



**Ideal Shopping Direct Limited**

# **SUPPLIER MANUAL**

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## **1. INTRODUCTION**

### **1.1 Purpose**

This Supplier Manual describes the specifications and procedures for the routine delivery of goods to Ideal Shopping Direct Limited (“ISD”) for onward sale and despatch to ISD’s customers.

Its basic aim is to ensure timely and accurate processing of goods from the supplier to ISD, and onwards to the final customers. This should be of mutual benefit to both ISD and its suppliers, by maximising customer satisfaction and optimising the cost effectiveness of the supply chain.

The specifications and procedures described in the Manual are mandatory for all suppliers, unless prior written agreement has been received from an ISD Merchandiser. Any queries should be addressed to Merchandising in the first instance, but advice and assistance may also be sought from Buying, Warehouse or Quality Assurance managers.

This Supplier Manual may be amended at any time. ISD will notify the supplier of any changes and the effective date of each change.

Suppliers must ensure that the relevant details from this Manual are passed on to all their staff who may influence the manner in which goods are supplied.

### **1.2 Scope**

This Manual applies to all goods which are supplied to ISD, for delivery to ISD’s main warehouse, or 3<sup>rd</sup> party warehouses as directed by ISD.

Some of its provisions also apply to goods that are despatched to ISD’s customers by ‘Direct Delivery’ from the supplier, and these are described in Section 9.

## **2. REFERENCES**

- Ref 1 The Chemicals (Hazard Information and Packaging for Supply) Regulations 2009 [SI 716]
- Ref 2 BS 6001 Part 1:1999 Sampling Procedures for Inspection by Attributes [also ISO 2859-1:1999]

### **3. DEFINITIONS**

The following definitions are used in this Manual:

AQL	Acceptable Quality Level (%)
Batch	The total quantity of one SKU in one delivery
Buyer	Member of ISD staff responsible for deciding what goods to purchase
DD	Direct Despatch (from supplier's warehouse)
Goods	Goods, material or services described in a Purchase Order, and any other document to which a Purchase Order may refer
iCard	Product details shown in the ISD computer system
ISD	Ideal Shopping Direct Limited and its affiliates
Item Code	ISD's 12-digit identification code for each SKU
Mail Order Pack	Pack that is suitable for despatch to the customer by postal or parcel service
Manufacturer	Company that manufactures, assembles or packs the goods on behalf of the Supplier or an intermediate distributor/importer
Merchandiser	Member of ISD staff responsible for issuing a Purchase Order, and liaising with the Supplier on order progress
MSDS	Material Safety Data Sheet
Outer Carton	Outer pack (generally a corrugated box) which is used for shipping goods to ISD
Primary Pack	First level of inner packaging which directly contains the product
Purchase Order	ISD document listing all items required together with the agreed price per item
QA	Quality Assurance
Shipping Carton	Same as 'Outer Carton'
SHS	Supplier Held Stock
SKU	Stock Keeping Unit; generally identified by a 12-digit ISD item code
Supplier	Company, organisation or individual to which a Purchase Order is addressed, or from whom goods are purchased

## **4. GENERAL REQUIREMENTS**

### **4.1 Terms & Conditions**

Goods may only be supplied on receipt of an authorised Purchase Order from an ISD Merchandiser.

All products supplied to ISD must satisfy the agreed Terms & Conditions, which are issued separately from this Supplier Manual, and must be signed by the supplier before a Purchase Order is placed. These Terms & Conditions cover the following parameters (among others):

- general product quality
- protective packaging
- product safety
- marking and labelling
- product marketing rights
- intellectual property rights
- delivery time
- insurance liability
- manufacturers' warranty

All products must satisfy all relevant legal requirements, and all reasonable steps must be taken to ensure no counterfeit goods are supplied.

The supplier must sign and return a copy of this Supplier Manual before a Purchase Order may be placed (see Section 12).

### **4.2 Ethical Trading**

All reasonable steps must be taken to ensure that goods are manufactured and supplied according to ethical trading principles. Suppliers must ensure that the manufacturers comply fully with labour, safety and other relevant legislation of the country of manufacture.

In particular, the manufacturers and suppliers must not:

- employ child labour, below the permitted age in the manufacturing country;
- employ forced labour, or labour which involves physical or mental abuse;
- allow unsatisfactory levels of hygiene, health & safety or environmental conditions, or excessive working hours;
- apply rates of pay below the minimum wage criteria of the manufacturing country;
- restrict employee trade union membership or collective bargaining.

### **4.3 Environmental Protection**

Materials and processes used in the manufacture and supply of the goods should not adversely affect the environment. Natural materials used should preferably be from renewable or recyclable sources.

## 5. PACKAGING

### 5.1 Primary Pack

Depending on the nature of the product, it may be packed directly into a mail-order pack, or prepacked into a separate primary pack (eg bottle, jar, box, polybag, blister pack).

Any printed pack must comply with the relevant labelling Regulations (eg cosmetics; hazardous goods). All prepackaged goods must carry a label which identifies the contents, and satisfies the relevant weight marking Regulations.

There are some specific requirements for certain product types:

#### 5.1.1 Liquids

All large containers of liquid products (eg bath foam, paint, cleaning fluid) must have at least two methods of sealing, to minimise the risk of leakage. For example there can be a seal across the top of a bottle plus a screw cap, or if the bottle only has a screw cap it may be contained in a sealed plastic bag.

#### 5.1.2 Garments

Each soft garment must be individually packed in a sealed clear polybag. A set of two or more pieces, purchased as one SKU, must be packed in one polybag.

Large items (eg jackets, coats) may be packed directly into a mail-order pack, provided they are adequately protected against transit damage.

#### 5.1.3 Shoes

All pairs of footwear should be delivered in standard shoe-boxes, with an elastic band around the middle. The box must be labelled with the style, colour and size, plus the 12-digit ISD item code. This label must be on one end of the box, not the side or top.

#### 5.1.4 Jewellery

ISD ship all items to customers in a **presentation case** (eg box, pouch). Suppliers may use their own presentation packaging, provided that its quality, appearance and functionality are consistent with the quality of the product. Supplier's own packaging must be able to be opened easily so that the product can be removed for QA inspection. All presentation packs must be approved by ISD prior to shipment.

All **watches** must be supplied in a suitable presentation case (unless otherwise agreed). All warranties, instructions, etc must be enclosed in the presentation case.

All items supplied in a presentation case must be securely fixed so that they cannot move around in transit. The presentation case must be overboxed or sleeved, with a label on the outside showing the 12-digit item code. This must be printer-generated, not hand-written.

**Rings, necklaces, bracelets, chains, brooches, and pendants** that are not supplied in a presentation case must be contained in a clear self-seal polybag, with an item code label (as above) on the outside. Chains must be packaged so that they do not become tangled. Ring sizes must comply with UK measuring standards.

**Pendants** supplied with a chain must be attached to the chain. A polybag may be used on the pendant with the complete item placed in a larger polybag.

To prevent damage and scuffing, pairs of **earrings** should be packaged as a ‘bag within a bag’. One earring is placed in an individual polybag, which is then placed within another polybag with the other earring. This is not necessary if each earring is firmly secured in a suitable presentation case.

Similarly, any jewellery SKU supplied as a set must be packaged so that the individual items are not able to touch each other.

All individual jewellery pieces (except earrings and watches) must have a security tag firmly fixed around the item. This tag must state:

**“Item not returnable if tag is broken. Statutory rights not affected.”**

These tags must be applied to a suitable area of the product (eg not over a clasp so that product cannot be inspected/tested).

#### 5.1.5 Sunglasses

Sunglasses should generally be supplied in a suitable spectacle case. These packs must contain a leaflet, label or swing-tag containing the relevant statutory information (filter category; European Standard; supplier; etc). There must be a CE mark displayed on the actual product.

#### 5.1.6 Collectables

For a ‘collectable’ product that is sold with specific documentation (eg certificate of authenticity) this documentation must be contained within the same pack as the collectable product, and not delivered separately.

#### 5.1.7 Recordable Media

All recordable media (CDs, CD-ROMs, DVDs, videotapes, etc) must be supplied in a sealed pack so that the item cannot be recorded and returned without obviously breaking the seal.

If the disc/tape is in a box, this box should preferably be wrapped in a clear polymer wrapper, with a label stuck on the front which states “Item not returnable if pack is opened (statutory rights not affected)” or similar wording. If a polymer wrap is not used, this label must be placed over the box opening, and must be tamper-proof.

If the disc is supplied in a flexible envelope, this label must be placed over the flap of the envelope so that the disc cannot be removed without breaking the seal.

All relevant operating conditions (eg computer operating system, processing & storage capacity) must be printed on the pack so that they can easily be read without breaking the seal.

## **5.2 Mail Order Pack**

Wherever possible all goods should be supplied in mail-order packaging, so that they are ready for despatch from the ISD warehouse with minimal additional handling. These may be padded bags, corrugated boxes, stiffened cardboard envelopes, heavy-gauge polythene or another suitable package type that is appropriate to the goods contained therein.

These packs must be capable of withstanding the rigours of mail-order delivery to ISD's customers anywhere throughout the UK, without causing damage to the product. As a means of checking this, ISD may carry out a **1 metre drop test**. The mail-order pack must withstand being dropped on to a concrete floor from a height of 1 metre approx, on to any side, edge or corner, without damaging the product inside.

The nature and quality of the mail-order packaging must be agreed with Buyer and/or Merchandiser prior to delivery, who may consult QA as necessary. If any packs are delivered in non-approved packaging, which cause additional costs to be incurred in the Warehouse, these costs may be charged to the supplier (see section 10).

By exception, certain products may be supplied as multiple primary packs that are bulk-packed in an outer carton (ie not as mail-order packs). This must be agreed with the ISD Merchandiser before the first Purchase Order is raised.

The mail-order pack must be labelled or marked with the ISD item code. The ISD product description may also be included. If the goods are supplied in bulk without mail-order packaging, each individual primary pack must display the ISD item code. This ensures that all packs are fully identifiable throughout the warehouse storage, picking and packing processes.

Padded bags and envelopes should be sealed ready for despatch, so that components cannot fall out of the bag/envelope.

Where relevant, products must be supplied with full usage instructions in English.

If products are sold in 'sets', they should be made up where possible into a single mail-order pack before delivery. If this is not possible, each carton must be marked with the ISD item code plus the part number (eg 'Part 1 of 3', 'Part 2 of 3', etc).

Packs containing hazardous goods must be labelled in accordance with the CHIP Regulations (Ref 1) plus any other relevant statutory requirements.

## **5.3 Outer Cartons**

Large products may be delivered with the mail-order packs stacked directly on to pallets. Smaller products will normally be delivered as multiple items in an outer carton. This outer carton is normally a corrugated box, but there might be exceptions

for specialised products (eg carpet rolls; bedding sets). All such outer packs must satisfy the following criteria:

- i) There must only be one SKU per outer case, with the same quantity of products per case. The last case may contain a smaller amount provided this is clearly marked on a fluorescent label attached to all four sides of the case.
- ii) The outer cartons must be robust enough to give complete protection against damage in transit and storage. Packing pieces should be used to make up any gaps in the carton.
- iii) Each outer carton should be printed or labelled with at least the item code, and the product quantity contained within. Other information might be required for specific circumstances (eg product description; net/gross weight; outer dimensions; safety warnings; expiry date).
- iv) The weight of each outer case must not exceed 25 kg (except by prior agreement), and should preferably be no more than 15 kg. If the weight exceeds 15 kg the gross weight must be clearly marked on all four sides of the case.
- v) Cases containing fragile or hazardous items must be marked accordingly. The packaging and labelling of hazardous goods must satisfy statutory requirements (eg flammable symbol).
- vi) Outer cartons must be adequately sealed. Adhesive tape is normally sufficient, but heavy cases might require stapling. If staples are used they must not damage the product inside. Plastic or metal strapping should not be used.

#### **5.4 Bar Codes**

ISD is progressively changing to the use of barcode readers for all warehouse movements (Goods In, picking, packing, etc).

Where possible, internationally recognised barcodes should be used on all mail-order packs and outer cartons, plus all primary packs (except jewellery) that are not supplied in mail-order packs. These should be 12 or 13 digit barcodes which satisfy the EAN or UPC specifications.

## **6. DELIVERY REQUIREMENTS**

### **6.1 Pre-Delivery information**

Deliveries to the ISD Warehouse must be made within the following time periods:

Monday to Saturday - 7.00 am to 1.00 pm  
- 2.00 to 6.00 pm

By exceptional agreement, occasional deliveries may be received up to 10.00 pm Monday to Friday, or between 7.00 am and 6.00 pm on Sunday.

All deliveries must be notified to ISD Goods In department by telephone (01733 316332) or e-mail (GoodsIn@idealshoppingdirect.co.uk). The required timings for notification and delivery are given in section 10. Failure to comply with these requirements may lead to the delivery being refused, and will incur a charge under the Supplier Chargeback Policy (see section 10).

The following information about the proposed delivery should be included in this pre-notification:

- name of supplier
- name of carrier/haulier
- all Purchase Order numbers
- number of pallets and/or cartons
- type of vehicle (eg tautliner; box-van)
- any promotional material or event stock in the consignment
- any flammable products

A booking-in reference number will be given, which should be included on the Delivery Note (see section 6.3).

In general, the full quantity of products on an individual Purchase Order should be delivered in one go. Exceptions (eg multiple container loads) must be agreed with the ISD Merchandiser in advance.

In exceptional circumstances the Merchandiser may require stock to be delivered on the same day or next day. This will be agreed with the Warehouse Manager so that Goods In are able to accept the goods.

If, after a delivery date has been confirmed, the supplier wishes to amend the delivery details, they must contact ISD Goods In at least 24 hours before the delivery is due. The Merchandiser must also be informed in writing (e-mail or fax).

If the delivery vehicle is unexpectedly delayed, the driver must make all reasonable attempts to ensure that ISD Goods In is notified that the delivery may be late. Any late arrivals may have to go to the back of the queue for off-loading.

**It is the supplier's responsibility to ensure that their carrier/haulier is fully aware of all these requirements.**

## **6.2 Delivery/Palletisation**

All goods must be delivered on pallets with the exception of:

- small quantities (less than a pallet-load) delivered by van or car;
- large container shipments from overseas.

The nature and delivery date for all un-palletised container shipments must be agreed at least one week in advance with the merchandiser and warehouse.

All **palletised loads** must satisfy the following criteria:

- pallet to British Standard BS2629
- 4-way entry pallet with full perimeter base
- pallet dimensions 1000 x 1200 mm
- total pallet weight not to exceed 1000 kg (including pallet)
- no stock overhanging the pallet perimeter
- maximum total height 1375 mm (54")
- robust, undamaged pallets that can support load without distortion

All palletised loads must be secured by either stretch-wrapping or shrink-wrapping. The stretch-wrap must be securely fixed to one block of the pallet, with no loose or superfluous material. If opaque wrapping is used, a label must be placed on the outside giving details of the product code and quantity on the pallet.

For safety reasons, palletised deliveries must be securely positioned on the vehicle in a manner which allows ease of unloading by forklift truck. Any delivery that is not securely loaded, or shows signs of transit damage will be refused.

The following criteria apply to the **loading of outer cases** on to the pallets:

- only one SKU per pallet, unless the quantity of each SKU is low
- the same number of outer cases per layer
- the same number of layers per pallet (for multi-pallet deliveries)
- boxes stacked so the item number and quantity are clearly visible

Any pallet containing a number of different SKUs must have a packing list attached indicating how many of each SKU are on the pallet.

Pallet exchanges can be accommodated by prior arrangement with the Merchandiser.

## **6.3 Documentation**

Each delivery must be accompanied by a Delivery Note and/or Packing List covering all products delivered. This is either passed directly to Goods In by the driver, or contained in a secure, sealed pouch on the outside of one pallet.

The Delivery Note or Packing List must contain the following information:

- booking-in reference number
- delivery address
- ISD item codes and descriptions
- ISD purchase order number(s) [excluding Airtime Sales]
- Quantity of each product
- identification of any items requiring special storage (eg flammable)
- supplier's name, address and contact telephone number
- date of delivery

This information must be printed, typed or handwritten in a legible manner. Any delivery that arrives without adequate documentation will be refused.

To avoid delay, ISD Goods In will sign for receipt of the goods with only superficial checking. A full quantitative examination will be made later, and if the type and/or quantity does not match the documentation then the supplier will be notified accordingly. Only the actual quantities delivered will be booked in as goods received.

#### **6.4 Supplier Held Stock**

ISD may ask a supplier to hold an agreed amount of stock prior to sale, and then send a purchase order based on the actual amounts sold. This Supplier Held Stock (SHS) must be booked into the ISD warehouse within 24 hours of the final purchase order confirmation being received, and delivered within 48 hours of final purchase order confirmation.

Failure to comply with these requirements will incur a charge under the Supplier Chargeback Policy (see section 10).

#### **6.5 Imports**

Goods imported from outside the UK are generally managed in one of two ways:

- ordered and shipped by Ideal Sourcing;
- ordered directly from the overseas supplier.

For goods purchased through Ideal Sourcing, they handle all logistics up to the point of delivery to the ISD warehouse. They have their own procedures to cover these operations, but the basic criteria regarding packaging and delivery given above should still apply in most circumstances. Any exceptions must be agreed with ISD merchandising and warehouse management.

Any goods ordered by ISD directly from an overseas supplier will be managed on an ad hoc basis by the ISD Buyer and Merchandiser regarding shipping, insurance, customs, documentation, etc. Again, the basic criteria regarding packaging and delivery given above should still apply in most circumstances. Any exceptions must be agreed with ISD warehouse management.

## **7. QUALITY ASSURANCE**

### **7.1 New Products**

A sample of any potential new product should be sent to the Buyer so that they can evaluate its suitability for sale by ISD. This sample may then be passed to QA so that any potential quality or legal issues can be evaluated. Particular attention is paid to the following product types:

- electrical products
- toys
- cosmetic products
- 'chemical' products (eg cleaners; adhesives; paints)
- foodstuffs
- medical devices
- jewellery

These samples should preferably be sent in the proposed mail-order packaging, so that this aspect can be evaluated at an early stage. The usage instructions should also be included, where relevant.

All products must satisfy statutory UK and EU requirements, and must be labelled or marked accordingly. Additional test criteria may be requested if considered necessary (eg testing to an International Standard). Copies of EU certification and test data may be requested to confirm the statutory product marking.

For any 'chemical' products that are potentially hazardous, a Material Safety Data Sheet (MSDS) should also be sent to the buyer, in line with the CHIP Regulations (Ref 1).

Unless otherwise agreed in writing, these initial samples will be supplied free of charge.

All products delivered (including repeat deliveries) must be identical to the initial approved sample, unless otherwise agreed with the Buyer.

### **7.2 Routine Inspection**

All goods delivered to the ISD warehouse are subject to QA inspection on delivery.

For jewellery products, the goods are normally given a 100% inspection. The parameters that are checked, and the standards that are applied, are based on the specifications and QA procedure agreed with the supplier.

Non-jewellery products are delivered to the Goods In section of the main Warehouse (or to a third party warehouse by prior arrangement). The goods are checked against the delivery notes and the internal tracking documents to confirm that they correspond with the Purchase Order with regard to product description and quantity. A visual inspection of the delivery is carried out to check that it conforms to this Supplier Manual (outer packaging, palletisation, marking, etc).

If any discrepancies are found before the goods are offloaded, Goods In may refuse to accept the delivery and ask the carrier to return it to the supplier. Alternatively the

goods may be offloaded, and located in the Warehouse in 'Quarantine' status until the problem has been resolved.

If the general condition of the delivery is acceptable, a random sample of each SKU is taken, and transferred to the QA Department for inspection. The Quality Inspector carries out a visual inspection of the product, checks relevant dimensions, marking, labelling, packaging, etc, using the iCard plus ISD General Specifications as bases for comparison. If necessary, the initial Buyer's sample may be used as a standard reference sample.

Additional samples may be taken from the batch if a defect is found or suspected. If these samples are found to contain defects, the batch may be liable for rejection. If this is not accepted by the supplier, full random sampling of the batch will be made to BS6001 (Ref 2) and rejection will be based on the following sampling plan:

- Single sampling plan for normal inspection
- General Inspection Level II
- AQLs of 1.0% for critical defects, 2.5% for major defects, 4.0% for minor defects

A batch which does not satisfy one or more of these Acceptable Quality Levels (AQLs) will be rejected.

### **7.3 Non-Conforming Product**

If any product is found to be defective once it has been booked in, the defective or suspect stock is transferred to 'quarantine' status on the ISD computer system. This ensures it cannot be sold or despatched to customers.

Non-conforming product will normally be rejected, and the supplier will be asked to arrange collection (see section 8). For logistical reasons, ISD may wish for the stock to be reworked, in which case the Merchandiser will determine the most cost-effective way of carrying out this rework, after consultation with QA, the Warehouse, the Buyer, and the supplier. Rework may be carried out in several different ways:

- return to supplier for rework
- supplier reworks in ISD warehouse
- ISD carries out rework in-house
- reworked at a third party

The cost of in-house or third party rework will be agreed with the supplier and charged to them accordingly (see section 10). The reworked product may be liable to further quality inspection, and will be rejected again if not satisfactory.

If a serious problem is identified on product that has already been despatched to customers, such that the product is potentially unsafe, a Product Recall Procedure is initiated. QA arranges for all items that have been sold to be returned to the company, for inspection, replacement or refund. All suspect product is then returned to the supplier, and a formal Product Safety Notification Form is sent to Trading Standards. The supplier is liable for all the costs incurred by ISD arising from the Product Recall.

#### **7.4 Supplier Audit**

ISD reserves the right to carry out a Quality Audit at the supplier's premises from which the purchased products are supplied. The supplier will generally be advised in advance of such an audit, and will be expected to provide all necessary assistance and information to enable the audit to be carried out to the satisfaction of ISD's auditor.

The results of each audit will be reported to the Buyer and Merchandiser, and will be taken into account when determining future business.

#### **7.5 Corrective Action**

In addition to reworking any defective product, suppliers are expected to take all necessary corrective or preventative action to ensure similar quality faults do not occur on any future deliveries. ISD may request details of what corrective action has been carried out, including test reports, inspection reports, and statistical data.

In addition, any excessive defect levels or other quality issues that are identified from customer complaints or returns will be relayed to the supplier for corrective action. If adequate corrective action is not forthcoming, orders for the product may be discontinued.

#### **7.6 After Sales Service**

If the product contains special replaceable components (eg light bulbs) the supplier must ensure that a mechanism is maintained for replacements to be re-ordered. This must continue for the foreseeable lifetime of the product.

For some products the supplier will be required to provide a repair service for goods that become faulty during use, particularly if the supplier quotes a specific warranty or guarantee period. The charges for such repair services must comply with statutory requirements.

Suppliers are expected to provide any reasonable assistance to ISD in relation to queries that are received from customers about their product(s).

## **8. RETURNS**

The supplier will be notified of any goods for return. The supplier will have 10 working days in which to agree a delivery date for returns with ISD's nominated carrier, or to arrange their own collection. Failure to do so will result in ISD moving the goods to third party storage, and charging all associated costs to the supplier (see section 10 - Supplier Chargeback Policy). If goods are not collected within one month of notification, ISD may safely dispose of them at the supplier's cost without liability to the supplier.

Goods for return will generally fall into four categories:

- goods rejected by ISD on delivery;
- goods delivered to ISD customers, but returned under ISD's money-back guarantee as "not required" or "unsuitable";
- goods returned by customers as "faulty" or "damaged".
- un-sold stock.

ISD will indicate if a returned item is "faulty" or "damaged" by attaching a peelable label to the box. Other customer returns should be satisfactory for re-sale, although some minor packaging damage might have occurred in transit, or when opened and inspected by the customer.

All goods for return will be packed and palletised by ISD in a suitable manner for transit.

Goods returned or rejected are not to be replaced by the supplier without the prior written approval of the Buyer or Merchandiser. The supplier is responsible for all costs incurred in the return of all their goods.

## **9. DIRECT DESPATCH**

For some ISD products it is preferable, for technical or commercial reasons, for suppliers to deliver directly to ISD customers, rather than to ISD's warehouse. For example:

- perishable goods (foods; plants)
- supplier has a well-established delivery procedure
- specialised delivery process required (eg furniture)
- commercially advantageous

This 'Direct Despatch' (DD) procedure must be agreed with the Buyer, with advice from QA and/or the Warehouse, before the purchase order is raised.

All DD products must:

- satisfy all the appropriate quality and legal requirements;
- be packaged in a suitable manner to avoid transit damage;
- be despatched to customers using a suitable courier;
- include the ISD despatch note.

The required timing for DD shipments is outlined in section 10. Failure to comply with these requirements will incur a charge under the Supplier Chargeback Policy (see section 10).

DD packs must not include any documentation or additional items that have not been agreed with the ISD Buyer.

Customer returns of DD products will normally be processed through ISD's returns system, but special arrangements may be made for certain product types (eg perishable goods; furniture).

Before a supplier starts using Direct Despatch, a full audit of the supplier's storage and distribution systems and procedures may be carried out by representatives of ISD's Merchandising, Inventory and Quality Assurance teams. Further reviews and audits may then be carried out periodically.

Customer details must be kept secure in accordance with the Data Protection Act, and may only be used to deliver goods ordered from ISD and not for any other reason.

## **10. SUPPLIER CHARGEBACK POLICY**

The purpose of the chargeback policy is to help ensure compliance with Ideal Shopping Direct Limited's conditions of purchase, import and quality requirements. This policy applies in addition to ISD's agreed Terms & Conditions.

Under the supplier chargeback policy, ISD makes a fixed charge to the supplier if it breaches certain agreed conditions. This charge reflects the additional costs and/or loss incurred as a result of the supplier's breach.

These are set to ensure that:

- the **inbound** processing of deliveries is efficient, so that the product is ready to sell in time for its scheduled broadcast date;
- the **outbound** processing of goods to our customers from the warehouse is effective, accurate and in the shortest timescale possible.

By ensuring that all goods entering the warehouse are compliant, ISD guarantees its ability to despatch greater numbers of orders to its customers with an improved turnaround time, therefore benefiting the supplier, ISD and its customers.

The same principles apply to goods that are sent to ISD's customer by Direct Despatch (see section 9). ISD needs to ensure that the goods are despatched within a defined period of time, and the supplier must confirm that this has been achieved.

The key delivery criteria that ISD require suppliers to comply with are as follows:

### **DD – Direct Despatch**

- Customer orders must be in mail-order prepared individual parcels, and correctly identified (product description, quantity and ISD item code).
- Customer orders must be with the nominated carrier no later than 48 hours from receipt of purchase order and ISD delivery documents.
- Suppliers must notify ISD electronically within 48 hours from receipt of purchase order that (a) the complete picklist has been received, and (b) customer orders are with the carrier ready for despatch to the customers.

### **SHS – Supplier Held Stock**

- The consignment must be booked in to ISD warehouse within 24 hours of final purchase order confirmation being received.
- Goods must be physically in ISD warehousing no later than 48 hours after final purchase order confirmation – on time, in full.
- Goods must be delivered as mail-order prepared individual parcels, correctly identified, packed and palletised (see section 5, 6.2) unless otherwise agreed (see section 5.2).
- The consignment must be accompanied with the required documentation (see section 6.3).

### **SOR – Sale or Return or Firm Sale (UK supplier)**

- The consignment must be booked in to ISD warehouse at least 48 hours prior to the delivery date on the purchase order.
- Goods must be physically in ISD warehousing by the delivery date on the purchase order – on time, in full. This delivery date is normally no more than 5 days before the first date when the goods go on sale.
- Goods must be delivered as mail-order prepared individual parcels, correctly identified, packed and palletised (see section 5, 6.2) unless otherwise agreed (see section 5.2).
- The consignment must be accompanied with the required documentation (see section 6.3).

### **Returns**

- ISD will notify the supplier of the volume and value of goods to be returned. [These will include both customer returns, and unwanted stock purchased on a SOR basis.]
- Supplier will be given the choice of arranging collection from ISD warehousing, or ISD shipping the goods and charging appropriately.
- Delays of any kind will result in added charges for associated handling and storage.

Full details of the penalties that may be charged for non-compliance are given in Appendix 1. ISD reserves the right to recover additional costs and losses, should they exceed the amounts specified in Appendix 1. These charges apply to any third party warehousing recognised and used by ISD.

Supplier charge-backs will be debited from the supplier's account against invoices in the normal way, or at ISD's request must be paid within 14 days of notification.

Where an item and/or a delivery fails to meet ISD Supplier Manual requirements, ISD reserves the right to fully reject that item and/or delivery.

## 11. CONTACT INFORMATION

Delivery address (unless otherwise agreed):

Ideal Shopping Direct Limited  
Ideal Home House  
Newark Road  
Peterborough PE1 5WG

Goods In telephone: 01733 316332  
e-mail: GoodsIn@idealshoppingdirect.co.uk

Invoice address:

FAO; Accounts Payable  
Ideal Shopping Direct Limited  
Ideal Home House  
Newark Road  
Peterborough PE1 5WG

## 12. AMENDMENTS

<b>Issue Status</b>	<b>Issue Date</b>	<b>Details</b>
Issue 1	May 2008	First Issue
Amendment 1	June 2009	Added new section 5.1.7 Amended section 8 Added new section 12
Amendment 2	December 2009	Section 10 re-written Appendix 1 added Amendments to sections 2, 6.1, 6.4, 8, 9
Amendment 3	July 2011	Changed company name to Ideal Shopping Direct Limited

## 13. SUPPLIER AGREEMENT

I confirm that I have read and understood the attached Supplier Manual, and agree to comply with the requirements therein.

Name: .....

Position: .....

Company: .....

Signature: ..... Date: .....

## Appendix 1 - SUPPLIER CHARGEBACK RATES

### Booking In & Shipment

PRODUCT STATUS	ITEM	REQUIREMENT	CHARGE - NO BOOKING	CHARGE - LATE BOOKING	CHARGE - LATE DELIVERY
<b>SUPPLIER HELD STOCK (SHS)</b>	Booking in	Book in with ISD Goods In within 24 hrs of Purchase Order confirmation	Greater of £25 or 2% of P/O value	Greater of £25 or 2% of P/O value	2% of P/O for first 5 days; 5% of P/O over 5 days
	Delivery	Within 48 hrs of Purchase Order confirmation			
<b>DIRECT DESPATCH (DD)</b>	Delivery to ISD customers	With nominated carrier within 48 hrs of receipt of ISD despatch notes			Greater of £25 or 2% of P/O value
<b>SALE or RETURN (SOR) or FIRM SALE</b>	Booking In	Book in with ISD Goods In at least 48 hrs before delivery date on P/O	Greater of £25 or 2% of P/O value	Greater of £25 or 2% of P/O value	2% of P/O for first 5 days; 5% of P/O over 5 days
	Delivery	By delivery date on P/O			
<b>DIRECT IMPORTS</b>	Docked time ETA	Notify ISD at least 3 weeks prior to UK docking	Greater of £25 or 2% of P/O value	Greater of £25 or 2% of P/O value	2% of P/O for first 5 days; 5% of P/O over 5 days
	Book in to ISD	Within 24 hrs of docking			

### Product & Packaging

PRODUCT STATUS	ITEM	REQUIREMENT	CHARGE - LABOUR	CHARGE - PACKAGING	CHARGE - STORAGE
<b>ALL PRODUCTS</b>	Unit of sale	Any variance to Supplier Manual (section 5)	>£1 per item of sale	Replacement cost plus 25%	
	Outer Carton	Any variance to Supplier Manual (section 5.3)	>£1 per carton	Replacement cost plus 25%	
	Palletisation	Wooden base unsafe or unusable	£10 per pallet repalletisation	£10 per pallet base	
<b>SHS or SOR or FIRM SALE</b>	Overshipment	Actual cost plus additional freight incurred	>£1 per item	Carton/pallet costs plus 25%	£5 per full/part pallet per week
	Undershipment	Treat as Late Delivery	(see above)		

### Administration

PRODUCT STATUS	ITEM	REQUIREMENT	CHARGE	CHARGE	
<b>SHSR / SOR / FIRM SALE</b>	Single delivery	Delivery manifest as per section 6.3	No manifest - greater of £25 or 2% of P/O value	Inaccurate/insufficient manifest - £25 per P/O	
<b>DIRECT DESPATCH (DD)</b>	Picklists	Receive confirmation within 48 hrs	No response - £50 per failure	Late response - £25 per calendar day	
	Customer orders	Confirm orders with carrier within 48 hrs	No response - £50 per failure	Late response - £25 per calendar day	

## Returns

<b>PRODUCT STATUS</b>	<b>ITEM</b>	<b>RETURNS STATUS</b>	<b>CHARGE - NO BOOKING</b>	<b>CHARGE - DELAYED COLLECTION</b>	<b>CHARGE - STORAGE &amp; HANDLING</b>
<b>SOR / CUSTOMER RETURNS</b>	Awaiting return to supplier	In ISD warehouse - supplier to collect	Greater of £25 or 2% of SRN	If shipment not collected revert to Storage & Handling charges	Minimum £2 per pallet per week
	Returned to supplier	Despatched to supplier premises, as agreed		If delivery fails revert to Storage & Handling charges	Minimum £2.5 per pallet/unit handled Transport & packaging at cost

For all items in the above tables there may be additional charges relating to the consequential cost of failure or delay in meeting ISD's customer requirements:

- loss of profit arising from delay or cancellation of order(s);
- recovery to ISD of any customer service on-costs (eg telephone calls/letters; special delivery arrangements; etc).