

## 8.0 Transportation Routing Requirements for Domestic Shipments

### - 8.1 General Routing Requirements -

The Company's preferred carrier will route all shipments when the Company is the responsible party for payment of freight charges. The vendor's copy of the Company purchase order should reflect the correct commercial and freight related terms for the merchandise. If there are any discrepancies in freight terms, please contact the appropriate Company Buyer. Shipment routings not authorized by the Company may result in chargebacks to the vendor including non-payment for transportation services rendered. Please use these guidelines to determine how to properly route Company shipments.

#### - 8.1.1 Company-Controlled Domestic Routing -

A PO is classified as "Domestic" if the merchandise originates within Canada or if the Company is not the importer of record with Customs. Domestic PO's, (originating within Canada), routed by the Company, are designated using the freight term "FOB named point" within Canada and indicate that the Company is responsible for freight payment using such language as "Freight Collect to Designer Brands." The Company will not be responsible for charges associated with the movement of merchandise from or to a port of entry (drayage, pier pick-up, etc.). Any charges related to these movements will be at the vendor's expense. Under the freight terms of "FOB named point", the Company owns the merchandise while in-transit, accepts liability for loss or damage in transit, and pays the standard freight charges. Freight charges are paid according to Company terms specified on the PO. Vendors will be expected to pay for any freight charges incurred as a result of non-compliance with PO terms.

#### - 8.1.2 Vendor-Controlled Domestic Routing -

For POs coded either as Incoterm 2000: DDP Destination ("Delivered Duty Paid") or FOB NLS or FOB Our Warehouse (Personal Property Security Act), the vendor owns the merchandise in transit, accepts liability for loss or damage in transit, bears and pays the freight charges, and can select its own transportation provider. Please contact the Company's Merchandise Operations Vendor Relations department (see Section 12) for further instructions regarding shipment visibility.

#### - 8.1.3 Routing Restrictions -

Direct shipments to stores are prohibited unless previously agreed to through contract.

The Company expects all domestic orders to ship complete within 5 business days from the stated "Requested Ship Date/Ship Not Before" date listed on the PO. Partial shipment of orders or shipping from multiple vendor locations MUST be pre-approved by the Company buyer prior to merchandise shipment.



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Vendors needing instructions for international orders (i.e., First Cost, Letter of Credit) need to contact the Designer Brands Canada Traffic & Imports department (see Section 12).

### - 8.2 Appointment Requirements -

All carriers/vendors will be required to book appointments. prior to delivery of merchandise. Appointments must be made a minimum of 24 hours in advance with the cut off time being 3:00 pm EST Monday to Friday.

Deliveries will be refused if a carrier does not have an appointment in advance. In addition, any costs related to receiving, handling, and returning a rejected shipment will be charged back to the Vendor.

All Vendors and Distributors must ensure that the Purchase Order is current and valid, and that the delivery date falls within the "Requested Ship Date/Ship Not Before Date" and the "Do Not Ship After Date/Cancel After Date" stated on the Purchase Order. Orders outside of the Purchase Order window will be subject to compliance charges and require pre-authorization.

When booking appointments, the carrier/vendor must include Customer Name, Vendor Name, PO#, Carrier name, Trailer number, number of cartons and number of pallets. Trailer Documentation (Waybill) must be for that trailer exclusively. The PO# must be located on both the Vendor and carrier documentation.

It is a requirement that every Vendor provides an electronic EDI ASN a minimum of 72 hours (3 Business Days) in advance of the appointment. If an ASN has not been received at the time of booking an appointment, or if the transmitted ASN has failed, an appointment will not be granted.

For non-EDI enabled vendors, the Vendor must provide a VASN (Vendor Advanced Shipping Notification) to National Logistics Services (NLS) a minimum of 72 hours (3 Business Days) in advance of the appointment. If no VASN is provided in advance as required, or if the VASN is not correctly completed, an appointment will not be given.

Carriers who are late for appointments (1 hour + past original appointment time) AND arrive within the same day (as original appointment) will be required to wait for the next available receiving time slot and/or may be refused delivery that day. Late arrival and delay in delivery will result in a non-compliance charge to the vendor by each hour late.

Carriers who fail to show on the date of the original appointment without a minimum of 24 hours' notice and approval to rebook the appointment date, will be charged a per day fee in addition to non-compliance charges.

National Logistics Services (NLS) will make every attempt to provide next day appointments when compliance requirements have been met in advance. There may be times during heavy shipping seasons when later appointments will be required. For this reason, we strongly suggest that the Vendor/Carrier does not wait until the day before the requested delivery date to book the appointment.

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The National Logistics Services accepts appointments Monday to Friday between 7:00am to 3:00pm.

Vendors who are recognized as outstanding partners due to their excellence in meeting compliance requirements will be given preferential appointment booking privileges.

### - 8.3 Domestic Routings and Scheduling Merchandise Pick-up -

The carrier for Ontario, Quebec and West of Ontario is QRC Logistics. For Ontario and Quebec vendors, appointment requests are to be emailed to [nlsironapptdesk@nls.ca](mailto:nlsironapptdesk@nls.ca) prior to scheduling a pickup request from QRC Logistics.

To schedule a pickup with QRC Logistics, please contact [csr@qrclogistics.com](mailto:csr@qrclogistics.com)

QRC Logistics is open from Monday to Friday from 8:30 am to 4:00 pm.

When scheduling the pickup, please provide the following details:

- Total number of cartons, pallets, and gross weight for entire shipment
- Pick-up address and hours of operation including order ready time
- Appointment date and time for shipment at the Distribution Centre (not applicable for vendors west of Ontario)
- All PO Numbers must be listed with the carton breakdown by PO when shipping multiple PO's together
- Pallet must not exceed the dimension of 48" (121.9 cm) length x 48" (121.9 cm) width
- See below template for reference

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Pickup and Delivery Request	
DISPATCH CXT #	
Pick up address	
Pallets	
No of Cartons	
Weight in lbs.	
PO #	
READY DATE	
Hours of operation	
Appt - Reference #	
Delivery date	
Delivery Time	
CONSIGNEE	Designer Brands Canada
Delivery Address	National Logistics Services,1 Alban Road, Caledon, ON L7C 4P9

Requests to carriers should be placed noting that Ship Not Before Date/Ship Date/Do Not Deliver Before Date is the first date that the purchase order will be accepted in the warehouse and the Delivery Date/Cancellation Date/Ship No Later Date is the last day the purchase order will be accepted. Appointment request dates must account for travel time if applicable.

Failure to provide sufficient lead-time or changes to load information after the initial pick-up call could delay the timeliness of the pick-up and result in a late delivery. It is essential that the information provided at the time of the pickup call be accurate and complete. Any delays or inefficiencies resulting from inaccurate details provided by the vendor may result in chargebacks.

Cartons, weight, and cube must reflect actual quantities and not estimates when requesting routing.

If the routing request is tendered and the merchandise is not in the vendor's possession, in turn causing a delay in the pick-up, a partial pick-up or a "truck ordered, not used", the vendor may be charged back the actual cost from the carrier and will be subject to additional chargebacks.

If merchandise is not available for pick-up after arrival of carrier, any detention, trailer not used, or any other related charges may be charged to the vendor. Vendors must notify the Company's Merchandise Operations Vendor Relations department (see Section 12) immediately if merchandise will not be available on the scheduled pick-up date.

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Any merchandise that is shipped without obtaining proper routing and appointment may be subject to return at the vendor's expense. This may include merchandise that is shipped on a pick-up not ordered by the Company.

Transportation's routing policy adherence improves production and distribution efficiencies while enhancing the Company's ability to maintain an acceptable freight discount program. Failure to comply with routing instructions may result in vendor chargebacks for excessive freight charges incurred.

Any additional carrier charges incurred by the Company due to vendor related pick-up delays and/or refusals may be charged back to the vendor.

In the event of problems with the assigned carrier (late or missed pick-up, poor service, etc.), the Company's Merchandise Operations Vendor Relations department (see section 12) must be contacted immediately for assistance.

**- 8.5 Trailer Loading Requirements (All Shippers, All Carrier Types) -**

- All locations responsible for loading trailers with Company merchandise must meet the requirements outlined in this section. Failure to follow the requirements herein may result in a chargeback.
- Vendors/shippers are responsible for the loading of merchandise onto trailers. Any additional charges for loading a trailer (i.e., lumper fee, warehouse equipment fee, etc.) will be at the vendor's expense or may be charged back at actual invoice amount from carrier.
- Shipments will be verified, and it is understood that any differences found upon receipt will be charged back to the Vendor, including but not limited to all costs incurred such as handling, duties, taxes, and fees paid.
- It is suggested that for additional security, Vendors provide and affix a security seal on all Company selected Truckload or Intermodal, (rail), shipments. LTL and parcel shipments are excluded from this requirement.
- If a security seal is applied, the Seal number must be located on the Bill of Lading (BOL) at the time the driver signs for the shipment.
- Only standard 40x48 whiteboard pallets in solid condition can be used to ship product on.
- Orders are to be shipped complete. Any requests to split ship an order or specific item must be authorized by the Company's Merchandise Operations Vendor Relations department (see Section 12) prior to the PO's Start Ship date. Note: Multiple shipments will incur additional chargebacks to cover the expense of labor and other inefficiencies.
- Trailers must be sorted and loaded by purchase order number. Each purchase order number must be sorted by Style and Color.
- Cartons on each of the pallets must be sorted so that the smallest size is at the bottom and the larger size is at the top. Example: Size 5 is at the bottom and Size 11 is at the top.

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- Odd cartons (loose pieces) are to be placed at the top of the pallet clearly marked as “Mixed Carton.”
- The vendor is expected to allow the carrier the ability to count the merchandise without obstruction from items such as tape or shrink-wrap. Any changes in weight due to a palletized shipment may result in higher freight charges. Differences in standard freight charges will be the vendor’s responsibility. When pallets are used, build them not exceeding 82 inches in height, use the fewest possible pallets, and when 82 inches cannot be attained consider double stacking pallets.
- All loads need to be secured in order to prevent carton shifting during transit, (LTL and Parcel are excluded). Orders delivered with loose and/or damaged cartons may be subject to chargeback.
- Additional merchandise is not to be added to pick-up after carrier arrival. Any merchandise not part of the original pick-up appointment must have its own pick-up appointment.
- All deliveries to the DC (NLS) are unloaded based on a first in/first out (FIFO) method.
- **The DC does not accept air containers, pallets, or other air cargo equipment.**