

# **IDEAL SHOPPING DIRECT PLC**

## **LOGISTICS SUPPLIER MANUAL**

**SEPTEMBER 2005**

Ideal Shopping Direct Plc “ISD” wishes to establish and maintain sound working practices with Suppliers. This manual is intended to clarify Ideal Shopping Direct Logistics requirements and applies, amongst other things, to all purchases of stock for retail re-sale through Ideal Shopping Direct Plc channels including websites.

Any variance from the requirements of this manual must be agreed in writing with Ideal Shopping Direct Plc Merchandise Manager prior to delivery.

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## **SECTION 1 Introduction**

### **1.0 Introduction**

### **1.1 Production / Delivery Specification Overview**

## 1.0 Introduction

Within the context of the end-to-end Ideal Shopping Direct Plc (ISD) Supply Chain, ISD Logistics is particularly concerned with the movement of goods from the time they first enter the company – typically on delivery to the ISD warehouse – through to returning stock to the supplier base. Its simple aim is to **maximise stock availability to our customers through provision of the most effective supply service**. In doing so, the business objectives of both ISD and its suppliers should also be achieved.

The scale of operations involved – with 30,000 ‘live’ products, from c.600 suppliers, - necessitates the specification and observance of minimum product / delivery standards and the closest supply chain co-operation between ISD, its suppliers and their logistics service providers.

**This manual defines these standards and it is therefore imperative that its contents – and subsequent amendments – are communicated to and understood by all appropriate people involved with your ISD account.** (These are likely to include sales, marketing, warehouse and distribution function.)

**It is also imperative to understand that these standards form part of the Trading Terms and Conditions.**

In the event of any queries, our Merchandising and Warehouse Management will be pleased to provide guidance.

## 1.1 Product / Delivery Specification Overview

This manual defines the minimum standards that will be permitted within the ISD supply chain.

For ease of reference, these standards have been grouped according to the stages in the supply chain at which they are likely to prove relevant, viz.:

- Pre – order requirements (Section 3)
- Pre – delivery requirements (Section 4)
- In – transit requirements (Section 5)
- Stock Presentation (Section 6)
- Post – delivery Procedures (Section 7)

Where standards are appropriate at more than one stage, they have been specified at the earliest relevant stage and cross- references have been made.

Supplier must note that:

- Variations from these standards will only be permitted with the specific written agreement of the Merchandise Manager or Merchandiser.
- ISD reserves the right to refuse any deliveries that do not fully comply with the requirements listed in this manual.
- Compliance with the requirements of this manual is a requirement of the Conditions of Purchase, which form part of the ISD Trading Terms and Conditions and which suppliers agree to when agreeing to supply goods or services to ISD. Failure to comply is a breach of contract.

## **SECTION 2    Conditions of Purchase**

### **2.0    Definitions**

### **2.1    Supply of Goods**

### **2.2    Quality of Goods**

### **2.3    Remedies**

### **2.4    Payment**

### **2.5    Intellectual Property Rights**

### **2.6    Termination**

### **2.7    General**

**2** **These Conditions of Purchase are part of the Shopping Direct PLC Trading Terms and Conditions, therefore should be read in conjunction with both the standard conditions of purchase Appendix 11.1 and supply definitions and other parts of this document (as referred to in Condition 2.2 below).**

**2.0 Definitions.**

In these Conditions:

- 2.0.1 “ISD” means Ideal Shopping Direct Plc and its affiliates, being the holding company.
- 2.0.2 “ the Supplier” means the company, organisation or individual to which a Purchase Order is addressed or from whom Goods are purchased;
- 2.0.3 “Goods” means the goods, materials or services described in a Purchase Order, and any other document to which a Purchase Order may refer.

**2.1 Supply of Goods**

- 2.1.1 The Supplier must supply the Goods to such place(s) and at or within such time(s) as ISD may specify. When a delivery date is specified on a Purchase Order, time of delivery will be of the essence of this contract.
- 2.1.2 Property and risk in all Goods supplied pursuant to a Purchase Order will pass to ISD when the Goods in question are unloaded at the delivery address specified by, or delivered to a carrier 3<sup>rd</sup> party acting on behalf of, ISD.

**2.2 Quality of Goods.**

- 2.2.1 By supplying the Goods, and in addition and without prejudice to all other conditions or warranties (express or implied), the Supplier expressly warrants that the Goods (including any labels, packaging and literature) will:
  - 2.2.1.1 conform to the descriptions and quantities ordered;
  - 2.2.1.2 conform to the relevant Product or Service Specifications, General Requirements Specifications, Merchandising Specifications, samples and other descriptions issued or adopted by ISD;
  - 2.2.1.3 comply with the requirements of all acts of parliament, statutory rules, orders, regulations, British or European standards and all other requirements, regulations or legislation (whether national or international) which apply to such Goods. Where ISD agrees to a

specification for the Goods, or to any variation of the Goods or the specification or design of the Goods, this will not derogate from the warranty given in this condition 2.2.1.3 or from the other express warranties given by this Condition 2.2;

2.2.1.4 be of satisfactory quality, fit and sufficient for the purpose intended and of good material and workmanship, free from defects and all other faults and (in the case of services) be carried out with reasonable care and skill; and

2.2.1.5 conform to all ISD policies which are notified by ISD to the supplier in connection with the supply of the Goods, including, without limitation, the Logistics Supplier Manual.

2.2.2 The Supplier gives all the warranties in this Condition 2.2 to ISD on the basis that they or any of them will be treated as written warranties for the purpose of Section 33 of the Weights and Measures Act 1985.

2.2.3 Where the Goods are covered by statutory or other safety regulations, the Supplier will provide ISD with all certification or other information required by those regulations or deemed necessary by ISD to verify compliance with those regulations.

2.2.4 The Supplier will comply with ISD Quality Assurance requirements (Section 8.2) and with any specific quality assurance programme adopted by ISD. The Supplier will permit access by authorized representatives of ISD at any reasonable time to inspect any premises where Goods are manufactured or stored, and to examine materials to be used in such manufacture. Any such compliance, assistance, inspection or examination will not derogate from the Supplier's other obligations under these Conditions.

## **2.3 Remedies**

2.3.1 The Supplier will indemnify ISD against any and all costs, losses or damage arising directly or indirectly from Goods supplied by the Supplier or from failure by the Supplier to comply with the terms of a Purchase Order or these Conditions.

2.3.2 The Supplier will indemnify ISD against all costs, losses or damage arising directly or indirectly from any legal liability:

2.3.2.1 In respect of any actual or alleged infringement of any trade mark, patent, copyright, design or other intellectual property right; or

2.3.2.2 to any customers of ISD by or in respect of any of the Goods supplied by the Supplier except insofar as such liability results from fault on the part of ISD or its employees.

2.3.3 Without prejudice to any of ISD's other rights hereunder, if Goods are supplied in breach of the terms on any Purchase Order of any of these Conditions then ISD will be entitled, at its option, to:

2.3.3.1 (in the case of tangible goods supplied, as opposed to services) return such Goods to the Supplier at the Supplier's expense and the Supplier will give a full refund of or credit for the price of those Goods at ISD's option ; or

2.3.3.2 (in the case of both tangible goods and services) require the Supplier to replace or re-perform, correct or otherwise supply ISD with Goods which do comply with all possible speed, or accept the Goods subject to a reasonable reduction in price.

## **2.4 Payment**

2.4.1 The settlement of invoices will be subject to all details on the invoice being consistent with those shown on the Purchase Order, and will take place in accordance with the settlement terms identified on the Purchase Order.

2.4.2 Claims for credit or payment due to ISD, in respect of returned Goods, short deliveries, overcharges or other matters for which the Supplier is liable under these Conditions will be settled within one month from the date of issue of such claims and in any event ISD will be entitled to make appropriate deductions or retentions from any remittance due to the Supplier.

2.4.3 In order for invoices to be paid on time they must be sent and dated to us on the same day as the Goods are received by us or after this.

## **2.5 Intellectual Property Rights.**

2.5.1 ISD owns the copyright and all other intellectual property rights in the ISD name and trademarks, and in any Goods and underlying documentation that the Supplier produces to meet ISD's individual requirements. The supplier agrees, at ISD's request, to do whatever is necessary to help ISD establish and maintain such rights.

2.5.2 Intellectual property rights owned by ISD will only be used by the Supplier to the extent, and in the manner, previously authorised in writing by ISD.

2.5.3 The Supplier will destroy any Goods bearing the ISD name or trademarks which are not delivered to ISD or which are delivered and rejected or returned, or where requested to do so by ISD.

## **2.6 Termination.**

- 2.6.1 ISD may terminate a Purchase Order by written notice at any time.
- 2.6.2 ISD will not incur any liability for termination where the Supplier fails to comply with one or more of these Conditions. In all other cases, the Supplier will take all reasonable steps to minimise any loss it incurs as a result of such termination, and the maximum amount the Supplier will be liable to claim from ISD will be actual cost of production of the Goods (or, in the case of services, the cost or performance of those services) incurred up to the date on which the Supplier received notification of termination. ISD will not be liable for any loss of profit or revenue or consequential loss or damage.
- 2.6.3 Conditions 2.2 – 2.5 (inclusive) and Condition 2.7 will survive any termination of a Purchase Order.

## **2.7 General.**

- 2.7.1 The Supplier agrees to observe all rules and regulations which apply to the use of ISD's premises when its employees, agents or representatives are in or on them.
- 2.7.2 The Supplier may not transfer or subcontract any of its rights or obligations under Purchase Order to a third party without prior written consent of ISD.
- 2.7.3 The Supplier agrees to keep information it receives from ISD as a result of a Purchase Order confidential. The Supplier will only use such information for the purpose(s) for which it was provided. The Supplier will take steps to protect it as though it was its own confidential information, and will only disclose it to its employees who have access to the information and are bound by similar obligations of confidentiality. Disclosure to third parties without the prior written consent of ISD is not permitted.
- 2.7.4 ISD will have no liability whatsoever in respect of any Goods sent otherwise than in response to a formal Purchase Order.
- 2.7.5 These Conditions apply to any contract of purchase formed between ISD and the Supplier, to the exclusion of any different terms or conditions printed on or referred to on any documents issued by the Supplier. Any such different terms and conditions will not apply to the contract and will

be deemed not to constitute a counter offer. Any supply of Goods will be deemed to be subject to these Conditions.

- 2.7.6 These Conditions may only be varied with the express prior written agreement of the Merchandise Manager.
- 2.7.7 English law governs all contracts to which these Conditions apply, and ISD and the Supplier agree to submit to the non – exclusive jurisdiction of the English courts.
- 2.7.8 The rights conferred by the Purchase Order are for the benefit of the contracting parties only, and will not be granted to, or enforceable in any way by, any third party.
- 2.7.9 Time of delivery – see trading Terms and Conditions in section 11.1.
- 2.7.10 Non delivery of samples - see trading Terms and Conditions in section 11.1.
- 2.7.11 Premature, part or excess delivery - see trading Terms and Conditions in section 11.1.
- 2.7.12 Payment terms - see trading Terms and Conditions in section 11.1.
- 2.7.13 Supplier to have Product Liability Insurance - see trading Terms and Conditions in section 11.1.

## **SECTION 3 Pre - Order Requirements**

### **3.0 Pre-order Requirements**

#### **3.1 New Lines**

#### **3.2 Bar Coding**

#### **3.3 Purchase Orders**

### 3.0 Pre-Order Requirements

The following section outlines the procedures that must be observed in establishing a product in the ISD inventory and **before** ordering.

#### 3.1 New Lines

New lines are an important part of ISD and supplier sales performance, and any delays in setting these up due to incomplete/ inaccurate data being presented can adversely affect this.

**By the date specified** by the Buyer, the following must where applicable be provided for each ISD item

- The product description.
- The supplier's product code.
- Dimensions – height, depth and width – in the orientation the product will be stacked on the pallet for:
  - The individual customer item (retail unit).
  - The 'mid outer' (see glossary of terms in section 10.0)
  - The 'bulk outer' – that which contains the mid-outers and will often be the minimum order multiple (see glossary of terms)
- The actual weight of the single, mid outer and bulk outer, in kg.
- The number of single items in:
  - The mid outer.
  - The bulk outer.
  - A pallet layer.
  - A full pallet.
- How many bulk outer cartons will be stacked on a pallet tier (Ti).
- How many layers to a pallet (Hi).
- Agreed lead-time on repeat orders.
- Agreed minimum order quantities (if appropriate).

- Address, to which ISD orders should be posted, faxed or pending future development transmitted by EDI. (Address for payments if different from order address).
- Date of initial delivery of the new line(s).
- Returns address for goods failing to meet quality standards/any other reason. (Complete Returns address section 11.4).
- Bar-code details for each product item (see section 3.2).
- Traded unit quantity and bar code, where applicable.
- Expiry date details (where applicable), to include full shelf life. (See section 3.5).
- Hazardous product details if applicable, to include Materials Safety Data Sheet.
- Confirmation that the item can be securely despatched to customers in its own outer packaging. (known as ‘mail-order packaging’)

These are the minimum logistics requirements and suppliers may be notified of additional information required by the appropriate Buyer / Merchandiser.

### **3.2 Bar Coding (TO FOLLOW)**

The supplier will code mark consumer packs to comply with the following requirements:

- “Article Numbering and Symbol Marking Operating Manual” published by the Article Numbering Association (ANA).
- “Universal Product Code” (UPC)
- “European Article Number” (EAN)

Consignments comprising goods which have not been bar-coded or whose bar code fails to scan or are incorrect for any other reason will be subject to return/refusal. (See section 7.3 – Goods for return).

ISD encourages the bar coding of outer units as laid down in the ANA guidelines “Codes for Traded Units” and the ANA operating manual.

### 3.3 Purchase Orders

An order will be placed by the merchandise team and forwarded to the Supplier via the appropriate method, and will contain the following information:

- The date the order was raised.
- The unique 7-character order number.
- The supplier account number/supplier address
- A unique 12 digit ISD item code for each product.
- The order quantity in **singles**
- The description that ISD will use for the product which may also include the supplier’s product reference.
- The address of the ISD warehouse for delivery of the goods.
- The date on which the order **must** be delivered.

The supplier should check the purchase order details and report any queries to the Merchandise Manager immediately. If necessary an amended order will be issued.

When making a booking with the warehouse the supplier is required to quote the purchase order number(s) being delivered. **Only those quoted at the time of booking will be accepted at the point of receipt.**

**ISD reserves the right to return goods that have not been advised/agreed.**

## **SECTION 4 Pre-Delivery Requirements**

### **4.0 Pre-Delivery Requirements**

### **4.1 Delivery Appointments**

### **4.2 Pallet Requirements**

### **4.3 Shrink Wrapping / Stretch Wrapping**

### **4.4 Replacement Pallets**

### **4.5 Pallet Height Restrictions**

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### **4.9 Configuration of Palletised Stock**

### **4.10 Pallet Manifests (Special Circumstances)**

### **4.11 Batch**

### **4.12 Working Patterns**

## 4.0 Pre-Delivery Requirements

This section contains the procedures to follow **before** any goods are delivered into the ISD warehouse or 3<sup>rd</sup> party warehouse. The importance of these requirements is such that any deviation from them will result in the warehouses being unable to receive goods from the supplier. It is therefore in the supplier's interest to ensure that all appropriate personnel responsible for the delivery of goods to ISD are fully conversant with these requirements.

### 4.1 Delivery Appointments

**All delivery appointments (bookings) must be made at least 48 hours in advance of the proposed delivery date. (Note exceptions below).** Warehouse address, telephone and facsimile numbers are listed in Appendix 10.1.

Where a considerable number of purchase order numbers are being delivered these may be faxed/e-mailed through to the warehouse **before** the delivery of the goods.

The supplier is required to contact the warehouse booking clerk quoting the following:

- Supplier's name.
- Carrier/haulier delivering goods (if appropriate)
- **All** purchase order numbers
- The quantity of pallets and/or cartons being delivered.
- The type of vehicle delivering the goods (e.g. tautliner, box)
- Any POD, promotional or event stock contained within the consignment.
- Any flammable products.

#### Exceptions

Emergency Stock Supply – In unusual circumstances, the Merchandiser may require stock to be supplied on the same day/next day basis. In this case, the Merchandiser will discuss delivery with the Warehouse Manager.

**It is the supplier's responsibility to ensure that any carriers/hauliers making a delivery to ISD are aware of, and comply with, these instructions.**

If, after a delivery date has been confirmed, the supplier wishes to amend the delivery detail, they must contact the warehouse at least **24** hours before the delivery is due. **The Merchandiser must also be informed, in writing (e-mail or fax) of any proposed changes to the delivery detail.**

ISD appreciates that in certain circumstances a vehicle can be delayed en-route and is unlikely to meet the agreed time of booking. In such circumstances ISD would expect a message from the driver, carrier company or supplier to that effect. Failure to do so will almost certainly result in the warehouse being unable to accept the delivery

## **4.2 Pallet Requirements**

The following details the **absolute minimum requirements** when delivering palletised goods:

- All pallets must meet the **British Standard 2629**.
- All pallets must be standard **4-way entry**.
- All pallets must have a **full perimeter base**.
- Dimensions must be **1000mm x 1200mm**.
- The total weight of any single palletised load must not exceed 1000kg (including the pallet).
- No stock must overhang the perimeter of the pallet.

## **4.3 Shrink Wrapping / Stretch Wrapping**

All palletised loads must be secured by the use of either shrink- wrapping or stretch wrapping. The stretch wrap/shrink wrap must be fixed to one block of the pallet. It is stressed that **no pallet will be accepted where securing material hangs loose and/or overhangs a pallet.**

## **4.4 Replacement Pallets**

Pallets delivered will be assessed by the receiving department and a pallet control voucher (PCV) issued for the same standard pallet on a one for one basis. Replacement pallets can be obtained from ISD (see Appendix 10.1).

## 4.5 Pallet Height Restrictions

In order to comply with our pallet racking configuration, there are limits to the height of any individual pallet. It should be noted that the standard pallet height is **1.35 meters including the pallet base**.

No deliveries exceeding this height will be accepted unless specific written authorisation is obtained from the Warehouse Manager.

## 4.6 Cartons

Large quantities of cartons are delivered to ISD warehouses each day. Lack of identification on the cartons can lead to delays in the receiving process and subsequent delays in meeting customer demand. Similarly, too much information on the carton can slow the checking process.

The following describes the specific requirements of carton identification:

Each bulk outer must contain the following information, which must be visible on **at least 2** adjacent vertical sides in characters of **at least 25mm** in height:

- The full product description
- The quantity of singles (retail units) in the carton e.g. 4 x 12, 48 etc.
- ISD item code.
- Batch numbers and best before dates (where applicable).

In addition, where the carton weighs in excess of **5kg**, the gross weight, in kilograms, must be stated on the carton to one decimal point on **at least 2** adjacent vertical sides in characters **at least 25mm** in height.

ISD merchandise and warehouse teams will be pleased to discuss with the supplier any difficulties they may have in achieving this requirement.

**Under no circumstances will cartons containing different item codes be accepted.**

Where the quantity ordered by the Merchandiser results in a part carton being created, it is the responsibility of the supplier to bring this to the attention of the Merchandiser.

4.6.1 RETAIL OUTER AND “MID OUTER”  
(SEE GLOSSARY OF TERMS APPENDIX 10.0)

- All products should be supplied in retail packaging, unless otherwise agreed with the ISD Merchandiser. If this is not available, plain packaging may be used, provided it is clearly marked with the product name and/or ISD product code.
- Where possible, products should also be supplied in Mail Order Packaging (eg ‘Jiffy’ bag, corrugated box) so that they are ready for despatch from the ISD warehouse. This secondary packaging should be labeled with the ISD product code (including any special suffixes for colour variants, etc). Padded bags should be left unsealed, so that paperwork can be added before dispatched, but folded over so that components do not fall out of the bag.
- The product must be packed in such a way that it does not suffer transit damage prior to delivery to the ISD warehouse.
- If products are sold in ‘sets’, they should be made up where possible into the finished set before delivery. If this is not possible, the outer cartons must be marked with the ISD product code and, for example, ‘Part 1 of 3’, ‘Part 2 of 3’, etc.
- Products must be supplied with full instructions in English.

4.6.1 BULK OUTERS

- There must only be one product type per outer case, with preferably the same quantity of products per case.
- Robust corrugated cases should be used, with packing pieces to make up any gaps, so that products are fully protected against damage in transit and storage.
- Each outer case should be printed or labeled with the ISD product code, the product quantity contained within and the relevant purchase order number.
- Cases containing fragile or hazardous items must be marked accordingly. The packaging and labeling of hazardous goods must satisfy statutory requirements.

## 4.7 Documentation

**All deliveries must be accompanied by a delivery advice note. Goods cannot be accepted without the appropriate documentation.**

To assist in the speedy unloading and throughput of goods, the delivery advice note must be available to the receiving staff immediately upon arrival.

The delivery advice note should be accessible either:

- By being handed by the driver to the warehouse receiver immediately upon arrival, or:
- By being readily visible on the first pallet to be unloaded from the vehicle.

The warehouse is targeted to minimise the waiting time of vehicles at the receiving docks benefiting both parties and compliance with the above will assist in achieving this.

The minimum detail of a delivery advice note must include:

- Booking reference number.
- Delivery address.
- All purchase order numbers.
- ISD 12 digit item code and/or Universal Product Code for each product.
- The description of each product.
- The number of retail units of each product.
- Total number of pallets delivered.
- Total number of cartons delivered.
- Identification of any items requiring special storage.
- All relevant batch and/or expiry date for each product.
- The gross weight of any carton exceeding **5kg**.
- The Supplier's name and address.

**Any delivery arriving without a delivery advice note will not be accepted.**

## 4.8 Pallets

In the interest of Health & Safety, suppliers are required to ensure that the loading of pallets is such that there is no risk to people or equipment used in the handling of the goods.

By following the steps outlined below accidents can be prevented.

- Palletised deliveries must be securely positioned on the vehicle in a manner which allows ease of unloading.
- The pallet(s) must be able to be removed easily from the vehicle without obstruction.
- There must be no overhang on any pallet.
- The **maximum** weight of any pallet is **1000kg**.

**Any palletised deliveries regarded by the warehouse as being unsafe will be refused.**

#### **4.9 Configuration of Palletised Stock**

All palletised stock delivered into the warehouse must conform to the following configuration criteria:

- Only one product per pallet (unless in special circumstances see section 4.10).
- Each product must have a standard number of cartons to a tier (Ti).
- Each product must have a standard number of tiers high (Hi)
- Each pallet must contain only one purchase order. (Unless in special circumstances – see section 4.10).
- No pallet will contain mixed batches and/or expiry dates. (Unless in special circumstances, see section 4.10).

Should a supplier consider a change to the Ti or Hi, they must seek approval from the appropriate Merchandiser Manager in writing **before** the delivery is made.

#### **4.10 Pallet Manifests (Special Circumstances)**

Small volume deliveries can, with prior agreement from the Warehouse Manager, be mixed on a pallet. In such cases, a pallet manifest must be provided indicating the following:

- The manifest for each pallet must be securely attached to a carton on top of the pallet.
- The manifest must detail each product and the quantity of each product on the pallet, e.g. 4 x 12, 48 etc. The manifest must also include batch number/expiry date where applicable.
- The same product line must not be spread over several pallets where the entire quantity can easily be located on one pallet, except where purchase orders are separate.
- The mixed products on a pallet must be clearly identifiable through the use of a visible cardboard separator.
- Each pallet must be numbered to correspond with the detail on the manifest and delivery advice note.

Suppliers should note that the above practices are exceptions to normal requirements and, if in doubt, should contact the Warehouse Manager.

#### **4.11 Batches/Shelf Life/Expiry Dates**

The expiry date of goods (where applicable) will be indicated as such on at least two adjacent vertical sides of each bulk outer in characters not less than **25mm** in height. For kits containing multiple products the earliest expiry date will be shown.

All goods will be delivered in strict expiry date/batch number sequence. Different batches must be delivered where applicable on separate pallets, or, if agreed with the Merchandise Manager, clearly separated on the same pallet for ease of identification.

The accompanying advice note will contain the batch number(s) and/or expiry dates(s).

Stock will be returned if delivered out of rotation or with less than acceptable shelf life remaining unless specific prior permission has been given by the appropriate Merchandiser. All goods must have a minimum of 70% of its shelf life remaining.

The date on all products must be expressed in terms of “**Best Before.....**”, according to statutory requirements.

## **4.12 Working Patterns**

Any supplier closures due to bank holiday and statutory holidays must be notified to the Merchandiser, in writing, at least 2 months in advance. Similarly, ISD will provide details of our closures to suppliers. Early, late or non-delivery due to supplier's holiday is not acceptable and consultation should take place with the Merchandiser.

All suppliers will give at least 2 months written notice of any holidays, other than statutory holidays, on which the supplier is unable to accept the ISD order.

## **SECTION 5 In – Transit Requirements**

### **5.0 Carriers**

### **5.1 Vehicle Condition**

### **5.2 Timeliness of Deliveries**

## 5 Carriers

Many suppliers make use of carriers to deliver goods to the ISD warehouse or third party warehouse. All carriers must comply with this Manual and it is the **responsibility of the supplier to ensure that the appropriate requirements outlined in this Manual are followed by the carrier.**

Suppliers should note that the failure of a carrier to comply with these requirements may cause the delivery to be refused.

### 5.7 Vehicle Condition

The following standards of vehicle condition (HGVs) are required when delivering goods to ISD warehouses:

- The vehicle floor must be able to withstand a pallet truck with a weight of **1600kg** fully laden.
- The vehicle floor must be well maintained safe and free from any obstructions including centre bars and/or other products.
- The vehicle must be water tight, clean and free of strong odours, especially when delivering food and healthcare products.
- Securing straps, as used in tautliner vehicles, **must not** be allowed to hang freely. Straps, unless actually securing a load(s), **must** be firmly fixed to the vehicle so that they present no danger to staff and ensure accessibility to the goods being unloaded.
- Suppliers should note that Road Train vehicles, **will not** be accepted unless each trailer can be reversed for unloading purposes.
- Very small carton deliveries will be accepted on other forms of transport, i.e. small parcel carriers.

## **5.8 Timeliness of Deliveries**

The ISD warehouse is targeted to ensure a vehicle's waiting time is kept to a minimum. In order to achieve this, suppliers should ensure that the agreed appointment time is met. Suppliers are also reminded to carefully check the warehouse address before the delivery is made.

Late deliveries will be subject to refusal. Where a supplier recognises that a delivery may be late, they should contact the warehouse booking clerk stating the expected time of arrival and the reason for the delay. The warehouse will make every effort to accommodate late arrivals providing this does not adversely affect other suppliers' delivery times.

## **SECTION 6 Stock Presentation**

### **6.0 Pallets**

### **6.1 Shrink wrapping / Stretch wrapping**

### **6.2 Configuration of Palletised Stock**

### **6.3 Cartons**

### **6.4 Documentation**

## **6 Stock Presentation**

The way in which the stock is presented to the ISD warehouse will determine the efficiency in checking the delivery through our receiving department. Suppliers are required to observe the following stock presentation criteria.

### **6.0 Pallets**

See 4.8

### **6.1 Shrink wrapping / Stretch wrapping**

See 4.3

### **6.2 Configuration of Palletised Stock**

See 4.9

### **6.3 Cartons**

See 4.6

### **6.4 Documentation**

See 4.7

## **SECTION 7 Post-Delivery Procedures**

### **7.0 Post-Delivery Procedures**

#### **7.1 Pallet Redemption**

#### **7.2 Mis-deliveries**

#### **7.3 Goods for Return**

## 7.0 Post – Delivery Procedures

The following section outlines the procedures to be followed when a delivery has taken place. Following these procedures will enable ISD to effectively conclude transactions.

### 7.1 Pallet Redemption

Pallets received from the supplier will be assessed for quality by the receiving department and a Pallet Control Voucher (PVC) issued for the type of pallet delivered. This voucher is used to collect replacement pallets from ISD (see Appendix 10.1). We would point out that pallets are replaced on a one for one basis.

### 7.2 Mis-deliveries

An initial check of the goods will be made at the point of receipt of deliveries and the delivery note will be marked as “Unchecked/Unexamined”. A detailed checking operation will be performed subsequently, and ISD will claim for any discrepancies or damages by issuing a Notification of Mis-delivery (NOMD) within four working days of the delivery.

### 7.3 Goods for Return

A supplier will be notified of any goods for return. The supplier is expected to collect the goods for return within 10 working days of the date of notification. **Failure to do so will result in ISD returning the goods with all associated costs charged to the supplier.** Further information on goods for return is given in Section 8.2.2

**SECTION 8      Quality Policies**

**8.0      Commitment to Health and Safety**

**8.1      Code of Conduct of Ethical Trading**

**8.2      Product Quality**

## **8.0 Commitment to Health & Safety**

ISD has an obligation to comply with all legislation relating to Health & Safety and we expect all suppliers to exercise their responsibilities in the same way. In particular your attention is drawn to the following:

### **8.0.1 Manual Handling**

In accordance with the risk assessments carried out in compliance with the Manual Handling Operations Regulations 1992, the following is required:

#### **Carton Weight**

The weight of any bulk outer, ideally, must not exceed **12.5 Kg.**

If the weight exceeds **5 Kg.**, it must be printed on the carton in characters **at least 25mm. high.** The weight may be rounded to one decimal place and must appear on at least two adjacent vertical sides and must be visible within the unit in which it is delivered.

The standard dimensions of a bulk outer on any one plane should not exceed **75cm** without prior agreement with the Merchandiser.

#### **Pallet Height**

This must not exceed **1.35 meters** including the pallet base **unless agreed in writing by the Warehouse Manager**

#### **Vehicles**

All loads must securely restrained sufficient enough to avoid any movement of the stock in transit. Pallets must be either stretch wrapped or shrink wrapped. Under no circumstances will pallets be accepted that contain stock overhanging the perimeter of the pallet base. Double stacking of pallets will only be accepted where the loads are completely stable in transit and at the time of unloading. Vehicles used for delivery must have a load floor height of **1.22m.**

## 8.0.2 Dock Edge Safety

In line with our Health & Safety policy, strict guidelines are adopted to ensure the safety of all people whilst working on the dock edge. As a preventative measure therefore, **all drivers are required to hand the ignition keys to the dock supervisor/deputy.**

This procedure is necessary to ensure that the vehicle is not driven from the dock edge during the unloading operation. The keys will be returned to the driver, after unloading is completed.

## 8.0.3 Chemicals (Hazard Information and Packaging for Supply Regulations) 2002 (CHIP)

Suppliers must conform with the requirements of the above regulations which state that substances or preparations which are dangerous must be classified, assigned categories of danger and Risk and Safety phrases, and marked accordingly.

Products which come under the scope of the regulations must therefore comply with the requirements for packaging and labeling, including, where appropriate, a child resistant closure and a tactile danger warning.

Suppliers must also provide a Material Safety Data Sheet to the ISD Quality Assurance Manager **before** delivery of the first order. All flammable products must be notified to Warehouse when making a delivery appointment (Section 4.1)

## 8.0.4 Compliance with Carriage Regulations

Deliveries of dangerous goods (including aerosols) must be made in accordance with 'The Carriage of Dangerous Goods by Road and Rail (Classification, Packaging and Labeling) Regulations 1994.'

## 8.1 Code of Conduct for Ethical Trading

ISD is committed to sourcing quality merchandise and developing partnerships with suppliers who share common principles of fair and honest trading.

We require the same principles to be adopted by all those involved in the supply of merchandise to ISD and its subsidiaries at all times.

We are committed to ensuring that the merchandise we source is obtained only from manufacturers who maintain satisfactory working conditions and at minimum comply fully with all legal requirements and the labour, health and safety standards of those countries in which production takes place.

The following code of conduct applies to all our business dealings:-

- We oppose the exploitation of child labour and will not trade with manufacturers employing children under the age permitted in the countries concerned.
- We oppose the exploitation of workers in general and we will not tolerate forced labour or labour which involves physical or mental abuse or the exploitation of any vulnerable group.
- We support a fair and reasonable reward to workers which must be fully comparable with local norms including minimum wage criteria where applicable. All terms and conditions of employment must be compatible with the principle of fair and honest trading and have due regard to the welfare of individuals.
- Suppliers must ensure that all manufacturing processes are carried out under conditions which have proper and adequate regard for the health and safety of those involved, and the surrounding environment.

## **Principles**

Our principles are based on international standards, including the International Labour Organisation (ILO) conventions and recommendations, which in turn are based on the United Nations (UN) Universal Declaration of Human Rights and Convention on Rights of the Child.

## **Age**

- Children under the age of 14 years, the legal minimum age, or the age of completion of compulsory schooling, should not be employed.
- Young persons under the age of 18 years will not be employed in conditions which may be hazardous to their development.

## **Conditions of Employment**

- Forced or involuntary labour, or labour which involves any physical or psychological harassment, will not be tolerated.
- Terms and conditions of employment will ensure that workers are not unfairly treated, including those from vulnerable groups. There will be no exploitation or discrimination based on race, disability, religion, national origin, gender or sexual orientation.
- The freedom of workers to choose whether or not to associate with any group is recognised, as long as such groups are legal in their own country.

## **Wages and Benefits**

- Wages and benefits will, at least, be in accordance with local norms for the industry, including legal minimum wage criteria where applicable.
- While local cultural norms and seasonal circumstances will be observed, workers will not be required to work in excess of 60 hours per week, including overtime, on a regular basis. Workers will be allowed at least one day off in seven.
- Where accommodation is provided, this must meet basic requirements and be safe and hygienic.
- Part-time or temporary contracts will not be used to avoid the principles outlined in this code.

## **Healthy and Safety**

- Work conditions must comply with health and safety standards in the country and region. Exposure to health and safety hazards must be avoided. Adequate protective clothing and equipment must be provided.
- Suitable and sufficient Risk Assessments should be available and in place, to identify and determine what adequate protective clothing and equipment is required. (Management of Health & Safety at Work Regulations 1999. Regulation 3).

- Emergency procedures and accident prevention measures must be in place, including training.

## **Environmental Policy**

ISD is committed to conducting all its operations with proper regard to the environment. The materials and processes used in the manufacture of the products should not adversely affect the environment. Natural materials used should preferably be from renewable sources.

## **Monitoring and Verification**

We are working with our suppliers to ensure these principles are adopted by all those involved in the supply of merchandise to ISD and its subsidiaries at all times.

We will take all reasonable and practical steps, including factory inspections and audits, to ensure that these principles are being applied by all our suppliers and in turn their subcontractors.

## **Remedial Action**

We will only trade with those who comply fully with our policy and in the event of any failure to do so, we reserve the right to end the business relationship and cancel outstanding orders. We do however recognise that in the event of non-compliance, withdrawal of our business may cause severe hardship to those employed, and we will therefore work with our suppliers to achieve compliance before severing the relationship.

## **Development of the Code**

We recognise that this Code must be developed to reflect practical experience and changing circumstances. We will continue to develop and share best practice with our suppliers, other retailers, NGO's and Government so that we can all make real progress together.

## **8.2 Product Quality**

Quality Assurance (QA) is responsible for ensuring the quality of all ISD products purchased from suppliers, for sale through Ideal Shopping Direct's channels.

All potential ISD products are evaluated by QA, in partnership with the Buying and Marketing teams, to ensure compliance with statutory regulations, national / international Standards and ISD's own standards for safety, performance and customer needs.

Deliveries of merchandise to ISD's warehouse may be subject to inspection by QA. Any deliveries where merchandise does not comply with the agreed specification or is otherwise defective may be rejected.

QA control the evaluation of new lines to ensure that suppliers' samples are approved quickly, ensuring bookings are maintained and the merchandise can be "On Air" quicker to maximise sales potential.

### **8.2.1 Quality Assurance Terms and Conditions.**

Quality Assurance (QA) will protect and enhance the reputation of ISD by assuring the quality of its products and managing the development of merchandise which meets its customers' needs.

#### **Responsibilities**

It is the sole responsibility of the Supplier to ensure that goods meet the required standard. QA is the ISD central function with responsibility for the quality assurance of bought-in goods, its role being to assist with and advise upon the quality of Suppliers' goods.

For certain categories of ISD brand products, separate arrangements may apply. The relevant suppliers will be advised if QA is not the responsible department.

#### **Product Development and Evaluation**

Prior to initial purchase by ISD, suppliers may be required to provide product samples for testing to ensure compliance with Regulations, International Standards and ISD Standards.

All potential ISD brand and Exclusive products are Evaluated by QA to ensure compliance with regulations, International Standards and

ISD standards; The supplier must make sure product meets these standards.

(NB. An Exclusive product is either one which is not available through other UK retail outlets or one which carries no manufacturer's/supplier's name and address).

## **Specifications/Sealed Sample**

Product must meet any ISD Specification applicable to the product.

For an ISD brand or Exclusive product, the product and its packaging may be defined by an agreed specification between ISD and the Supplier. This will be supported by sealed samples.

Approval by ISD of a sample, or of a Supplier's proposal to amend an agreed specification, does not relieve the Supplier's sole responsibility for the merchantability of the product.

## **Quality Audits**

The Supplier must be prepared to have their quality management systems, manufacturing and/or warehousing facilities evaluated by ISD technical personnel at any reasonable time. All Suppliers must adopt a quality system in line with the key requirements of BS EN ISO 9001:2000 as a minimum.

(NB: Formal certification to BS EN ISO 9001:2000 requirements by an external certification body is not a pre-requisite for supply to ISD).

## **Finished Goods Inspection**

ISD is entitled to inspect finished goods in line with agreed specifications either at point of manufacture or on receipt at ISD. The sampling scheme will be based on BS 6001 using an Acceptable Quality Level (AQL) of 1.0%, or otherwise as agreed with the supplier.

Any defective items may be returned to the supplier for rework or credit, even if the defective item was not detected during the routine inspection of goods on delivery.

ISD may refuse to accept returned and re-worked stock, unless prior agreement has been made with the Supplier/re-worker.

## **Returns and Recalls**

Credit arrangements for the return of faulty, surplus or non-required goods are agreed between the Supplier and ISD as a part of the purchase agreement. ISD may undertake examination of returns to ensure returns levels are driven down. Upon being advised of unacceptable levels of faulty returns, corrective action must be taken by the Supplier.

In the event of stock having to be recalled from customers for failure to meet ISD quality standards, the Supplier must accept financial liability for the stock, recall costs and loss of profit to ISD.

## **After Sales Service**

In the event of customer complaints, or other cause for investigation of product quality, ISD may ask for information or comments from the Supplier. The Supplier must respond fully within one week.

The Supplier is liable for reimbursing ISD for any price refund or compensation for inconvenience paid to a customer, where product fault has given rise to the complaint. Products for which ISD offer the customer a repair service must be backed by the Supplier in terms of spare parts and service information for a reasonable period after product discontinuation.

For some products the Supplier will be required to provide a renovation and repair service, particularly if the Supplier quotes an extended warranty for the product.

## **ISD approach to customer complaints**

ISD aims to offer customers the highest standards of service. Customers trust ISD to provide high quality products that are safe to use. When a customer has a problem with a product ISD we will do whatever is appropriate for that customer to put things right for them. In most cases, that involves providing replacement products or refunds. The faulty products in these cases are returned to suppliers in accordance with Section 8.2.2.

Sometimes the Customer Service team needs to resolve complaints for customers. For proprietary products, ISD will handle the initial customer communication and pass the complaint to the supplier, asking them to respond directly to our customers. For ISD brand

products, ISD will handle all communication with the customer, and this may involve the supplier in investigating the complaint.

Suppliers will receive a monthly invoice showing charges related to customer complaints.

### **8.2.2 Goods for Return**

Goods for return may fall into four categories:

1. Those rejected upon delivery to ISD
2. Goods delivered to customers, but returned under ISD's 30 day guarantee as "not required" or "unsuitable"
3. Goods returned from customers as "faulty" or "damaged"
4. Un-sold stock

In all circumstances, the Supplier will be notified via an advice note and IW will arrange for the stock to be returned.

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

## **SECTION 9    Monitoring for Continuous Improvement**

### **9.0    Monitoring for Continuous Improvement**

### **9.0    Monitoring for Continuous Improvement**

Working in partnership can only be successful where the customer and supplier are working to the performance standards agreed. This document has been produced to communicate those standards that ISD expects from its suppliers.

ISD routinely monitors the performance of each supplier in delivering goods as ordered on the specific date. Suppliers will be regularly reviewed both against previous levels of performance and against the standards achieved by other companies. Suppliers will be advised of the results of monitoring where appropriate, and specific performance targets may be established.

In particular, suppliers are expected to aim for the same standards of service that ISD aspire to and include Key Performance Indicators such as:

- Mis-deliveries (missing, excess and damaged goods)
- Delivery timeliness
- Stock Presentation
- Accuracy of Documentation

Other performance measures are being developed in addition to these and Merchandisers will communicate these to you as they are introduced.

ISD recognizes that suppliers will wish to be aware of opportunities for improvement. In such instances where an improvement is required, the supplier will be contacted, either verbally or in writing, outlining the areas of concern. The supplier will be expected to acknowledge this communication and provide assurances that the identified issues(s) will be actioned.

In exceptional circumstances, ISD may take steps to secure compensation, for costs or damage to its business, from suppliers who have failed to provide the standards of service as required or failed to comply with ISD written instructions.

ISD also welcomes proposals from its suppliers as to how its own supply chain operations may be improved.

## **SECTION 10 Appendices**

### **10.0 Glossary of terms**

### **10.1 Warehouse address and contact numbers**

## Appendix 10.0

### Glossary of Terms

ANA	Article Numbering Association
Bulk – Outer	The primary outer carton of the goods also known as the ‘shipper’. This contains the mid-outer (see below)
EAN	European Article Number
EDI	Electronic Data Interchange
Hi	Number of layers to the pallet
ISD	Ideal Shopping Direct Plc
Mid – Outer	The outer containing stock within the ‘Bulk Outer’
POD	Pick of the Day
QA	Quality Assurance
Ti	Number if bulk outer cartons stacked per pallet layer
UPC	Universal Product Code

## Appendix 10.1 Warehouse Address and Contact Numbers

Warehouse	Telephone Number	Fax Number	Lines Open
<b><u>Peterborough</u></b> Ideal Shopping Direct Newark Road Peterborough PE1 5WG	08700 780803	08700 780868	08.00am – 17.00pm

## **SECTION 11    Agreements**

### **11.0    Trading Agreements**

### **11.1    Conditions of Purchase**

### **11.2    Customer Returns Agreement**

### **11.3    Customer Complaint Reimbursement Agreement**

### **11.4    New supplier Account Agreement**

## 11.0 Trading Agreements

To ensure a consistent approach to supplier trading in ISD, there are standard operating procedures, which require your written agreement of acceptance before a trading agreement can be finalised. These are as follows:

### **Logistics Supplier Manual**

Please ensure you have read the document that you understand it and you will comply with its provisions.

The following documents need to be completed and returned to your Merchandiser contact (once you are awarded business with ISD)

- Conditions of Purchase (11.1)
- Customer Returns Agreement (11.2)
- Customer Complaint Reimbursement Agreement (11.3)
- New Supplier Account Agreement (11.4)
- EDI Questionnaire (**To Follow**) (12.0)

## 11.1 CONDITIONS OF PURCHASE

By acceptance of the order contained in the attached Purchase order, the Seller agrees, represents and warrants as follows:-

### 1. Definitions

In these Conditions:

“the Agreement” shall mean the agreement for the purchase of the Goods by the Buyer from the Seller and shall incorporate the Purchase Order and these Conditions and all Terms and Conditions implied by law:

“Buyer” shall mean IDEAL SHOPPING DIRECT PLC

“Goods” shall mean the items in the quantities specified in the Purchase Order.

“Laws & Regulations” shall mean all applicable Statutes, Laws, Rules, Regulations, Orders, European Community Directives and Regulations, British and Irish and European Community standards, Codes of Practice and bylaws in force from time to time:

“Marks” shall mean the trade and service Marks. Trade Names, Patents, Designs and Copyright registered, owned, licensed or used by the Seller in connection with the Goods:

“Purchase Order” shall mean the Purchase Order to which these Conditions are attached in respect of the Goods:

“Seller” shall mean the Seller referred to in the Purchase Order.

### 2. Time for Delivery:

The Seller shall at its sole expense adequately pack and protect the Goods against damage or deterioration of any nature or sort and deliver them carriage paid not earlier or later than the time(s) specified in the Purchase Order at the delivery point(s) specified therein or as the Buyer shall otherwise direct. Time shall be of the essence. For the avoidance of doubt, unless stated otherwise on the Purchase Order, the Seller shall be solely responsible for all freight, packing and insurance charges whatsoever incidental to the delivery of the Goods.

In the event of any actual or anticipated delay in delivery, the Seller will promptly inform the Buyer in writing by the fastest possible means of the Seller’s best possible delivery date. If the goods or any part thereof are not delivered (or the Buyer believes are not capable of delivery) as specified in the Purchase Order, the Buyer may at its sole discretion terminate this Agreement in respect of the undelivered Goods and any part of the Goods already delivered and/or any other order from the Buyer to the Seller. If terminated, Goods returned are returned at the Seller’s expense and risk and the Buyer shall have no further liability to the Seller hereunder.

## **2b. Late Delivery**

(i) If goods ordered for delivery by a specific date (shown on the order) are not delivered within reasonable time of that date and, as a result of that late delivery, our customers cancel their orders, the Buyer reserves the right to charge a penalty to the Seller. The penalty shall be calculated to reflect the loss of revenue on these cancelled orders to a maximum of 200% of the order value of the goods.

(ii) Any charges incurred by the Buyer when informing customers of late delivery of stock will be charged onto the Seller @ 0.50 per item.

(iii) If as a result of late delivery an out of stock situation arises resulting in backorders, all charges incurred by the Buyer in liaising with customers and fulfilling these late orders, will be passed onto the Seller. The charges will be made up of administration, labour and stationery costs @ £2.00 per item plus applicable carriage costs.

## **2c. Non-Delivery**

In the event of non delivery the Buyer reserves the right to charge a penalty to compensate for the loss of revenue expected from the sales of those goods to a maximum of 250% of the order value of the goods.

## **3. Grant of Rights to Sell and Market**

The Seller hereby grants to the Buyer the irrevocable right by all means now known or hereafter existing to:

- (a) market and promote the sale of and sell the Goods;
- (b) use the Marks;
- (c) use the Goods and any contents or part thereof;
- (d) use any and all materials provided by the Seller to the Buyer for the Buyer's use in the marketing and promotion of the goods.

## **4. Warranties and Covenants of Seller**

In addition to and without prejudice to any and all other Warranties, whether express arising by operation of law or implied, the Seller represents, warrants and covenants to the Buyer, its successors and assigns that:

- (a) the Seller possesses all Licenses, Permits, Rights, Power and Consents required, necessary or desirable to enter into this Agreement and to grant to the Buyer the rights herein granted. Further, the Seller has obtained all Consents, Licenses, releases and otherwise cleared all rights in any and all

material provided by the Seller to the Buyer for the use of the Buyer in the marketing and promotion of the Goods;

- (b) the Seller's compliance with and fulfillment of this Agreement does not violate any agreement, instrument, judgment, order or award of any Court or Arbitrator;
- (c) the Seller has complied with all applicable Laws and Regulations relating directly or indirectly to prices, advertising, allowances, discounts and other benefits offered by the Seller;
- (d) the Seller's performance of this Agreement and all Goods including but not limited to the production, sales, packaging, labeling, safety, import and transport thereof and all representations and advertising by the Seller made in connection therewith shall at all times comply with all laws and Regulations;
- (e) where applicable, reasonable and representative tests as prescribed by Laws and Regulations have been performed or will be performed before delivery of the Goods to the Buyer;
- (f) the Goods are of consistent kind and quality, conform to all instructions, specifications, drawings, data or samples, and are of the quality, grade and content as represented by the Seller or as otherwise provided in the Purchase Order;
- (g) all Manufacturers' Warranties are effective and enforceable by both the Buyer and its customer(s);
- (h) all Marks which are part of or appear in connection with the Goods are valid and genuine and the Goods (including without limitation all written, printed or other works constituting a part of or appearing on such Goods) and the promotion, sale, performance or other use of the Goods hereunder will not infringe any Trade or Service Marks, Trade Names or any other Copyright, Design, Patent or other rights of Third Parties;
- (i) the Seller has good and marketable title to the Goods, which are and shall remain free and clear of all encumbrances, liens, claims and debts of any nature whatsoever;
- (j) neither the Goods nor any component part thereof is subject to any duty, tariff, value added tax or penalty except as previously disclosed in writing by the Seller to the Buyer;
- (k) the Goods and similar goods are not and have not been subject to product liability claims or product recall notices;

- (l) the Seller shall maintain for the life of the Goods, Public Liability Insurance coverage on the Goods, including full Products Liability, infringement and advertising injury, for not less than £1,000,000 on standard terms and with an Insurance Company of repute acceptable to the Buyer and shall at the request of the Buyer promptly provide the Buyer with a Certificate of Insurance.
- (m) the Goods shall be new and of first class quality and shall be free from all defects (including without limitation latent defects in workmanship, material and design) and shall not be reworked, rebuilt or refurbished.

## **5. Indemnity**

The Seller hereby agrees to indemnify and hold harmless the Buyer, subsidiaries,

associated companies and each of their respective employees, agents, officers, directors, successors and assigns from and against any and all liabilities, obligations, claims, actions or demands arising directly or indirectly from;

- (a) the infringement and/or alleged infringement of any Marks or any other Third Party rights arising from the supply, use, sale or promotion of the sale of the Goods;
- (b) any alleged and/or actual defect in any of the goods and/or any alleged and/or actual injury to persons or damage to property arising out of the supply or use of the Goods;
- (c) the exercise of all or any part of the rights granted to the Buyer under this Agreement;
- (d) the Seller's breach of any of the obligations, representations, warranties or covenants, whether express or implied, contained herein;
- (e) the repossession, or garnishment, lien, levy, attachment of or on the Goods.

## **6. Cancellation by Buyer**

The Buyer may cancel this Agreement in respect of all or part of the Goods hereunder with no liability or obligation to the Seller and without prejudice to it any other right, remedy or relief available to the Buyer if:

- (a) the Buyer is notified that any Goods infringe or are alleged to infringe any Marks; or
- (b) there is any anticipated breach of this Agreement by the Seller; or
- (c) there is any unforeseen event which may adversely affect the Buyer's ability to take physical delivery of the Goods, or any substantial change to the Buyer's business for any reason whatsoever.

**7. Premature, Part or Excess Delivery:**

Goods delivered to the Buyer prior to the delivery date(s) specified on the Purchase Order may at the Buyer's option be returned to the Seller at the Seller's expense and risk to be held to the order of the Buyer until delivery on the date(s) specified in the Purchase Order. Unless otherwise specified in the Purchase Order, the Seller shall deliver the Goods in one shipment. If delivery is made of less than the quantity ordered, the Buyer may at its option reject or accept the entire shipment. Any additional freight charges resulting from partial deliveries (whether or not such partial delivery is made at the Buyer's request or otherwise) shall be borne by the Seller. Partial deliveries shall not extinguish the Seller's obligations or cause them to become severable.

The Buyer assumes no obligation for Goods shipped in excess of the quantity specified in the Purchase Order and not accepted by the Buyer hereunder. Shipment in excess of the quantity ordered may be returned to the Seller and the Seller shall pay or reimburse to the Buyer all expenses incurred in connection with such shipments. All shipments shall be routed in accordance with the Buyer's instructions and all outer cartons for transport must contain a legible packing slip or invoice and must be marked with the Buyer's item number for the Goods, the Purchase Order specified on the Purchase Order, the number of Buyer's stock keeping units per box and a total box count (i.e., 1 of 10). The Seller shall pay or reimburse to the Buyer all expenses incurred by the Buyer as a result of packing, marking or routing, which is improper or is not in accordance with the Buyer's instructions.

**8. Passing of Property**

Property in the Goods shall pass from the Seller to the Buyer upon payment to the Seller provided that receipt of delivery of the Goods by the Buyer shall be without prejudice to the rights of the Buyer set out in Clauses 9 and 10 below or in any other right(s) which may accrue to the Buyer under these conditions or otherwise.

**9. Acceptance and Rejection of Goods**

Without prejudice to any other rights/or remedies under this Agreement, the Buyer may elect in its discretion to accept or reject or revoke acceptance of the Goods which:

- (a) are not in compliance with specifications of the Purchase Order; and/or
- (b) are delivered contrary to instructions or in any unauthorised quantity; and/or
- (c) are substituted for Goods specified in the Purchase Order and/or

- (d) are not in compliance with sample, description, or standard; and/or
- (e) are returned by any of Buyer's customers for any reason; and/or
- (f) fail to meet Buyer's quality control tests or fail to meet Buyer's carriers quality, drop or other tests; and /or
- (g) violates or allegedly violates any Laws and Regulations .Goods are returned to the Seller at the Seller's expense and risk and the Buyer shall at its option receive either a credit or refund of all amounts paid by the Buyer for such Goods. If the Buyer shall elect to receive a refund, the Seller will pay the Buyer such sums within thirty (30) days of the Buyer's request. In the event that the Buyer shall opt to receive a credit, the Buyer may apply such a credit toward any amounts then due or which may become due to the Seller. Goods returned by the Buyer shall remain the property of the Buyer until receipt of payment of the refund or the Seller's Credit Note as elected by the Buyer. The Seller authorises the Buyer to return Goods without additional authorisation, and the Seller hereby agrees to accept such returns. Goods returned or rejected by the Buyer are not to be replaced by the Seller without the prior written approval of the Buyer.

The Seller acknowledges that the Buyer does not inspect each item upon receipt of Goods and therefore defects, imperfections or non-conformity with any representations, warranties or covenants set forth herein may not be discovered by the Buyer until Goods shall have been purchased by customers and returned to the Buyer after such customers examine their purchases. No inspection, test or discovery of any breach of condition or warranty, or failure to inspect, test or discover and breach of condition or warranty shall constitute acceptance or waiver of any of the Buyer's rights or remedies whatsoever.

If the Buyer elects to inspect or test the Goods or any part thereof for quality control purposes and 5% or more of the Goods so inspected or tested fail such inspection or test, and the Buyer elects to inspect or test the remainder of the Goods, such inspection or tests shall be conducted at the Seller's expense and the Seller agrees to pay or reimburse the Buyer for all expenses incurred by the Buyer in connection with such inspection or tests.

#### **10. Goods on Sale on Return:**

Unless otherwise specified on the Purchase Order, all purchases will be "Sale or Return"; the Buyer may return to the Seller for credit or refund at the Buyer's option all or any portion of the Goods that the Buyer shall not have sold. If the

Buyer elects for refund, the Seller shall repay the price originally paid for the Goods within 30 days of such return. Expenses incidental to the return of such Goods shall be paid by the Buyer unless otherwise specified on the Purchase Order. On return the property and risk in the Goods shall revert to the Seller on delivery by the Buyer to the Seller. The Seller acknowledges and accepts that the Buyer allows a 30 day money back guarantee to its customers, and confirms that credit or refund will be given on items returned in accordance with the foregoing, notwithstanding that the items in question have been paid for. The Seller further acknowledges and accepts the right of the Buyer to issue debit notes immediately on despatch of such returns, and to set these against any amounts owed to or by the Seller. Any discrepancy between debit notes issued by the Seller in this respect, and credit notes issued by the Seller, shall be notified to the Buyer within 4 days of receipt of the Goods, after which time no such advice or dispute will be accepted. The Buyer reserves the right at any time, to withhold up to 20% of the gross amount of the Sellers invoice for a maximum period equal to the 30 day money back guarantee period granted to its customers, to cover anticipated returns. The rights of the Buyer set forth in this paragraph are in addition to and independent of all other rights and remedies of the Buyer pursuant to other provisions of these Conditions and the Buyer's other rights pursuant to Statute and Common Law.

**11. No Assignment by Seller**

The Seller shall not assign or sub-let or otherwise deal, whether in whole or in part, with any rights, claims or obligations under this Agreement.

**12. Time for Settlement**

In the absence of written prior agreement to the contrary, authorised by a Director of the Buyer, terms of payment are forty-five days after the date of receipt of the Seller's invoice which should be submitted upon or after delivery of the Goods, subject to the order being delivered in accordance with our delivery timing instructions and there being no query regarding the Order. For the avoidance of doubt, all payments are contingent upon receipt by the Buyer of Goods and complete and accurate documentation.

The Seller agrees that the Buyer shall have the right to set-off against any amounts which may become payable by the Buyer to the Seller, whether under this Agreement or otherwise, any amounts which the Seller may owe to the Buyer whether arising under this Agreement or otherwise.

### **13. Further Assurance by the Seller**

The Seller shall at its cost and expense provide the Buyer with any and all documents requested or required by the Buyer from time to time to vest any rights granted hereunder in the Buyer and for the protection and enforcement of the same and/or to protect and support the representations, warranties and/or covenants herein contained.

### **14. Confidentiality**

- (a) Subject to Paragraph 14(b) below, the Seller undertakes to the Buyer that it will treat as confidential the Terms of the Agreement and all information of whatever nature or sort relating in any manner to the business or affairs of the Buyer as may be communicated to it hereunder or to others in connection with this Agreement and will not disclose such information to any person, firm or Company (other than to its professional advisers) or to the media and will not use such information other than for the purposes of this Agreement.
- (b) The provision of Paragraph 14(a) above shall not apply to any information which is in the public domain other than by default of the Seller, or which has already been independently generated by the Seller, or which is required to be disclosed by law or the valid order of a Court of competent jurisdiction or the request of any competent governmental or regulatory authority. In the latter event, the Seller shall so notify the Buyer as promptly as practicable (and if possible prior to making any disclosure) and shall use its reasonable endeavors to seek confidential treatment of such information.

### **15. Law and Jurisdiction**

This Agreement shall be governed by the Laws of England and Wales and the parties submit to the exclusive jurisdiction of the English Courts.

### **16. Waiver**

The waiver by the Buyer of its rights or remedies or any term in respect of default shall not be deemed a waiver in respect of any prior or subsequent event or default.

### **17. Severability of Provisions**

In the event of any term hereof being adjudged or otherwise deemed to be void and/or unenforceable then it shall be severed and

struck out of this Agreement but all of the other provisions shall survive in full force and effect to the extent necessary to give effect to the intention of the parties.

**18. Headings and Notes:**

The headings and any notes to these Terms and Conditions are for guidance only and shall not form part of the Agreement.

Name of Supplier .....

I confirm that I have read and understood the attached Terms and Conditions, and agree to be bound by them in respect of any dealings between me/us and Ideal Shopping Direct Plc.

Signed .....

Dated .....

Name .....

Position re Supplier .....

## **11.2 Customer Returns Agreement**

This is an agreement concerning products that you have supplied and which customers have returned to ISD.

Returns Type:

ISD operates a customer returns policy (refer to Logistics Supplier Manual, Section 8 Quality Policies) and you hereby agree to accept this policy.

Cost of Returns:

You will credit ISD 100% of the cost of all products that customers have returned. If you require these items to be returned to you for your examination, you will be charged. Please liaise with your ISD contact, who will confirm this cost to you.

In the event of stock having to be recalled from our customers due to a quality problem and/or manufacturing defect you must accept financial liability for the stock.

### **Disposal Route:**

Products will be returned for collation at the ISD warehouse and/or any third party warehouse designated by IDS. When sufficient numbers have built up you will be informed and requested to pick up the goods at your own expense. The costs of these goods must then be credited to ISD within one month of receiving the items. If the goods are not collected within one month of notification, ISD may destroy the goods and you will pay ISD the cost of this together with the price of the products. Alternatively ISD may dispose of the products as it sees fit.

Payment for these returns will be required within one month from the invoice date. Alternatively the cost of the product may be debited from your next invoice at ISD discretion.

### **Product Improvements:**

You should use returned products to improve the next generation of products and thereby reduce customer returns.

### **11.3 Customer Complaint Reimbursement Agreement:**

This is for products that you have supplied to ISD and about which customers complain to ISD Customer Services Department (see Logistics Supplier Manual Section 8.2.1).

#### **Product Improvements:**

You should use the customer complaint information provided to improve the next generation of products and thereby reduce customer returns/complaints.

Once you are awarded business with ISD could you please confirm in writing your acceptance of these terms (Sections 11.2 and 11.3), which go together with the ISD Trading Terms and Conditions, by signing below and returning to your ISD contact at the following Address.

Ideal Shopping Direct Plc  
Ideal Home House  
Newark Road  
Peterborough  
PE1 5WG  
United Kingdom

I can confirm that I have read, understood and will comply with the Ideal Shopping Direct Plc Trading Agreements 11.2 and 11.3 enclosed.

Name: .....

Position: .....

Company: .....

Date: .....

**11.4 NEW UK SUPPLIER ACCOUNT AGREEMENT**

AGREEMENT between IDEAL SHOPPING DIRECT PLC (ISD) AND

.....

(“The supplier”) concerning prospective supplier agreements.

The supplier gives the following information and agrees with ISD as follows:

Supplier’s Remittance Address;  
NAME (to which invoices will be paid): .....

ADDRESS: .....

.....

TELEPHONE NUMBER: .....

FAX NUMBER: .....

VAT NUMBER .....

Address that orders should be forwarded to if different to Remittance Address;

.....

.....

TELEPHONE NUMBER: .....

FAX NUMBER: .....

AGREED SETTLEMENT TERMS ARE (tick relevant box):

1. ISD standard terms. 45 days from date of invoice.

2. Settlement Discount terms

DISCOUNT % .....

PERIOD .....

All suppliers to ISD are subject to ISD Conditions of Purchase which includes the right for ISD to reject and/or return any products which do not conform to order requirements. Any such returns will be made in accordance with the Returns Agreement between ISD and the supplier.

Preferred Payment Method : **BACS**

BACS details as follows:

NB – Commitment to EDI invoicing is required for BACS payments facility

COMPANY NAME .....  
SORT CODE .....  
BANK ACCOUNT NUMBER .....  
BANK NAME .....  
BRANCH ADDRESS .....  
  
CONTACT ..... POSITION .....

Address to which Returns should be sent.

RETURNS ADDRESS .....  
.....

RETURNS CONTACT .....  
RETURNS TELEPHONE NUMBER.....

SIGNED for the Supplier .....

DATE .....

.....

SIGNED for ISD .....

DATE .....

ACCOUNTS CONTACT .....

ACCOUNTS TELEPHONE NUMBER.....

ACCOUNTS FAX NUMBER .....

ACCOUNTS E-MAIL ADDRESS .....

**11.5 NEW INTERNATIONAL SUPPLIER ACCOUNT AGREEMENT**

To allow us to set up your account, could you please supply the following Information. Please write in capitals.

Company Name.....

Your Banks Name.....

Banks Address.....

Swift or Routing Code.....

Banks Account Number.....

Payment Method; BACS

Accounts Contact Name.....

Your Accounts Telephone Number.....

Accounts Fax Number.....

Email Address.....

Please note until this information is received we will be unable to pay you. Please complete this form and attach this to your Ts & Cs

## **SECTION 12 EDI Questionnaire (To Follow)**

The supply rules and supply terms, as set out in this document – the “Ideal Shopping Direct Plc Logistics Supplier Manual” – apply to the EDI contract; therefore the supplier must agree to those terms before EDI is used

**12.0 SUPPLIER EDI QUESTIONNAIRE**

SUPPLIER NUMBER (ISD Office Use Only)

SUPPLIER NAME

EDI Capable for Orders YES / NO

EDI Capable for Invoices YES / NO

If yes, which EDI standard do you use?

EANCOM

TRADACOM

Other, please specify

If yes, please supply the following information:

ANA Number

TUN Number

Currency to trade in

If no, your planned timescales to implement EDI Ordering

If no, your planned timescales to implement EDI Invoicing

Contact Name  Contact Number

Contact Fax Number

Contact e-mail Address

Any other information: