid at no cost to Stage Stores.

Stage Stores no longer supports routing instructions outlined in previous editions of the routing guide (i.e. LTL Matrix, Zip Code based routing).

Vendors must have Internet access and email address at each shipping location to utilize this new system.

To begin the implementation process, please complete the TMS Vendor Setup form located on page 35 and fax to Stage Stores Transportation Dept. at 713-838-4494 or email to traffic@stagestores.com. Once TMS setup is complete an email will be sent to the key contact person noted on the setup form with all necessary information and instructions.

Effective July 1, 2003, all vendors who are not in the process of TMS setup will be subject to a non-compliance charge.

Once TMS Vendor Setup is complete, any revisions or updates must be communicated to Stage Stores. Please complete the TMS revision form located on page 36 and fax to Stage Stores Transportation Dept. at 713-838-4494 or email to traffic@stagestores.com. Your partnership in communicating ship point additions/changes, email contacts, etc. will keep the TMS system working smoothly.

Failure to request routing via TMS will result in a chargeback of the full cost of transportation and handling.

Transportation Management System “TMS”

Vendor Access Implementation Form

Please complete and fax to: 713-838-4494 attn: TMS Access

Key Information

- ◆ Only one access ID is set up per operating location
- ◆ Vendor must have Internet access and email address for each shipping location
- ◆ The Vendor’s Key Transportation Contact is responsible for distributing the Access ID and password to all vendor ship points.
- ◆ Access ID’s will take 7 business days to process and will be sent to Key contact via e-mail
- ◆ All questions should be directed to traffic@stagestores.com
- ◆ Please print multiple copies of this form if more than one location is to be setup

Vendor Information

Vendor Name _____

Vendor Address _____

Key Transportation Contact Name/Title _____

Phone Number _____ Fax Number _____

Email Address _____

Shipping Location Information

- ◆ Location information is needed for EVERY SHIPPING LOCATION.

Location Name _____

Location Address _____

Contact Name/Position _____

Phone Number _____ Fax Number _____

Days/Hours of Operation: From _____ to _____ Time Zone: _____

Special Instructions _____

Please list recent valid Stage Stores Purchase Orders shipped from this location: _____

Please visit www.stagestoresinc.com to obtain our routing guide for Transportation Guidelines

Transportation Management System "TMS" Revision Form

Please complete and fax to: 713-838-4494 attn: TMS revision

- ◆ This "revision" form should only be utilized to update or revise information previously submitted to Stage Stores.
- ◆ Revisions will take approximately 7 business days to be updated in TMS.
- ◆ All questions should be directed to traffic@stagestores.com.
- ◆ Please print multiple copies of this form if more space is needed

◆ Please complete the following information ◆

Name and phone number /extension of person filling out the form: _____

List all other locations that are effected by these changes:

Vendor Information

Vendor Name _____

Vendor Address _____

Key Transportation Contact Name/Title _____

Phone Number _____ Fax Number _____

Email Address _____

Shipping Location Information

Location Name _____

Location Address _____

Contact Name/Position _____

Phone Number _____ Fax Number _____

Email Address _____

Days/Hours of Operations: From _____ to _____ Time Zone: _____

Special Instructions _____

Please visit www.stagestoresinc.com to obtain our routing guide for Transportation Guidelines

Routing Instructions

- A. Vendors are required to request routing via the TMS no later than 48 hours (two business days) prior to the PO cancel date. All requests received after 4 p.m. Central Standard Time will be considered received the next business day.
- B. Your pick up window must be at least 48 hours (2 full business days).
- C. Early, Late, or Unapproved Orders **will not be authorized for pick up.** Stage Stores TMS will not allow you to request routing for any invalid purchase orders. Contact your Buyer to reissue or modify a Purchase Order with the new dates. You will need to obtain a dated system generated Purchase Order or a dated copy of a screen print. **Verbal approval from the buyer for a date change is not acceptable in the TMS.**
***Once copy of purchase order reflecting date changes has been received, vendor must wait until next business day to request routing. TMS will not recognize date change if requested same business day.*
- D. TMS will assign your carrier and/or routing instructions. Failure to comply with instructions given by TMS will result in a full chargeback of transportation and handling cost.
- E. In order to reduce transportation cost and maintain a smooth flow of goods, Stage Stores will allow a vendor to ship **only twice a week** to a given store, distribution center, or consolidator from one origin point. Consolidate all shipments per day to one Bill of Lading. Violations will be subject to a compliance charge of the total freight amount. The only exception to this will be automatic replenishment vendor orders.
- F. Do not ship more than one shipment for a single P.O. on consecutive days.
- G. When scheduling a pickup using the TMS, accuracy of shipment information (carton quantity, cubic feet, availability, amount palletized, etc) is critical. TMS builds truckloads with multiple shipments from multiple vendors. Failure to provide accurate information could cause a disruption not only to your shipment, but also to other shipments from other vendors and also prevents Stage Stores from building the most cost efficient loads. It is for this reason, the vendor will be subject to a charge for the full cost of freight. Some examples are, but not limited to: listing palletized freight as loose freight, late readiness, over-shipping, poor loading, etc.
- H. **All designated pallet shippers please adhere to the following guidelines.**
 - a. Pallet dimensions must be either 48" x 48" or 42" x 48".
 - b. Merchandise stacked on pallets must be no taller than 48 inches to allow for double stacking.
 - c. Carton crowning is not allowed.
 - d. When shrink wrapping pallets, please follow National Motor Freight requirements, 4 wraps around the bottom and 3 wraps around the top.
 - e. If you are shipping on pallets, please refer to the chart on the following page for correct cube calculations.

Stackable Pallets

(Pallets must be stacked, if product is fragile see below)

# of pallets	Cube	# of pallets	Cube	# of pallets	Cube	# of pallets	Cube
1	75	13	975	25	1,875	37	2,775
2	150	14	1,050	26	1,950	38	2,850
3	225	15	1,125	27	2,025	39	2,925
4	300	16	1,200	28	2,100	40	3,000
5	375	17	1,275	29	2,175	41	3,075
6	450	18	1,350	30	2,250	42	3,150
7	525	19	1,425	31	2,325	43	3,225
8	600	20	1,500	32	2,400	44	3,300
9	675	21	1,575	33	2,475	45	3,375
10	750	22	1,650	34	2,550	46	3,450
11	825	23	1,725	35	2,625	47	3,500
12	900	24	1,800	36	2,700	48	3,500

Non-Stackable Pallets

(can't stack pallets because freight is fragile)

# of pallets	Cube	# of pallets	Cube	# of pallets	Cube	# of pallets	Cube
1	150	7	1,050	13	1,950	19	2,850
2	300	8	1,200	14	2,100	20	3,000
3	450	9	1,350	15	2,250	21	3,150
4	600	10	1,500	16	2,400	22	3,300
5	750	11	1,650	17	2,550	23	3,450
6	900	12	1,800	18	2,700	24	3,500

- I. For all “multi stop” and volume shipments, vendors will be responsible for shipper load and count, and shipper will be required to verify that truck seal is intact and seal # is properly recorded on the Bill Of Lading. Any shipment that results in a Driver Load/Count and/or Assist will be subject to any accessorial charges as they are incurred to Stage Stores by the carrier. The vendor will pay for all accessorial charges. This includes all accessorial charges and is not limited to driver load and/or count, detention, layover, etc.
- J. You are required to seal any truckload trailer, for which Stage Stores schedules to pick up your freight. This seal # must be written on all Bill of Lading copies. Any **trailer that is not properly sealed and documented could result in a claim against your company. All packing slips should be consolidated into one envelope and attached to and listed on the Bill of Lading and presented to the carrier.**
- K. Any routing instructions that are given that do not comply with the policies and procedures outlined in the Routing Guide will be issued an authorization number. This number must be noted on the Bill of Lading to ensure non-compliance charges are not assessed.
- L. Fine Jewelry
 - 1. All Fine Jewelry orders will require routing via TMS and fall under the rules as stated above.
 - 2. Declare full value and insure for full value up to \$25,000 per carton. Do not show a released value on any fine jewelry shipment.

3. Do not use any markings on the box or label indicating "HIGH VALUE"

M. Vendor Pre-Paid Inbound Freight

1. Vendors are welcome to utilize our traffic management to achieve the lowest freight cost. Shipping methods when prepaying freight are at the vendor's discretion as long as the shipment conforms to the P.O. date perimeters.
2. Vendors are responsible for notifying our DC in advance of prepaid delivery

N. Live Unloads

All vendor prepaid inbound live unloads must be scheduled 24 hours in advance. Please fax the SSI Control Office at 903-589-5666 to schedule. If a live unload pre-paid trailer arrives at the Distribution Center without advance notice and a scheduled time; or after the scheduled window the vendor will be subject to a \$500 charge.

O. AIR SHIPMENTS

CALL SSI TRANSPORTATION AT 713-838-4474 FOR SPECIFIC INSTRUCTIONS.

Except when authorized, airfreight is **not** allowed. Authorization must be obtained in advance from the Transportation Department and an Authorization Number will be issued. This number must be noted on the air bill to avoid a compliance charge for the total amount of the freight. SSI will not pay the expense of Air Freight unless special provisions are made with the Transportation Department in advance of shipping.

- P. Packing slips for all shipments, excluding small parcel carriers, must be consolidated into an envelope, listed as a line item on the BOL, and tendered to the carrier with the merchandise. The envelope must be clearly identified as "Packing Slips". A separate packing list must be provided for each purchase order and each store in the case of a pack-by-store order.

ALL TRANSPORTATION ROUTING VIOLATIONS ARE SUBJECT TO FULL FREIGHT COST COMPLIANCE CHARGE PLUS A HANDLING FEE.

If TMS directs you to ship via a consolidator please follow the directions below:

1. Please call consolidator (**consolidator and contact number will be given with routing instructions**) 24 hours prior to shipping to schedule a pick up. If the carrier does not make the pick up as promised, or any other problems arise, call the Stage Stores transportation office immediately.
2. Present all documentation (packing slips consolidated into envelope and listed as a line item on BOL) to the pick up carrier.
3. For consolidation points assigned by the TMS the pick up and handling costs will be charged back to the vendor through a remittance deduction.

If TMS directs you to ship via Small Parcel Carrier you are required to do the following:

1. Attach Bill of Lading and Packing Slip to the outside of the carton.
2. Each carton in the small parcel carrier shipment must be labeled with the BOL # (handwritten is acceptable)
3. The TMS SRR # (Shipment Routing Request #) must be provided to the carrier.

ACCOUNTS PAYABLE

A. Purchase Order Verification

It is important to ensure you have a valid purchase order prior to shipping merchandise to Stage Stores Inc. An EDI document (#850 Buyer/System generated or #855 Vendor generated) or a computer/system-generated hard copy qualifies as a valid Order. SSI will not pick up Purchase Orders that are not valid.

Stage Stores, Inc. pays invoices when the Purchase Order is complete, based on standard terms. Stage Stores, Inc. does not pay partial Purchase Orders upon receipt.

Telephone orders, verbal commitments, handwritten orders or worksheets are not acceptable and will not be honored. If you did not receive a copy of our Purchase Order Terms and Conditions, please refer to Example A on page 8 & 9 of this manual. These terms apply to all purchase orders.

B. Invoice Requirements

Only one invoice per B.O.L per valid purchase order. Invoices must reference your packing slip control numbers. Each invoice must contain the following:

- 1) Vendor name and remit to address
- 2) Vendor's Stage Stores Inc. assigned reference number.
- 3) Invoice date, which must reflect your shipment date.
- 4) A numeric invoice number
- 5) Purchase order number (only one PO# per invoice)
- 6) Department number
- 7) Ship To Address. If a cross dock or a by store order, include the store name and number.
- 8) Carton count
- 9) Total cost and units per vendor style, which must match the PO#. All information must match the 856 ASN transmissions or the paper packing slip. Units must be in eaches. Total merchandise cost of invoice in U.S. Dollars.

Stage Stores Inc. will not accept VICS hanger or ticketing fees on separate or original invoices. Freight charges added to merchandise invoices will not be accepted. Unless specified in our instructions, we do not pay for insurance.

Do not send or include your invoices with merchandise shipments. Invoices sent with shipments will be disregarded.

C. Proof of Delivery (POD) Requests on Unpaid Invoices

To request payment on an unpaid invoice, the vendor must mail the appropriate proof of delivery including the corresponding invoices to Stage Stores Accounts Payable Department. To ensure timely resolution, the POD must be received within 90 days of the original invoice due date.

Accompanying the **stamped and signed Bill of Lading and freight bill** must be the following:

- 1) Copies of all packing slips
- 2) Copies of Invoices in question
- 3) Printed ASN detail for the BOL that contains the PO and shipment in question.

A valid POD is defined as a Bill of Lading stamped and signed by an authorized representative of Stage Stores Distribution Center attached to the freight bill.

The information must be mailed to:
Attention: Vendor Relations, Accounts Payable
P.O. Box 20768
Houston, TX 77225-0768

Stage Stores Inc. will not investigate open invoices older than six months.

D. **Accounts Payable Vendor Correspondence**

To expedite your Accounts Payable remittance advice, shortages, new store discount, or markdown allowances inquires; you must include this information in your correspondence:

- 1) Detailed explanation of your issue
- 2) Check number
- 3) Remittance Advice report
- 4) Supporting documentation to support your position (signed Bill of Lading, freight bills, packing slips)
- 5) Complete name and address where a reply can be sent
- 6) System generated copy of unapplied credits on Stage Stores Inc. account

The information must be mailed to:
Attention: Vendor Relations, Accounts Payable
P.O. Box 20768
Houston, TX 77225-0768

E. **Vendor Information Updates**

To prevent any delays in the payment process, please assist us by keeping your file up-to-date. Notify us of an address change or any company status changes via fax or mail. Changes should be directed to:

Attn: Vendor Relations/ Accounts Payables
P. O. Box 20768
Houston, TX 77225-0768
(713) 663-9565

F. **Manual Invoices**

Please mail manual invoices to: Attn:
Stage Stores Attn: Accounts Payable
P.O. Box 20768
Houston, TX 77225

SHIPPING VIOLATION POLICY

By following the detailed requirements outlined in this guideline, your merchandise should flow through our Distribution Center and on to our Store selling floor in an efficient manner. Routing requirements apply to all purchase orders shipped to SSI and are an integral part of the purchase order/sales agreement. These policies have been established to recover costs incurred due to a vendor failing to meet our expectations. The violation amounts are based on the amount of additional time and effort the error creates in our Distribution Center. **Any non-compliance will result in a violation up to and inclusive of freight and/or handling charge plus a processing fee.**

A. Audit Program

Stage Stores, Inc. is using technology to move merchandise faster through the pipeline, receiving merchandise using the ASN and paying vendors with EDI invoices. Vendors must make every effort to ensure that shipments are 100% accurate. Our Accuracy Standards Audit Program randomly checks shipments received at Stage Stores, Inc. facilities.

1. Stage Stores, Inc. requires that our vendor's Ship Notice and Packing Slips be 100% accurate and has therefore instituted an accuracy standards audit program to ensure compliance. This includes a scanned audit function that compares the UPC's contained within the carton to the corresponding Ship Notice, as well as a review of the vendor's floor ready compliance. When audit results indicate errors, Stage Stores, Inc. will discontinue the use of your Ship Notice to process receipts. In addition, a vendor compliance charge will be assessed for each shipment processed manually until resolution is obtained.
2. Stage Stores, Inc. is committed to maintaining a high degree of accuracy while continuing to move merchandise to the selling floor as quickly as possible. This is possible only when the merchandise is 100% floor ready and the accuracy of the vendor's shipments remains consistently high.
3. The success of our program provides benefits to the vendor by reducing the amount of time the merchandise spends in the distribution center, allowing the merchandise to move to the selling floor faster.
4. Your goal should be 100% accuracy on all shipments. For more information regarding our accuracy program, contact logistics@stagestores.com.
5. If your ASN does not match your shipment a vendor compliance charge will be assessed.

B. Merchandise subject to return and full freight chargeback plus a handling fee:

1. Merchandise shipped without a confirmed purchase order.
2. Shipments made prior to the 'Do not ship before date'.
3. Shipments made after the 'Do not ship after date'. If Stage Stores, Inc. accepts the merchandise the vendor will be subject to a 10% of shipped merchandise costs compliance charge.
4. Substitutions of any kind to the Purchase Order (style, color, or size). If Stage Stores, Inc. accepts the merchandise the vendor will be subject to a 50% of substituted merchandise costs compliance charge.
5. Pre-Packs not Pre-Ticketed
6. Overshipments of any kind subject to return. If Stage Stores, Inc. accepts the merchandise the vendor will be subject to a 50% of overage merchandise costs compliance charge.

7. If merchandise is not accepted the vendor will be subject to a 10% of the cost value of the return plus the full freight charge.
 - a) Stage Stores, Inc. will inform you of the Purchase Order number and request a return authorization. If within 10 days, no RA has been received, a storage fee of \$50 per day will be charged to the vendor.
 - b) Shipments weighing 200 lbs. or less will be returned to the vendor via small parcel carrier prepaid – full freight chargebacks in all instances.
 - c) Shipments weighing over 200 lbs. will be returned to the vendor via the designated inbound carrier prepaid.
 - d) Any return shipment refused by vendor will be abandoned to carrier for salvage. We will not be responsible for payment of these goods.
 - e) Vendors are responsible for filing claims with the carrier when a return shipment is delivered with carrier shortages or damages.
 8. Late and/or inaccurate ASN's. This includes ASN's containing multiple Bill of Lading numbers for a single shipment. (No 10% cost charge if merchandise is not accepted.)
- C. Vendors must have dated written confirmation of any changes to the purchase orders, (i. e. Changes in start ship or cancellation dates). Dated system generated screen prints of changes made to the purchase order faxed to the vendor or a revised 850 Electronic Purchase Order are the only valid proof of Buyer authorization. Verbal approvals are not valid and cannot be substantiated or cause for chargeback reversal.
- D. Buyers cannot verbally or in writing authorize any exemptions from this Vendor Guidelines. All exemptions must be authorized by the Logistics department in writing and must be in your possession prior to shipping.

Shipping Violation Inquires

All inquires and disputes must be in writing. Stage Stores, Inc. will not research inquires for receipts over six months old.

The following must be included in order for your dispute to be researched:

1. Remittance advice report
2. Freight bill signed by SSI personnel
3. Signed BOL
4. Copy of original Purchase Order
5. Detail of request
6. Vendor contact information
7. Copy of EDI transmission (if applicable)

Due to time and research involved with processing inquiries or disputes, we will not accept any re-submissions once a response has been given. If multiple request are received for the same inquiry or dispute a non-compliance charge will be assessed.

Distribution Center Shipping Violation Inquires

All inquires and disputes must be in writing by mail only, please write to the following:

Stage Stores Distribution Center
Attn: Vendor Compliance Manager
506 Beall Blvd.
Jacksonville, TX 75766

Due to time and research involved with processing inquiries or disputes, we will not accept any re-submissions once a response has been given. If multiple request are received for the same inquiry or dispute a non-compliance charge will be assessed.

NO FAXES WILL BE ACCEPTED

Freight Violation Inquires

All freight violation inquires and disputes must be in writing, please write to the following:

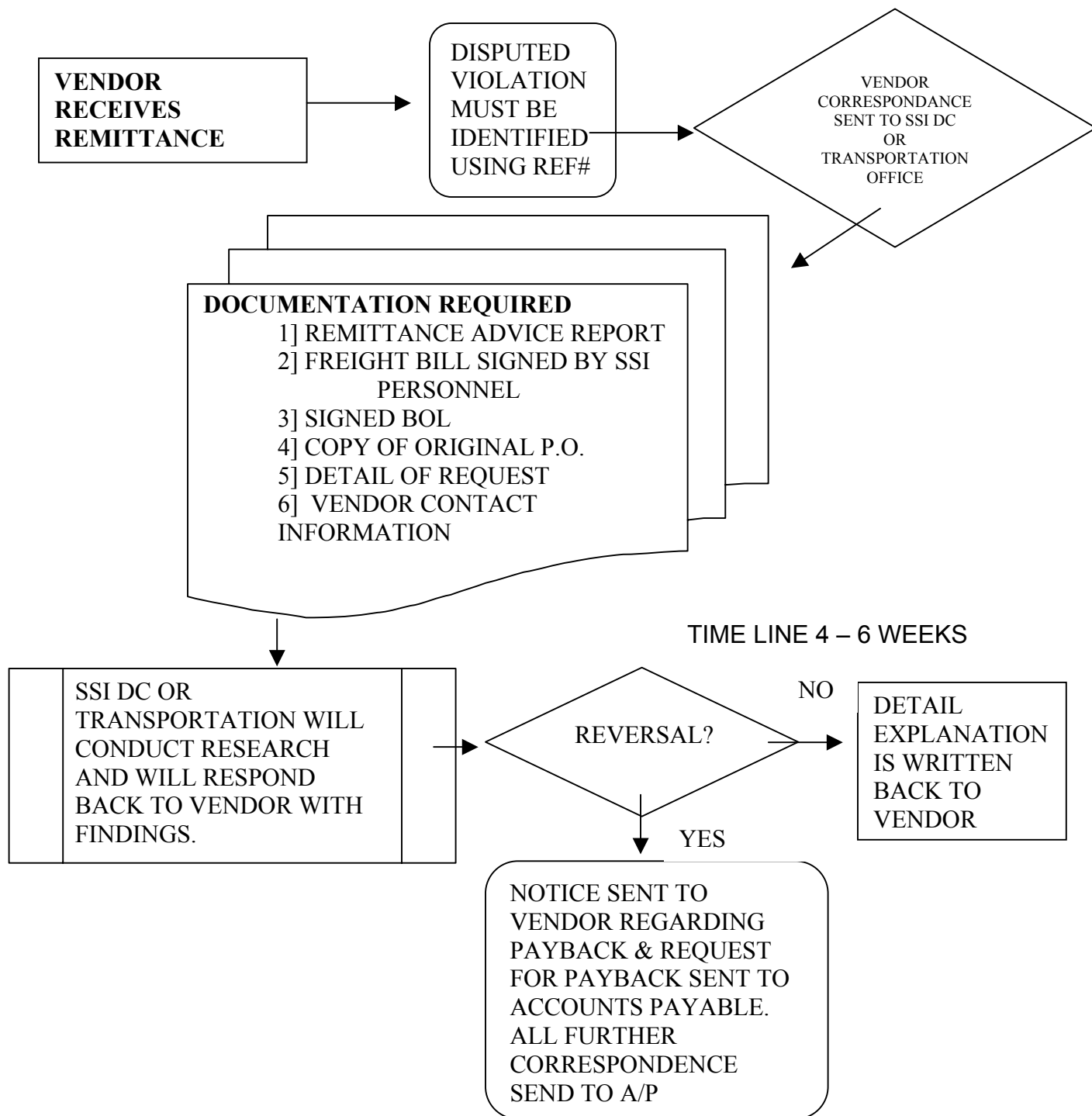
Attn: Stage Stores Transportation Department
10201 Main Street
Houston, TX 77025

All inquiries must include in writing, a letter of request, BOL, & Remittance Advice Report. Please note that requests cannot be accepted or researched with only the Debit Memo.

Due to the numerous Trading Partners, SSI is unable to provide copies of freight bills. SSI's Traffic Department can provide detailed information needed to validate reasons for deductions.

FAXES WILL NO LONGER BE ACCEPTED

STAGE STORES SHIPPING & FREIGHT VIOLATION FLOW



The Shipping Violation Table on the next page lists all current violation types and their A/P code that will appear on our checks. This list is subject to change at anytime and will be updated when this guide is updated.

VENDOR COMPLIANCE CHARGES

CODE #	DESCRIPTION	RESTRICTIONS	MIN	MAX	ROUTING GUIDE REFERENCE	
1	P.O. information and Date Issues *if merchandise is not accepted, 10% cost value of return plus full freight charge					
	A	Received prior to "Do not ship before" date on P.O.		\$300	5%	Page 42
	B	Shipped after the "Do not ship after" date on P.O.		\$300	10%	Page 42
	C	Invalid P.O.		\$300	10%	Page 42
2		Multiple P.O.'s or Department in one carton	Authorized vendors excluded	\$150	\$150	Page 13
3	Carton information incorrect/incomplete					
	A	P.O. # incorrect or not listed		\$250	2%	Page 13
	B	Department # incorrect or not listed		\$250	\$250	Page 13
	C	Style # incorrect or not listed		\$150	\$150	Page 13
	D	Color incorrect or not listed		\$150	\$150	Page 13
	E	Size incorrect or not listed		\$150	\$150	Page 13
	F	Pre-pack detail not provided on outside of carton		\$250	2%	Page 13
	G	Bulk shipment with no detail listed on carton label		\$250	2%	Page 13
	H	Carton not addressed correctly		\$250	2%	Page 13
4	Packing slip/BOL errors					
	A	Packing slip not tendered in envelope with Bill of Lading		\$150	\$150	Page 28
	B	Packing slip packed inside carton		\$300	\$300	Page 28
	C	P.O. # incorrect or not listed on packing slip		\$300	3%	Page 28
	D	Failure to consolidate purchase orders into one Bill of Lading (1 BOL per shipment may contain multiple PO's.)		\$300	2%	Page 29
	E	PO #, carton qty and dept # not listed individually on BOL		\$300	2%	Page 29
	F	Multiple trailers/containers per BOL		\$450	3%	Page 29
	G	Small parcel shipment w/o BOL on carton	Effective 1/1/00	\$150	\$150	Page 28
	H	RPS Shipment w/o Both Electronic PO# and BOL Attached to RPS Carton #				N/A effective 08/02
	I	Failure to add SRR # on BOL		\$100	\$100	Page 29
5	No packing Slip provided			\$150	\$150	Page 28
6	Improper carton packing – Styles, Colors, or sizes mixed in a carton.		Excludes xdock shipments	\$450	2%	Page 16
7	Invoice/ASN/Accuracy Issues					
	A	Invoice is technically wrong requiring retransmission (EDI #810) or modification		\$200	\$200	Page 25

CODE #	DESCRIPTION	RESTRICTIONS	MIN	MAX	ROUTING GUIDE REFERENCE
	B Invoice is not sent electronically and must be requested by Stage Stores, Inc. (EDI #810)		\$200	\$200	Page 26
	C ASN is technically wrong, requiring retransmission or modification		\$200	\$200	Page 26 * if merchandise is not accepted, full freight charge
	D Removed from xdock moved to manual processing	Xdock only	\$250	\$250	Page 42
	E Removed from Receiving moved to audit	Bulk only	\$250	\$250	Page 42
8	Merchandise Substitutions *if merchandise is not accepted, 10% cost value of return plus full freight charge				
	A Style		\$100	50%	Page 13 Page 42
	B Size		\$100	50%	Page 13 Page 42
	C Color		\$100	50%	Page 13 Page 42
9	Packing Slip Information				
	A Actual quantities do not match packing slip		\$250	\$250	Page 28
	B Unable to read packing slip		\$250	\$250	Page 28
	C Carton count not on packing slip		\$250	\$250	Page 28
	D Quantities not to size level on packing slip		\$250	\$250	Page 28
	E Pre-pack quantity and size breakdown not provided on packing slip		\$150	\$150	Page 28
	F Store name and/or number not listed on packing slip	Packed by store orders	\$450	*2%	Page 28
	G Packing slip does not list the total number of units shipped.		\$450	2%	Page 28
	H Department and/or Class not listed on packing list		\$300	2%	Page 28
	* If ASN is good will not charge for #9				
10	Style Over shipped *if merchandise is not accepted, 10% cost value of return plus full freight charge % charge refers to overshipped style				
11	Style Under shipped				
			\$100	\$250	Page 13
12	Shipping/Carrier violations * #12f if subsequent shipment is not sent pre-paid vendor will be charged full freight expense				
	A Incorrect carrier used as instructed in TMS		\$150	Full cost of freight	Page 37
	B Small parcel not used for shipments under 200 lbs.		\$450	\$450	N/A effective 2/1/03

CODE #	DESCRIPTION	RESTRICTIONS	MIN	MAX	ROUTING GUIDE REFERENCE	
	C	Cartons exceeded 50 lbs. shipping weight		\$200	\$200	Page 17
	D	More than 2 shipments in a week from one origin point		\$450	\$450	Page 37
	E*	Multiple shipments per P.O line/style		\$450	2%	Page 15
	F	More than one shipment on consecutive days for the same P.O		\$450	2%	Page 37
	G	Wrong carrier used for shipments over 2,500 lbs.		\$450	\$450	N/A effective 2/1/03
	H	Live unloads not scheduled or not on time		\$500	\$500	Page 39
	I	Incorrect information entered into TMS		\$100	Full Cost of freight	Page 37
	J	Driver load/count/assist & accessorial charges		\$100	As charged by carrier	Page 38
	K	Failure to request routing via TMS		\$100	Full cost of freight + handling	Page 34
	L	Cartons exceed specified dimensions		\$200	\$200	Page 17
13	Ticketing Errors					
	A	UPC active in system does not match vendor UPC on merchandise		\$0.50	Per unit of entire PO	Page 21
	B	Vendor pre-ticketed price does not match P.O.		\$0.50	Per unit of entire PO	Page 21
	C	Vendor ticket has UPC but does not scan		\$0.50	Per unit of entire PO	Page 21
	D	Vendor ticket includes retail but no UPC		\$0.50	Per unit of entire PO	Page 21
	E	Vendor ticket includes UPC but no retail		\$0.50	Per unit of entire PO	Page 21
	F	SSI furnished tickets not on merchandise		\$0.50	Per unit of entire PO	Page 21
	G	Random ticket errors found in pre-ticketing	10 or more incorrect	\$0.50	Per unit of problem style	Page 23
	H	Ticket does not include Department, Class or Style		\$0.50	Per unit of entire PO	Page 21
	I	UPC ticket missing Human Readable data		\$0.50	Per unit of entire PO	Page 21
14	Ticketing Errors					
	A	Pre-pack not pre-ticketed w/ vendor UPC & retail				N/A effective 2/1/03
	B	Merchandise is not pre-ticketed		\$0.50	Per unit of entire PO	Page 21
	C	Stage provided vendor tickets		\$50	Per PO	Page 21
	D	Pre-Pack not ticketed w/master sku				N/A effective 2/1/03
	E	Tickets on merchandise are for a different retailer		\$0.50	Per unit of entire PO	

CODE #	DESCRIPTION	RESTRICTIONS	MIN	MAX	ROUTING GUIDE REFERENCE
15	UPC-QRS Catalog				
	A UPC not on QRS Keystone catalog at time of order entry/receipt		\$250	\$250	Page 21
	B Keying charge for advanced UPC catalog data entry		\$5	Per UPC key entered	Page 21
	C UPC catalog requires corrections		\$250	\$250	Page 21
	D UPC catalog changes after order entry		\$250	\$250	Page 21
16	Advance Ship Notice *if merchandise is not accepted, full freight charge in addition to min. charge				
	A No electronic ASN rcvd at time of receipt at Distribution Center		\$300	\$300	Page 26
	B Inaccurate ASN/Carton contents do not match ASN		\$100	\$750	Page 26
	C Bill of Lading on truck does not match ASN		\$300	\$300	Page 26
	D Carton label not scannable - Vendor label defective		\$100	\$100	Page 13
	E No UCC 128 label on carton		\$300	\$300	Page 13
	F Carton label does not match ASN		\$300	3%	Page 13
	G ASN does not include carton detail		\$100	\$100	Page 26
	H ASN contains multiple BOL's for a single shipment		\$100	\$100	Page 26
	I Failure to respond to 850 with accurate 997 Acknowledgment	Per PO	\$100	\$100	Page 26
	J UCC-128 label placement error	Each PO per shipment	\$300	\$300	Page 13
	K ASN does not match PO		\$450	\$450	Page 26
17	Merchandise not shipped as ordered * if merch is not accepted, full freight charge in addition to min. charge.				
	A Sent as a set and ordered as a separate		\$450	1%	Page 13
	B Sent as a separate and ordered as a set		\$450	2%	Page 13
	C Sent as assorted and ordered by color or sent by color and ordered as assorted		\$450	3%	Page 13
	D Sent in bulk and ordered as a pre-pack		\$450	\$450	Page 13
	E Sent as a pre-pack and ordered in bulk		\$450	1%	Page 13
	F Pre-pack quantities not packed as ordered		\$100	\$450	Page 13
	G Pre-pack top/bottom sizes do not match		\$450	3%	Page 13
	H Set top/bottom not bundled or packaged		\$450	2%	Page 13
18	Hang merchandise not received on VICS hangers		\$.35	Per unit	Page 19

CODE #	DESCRIPTION	RESTRICTIONS	MIN	MAX	ROUTING GUIDE REFERENCE
19	Ticket placement errors		\$0.50	Per unit	Page 24
20	Consolidation Area pickup/handling charges * #20 is a manual charge via Transportation Dept.		\$25	As charged by consolidator	Page 39
21	Floor Ready Errors				
	A Unnecessary Packing materials/pins		\$100	\$100	Page 18
	B Merchandise received in poor Condition/wrinkled		\$1	Per unit	Page 18
	C Size strip tape missing from folded garments		\$1	Per Unit	Page 23
22	Multiple requests for same violation dispute		\$50	Per request	Violation charge is outlined on: Page 43
23	Storage fee after 10th day awaiting RA #		\$50	Per day	Page 43
24	DRAE/Storage Charge	Per vendor agreement	\$100	As incurred by carrier	
25	Refused Freight Charge			Full cost of freight plus handling	
26	Detention Charges		\$100	As incurred by carrier	