



f u e g o

VENDOR COMPLIANCE KIT
2018-2019
Accessories



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Introduction

This Vendor Compliance Kit (this “Kit”) details all Fuego Holdings compliance requirements for shipments from our vendor partners. Our requirements reflect our commitment to reduce the time and effort involved in transporting and processing your product through the supply chain, and controlling unnecessary freight, materials, and labor expenses. The requirements set forth in this Kit are definitive, clear and consistent with the standard practices prevalent throughout the retail industry. Your compliance to the policies and procedures contained in this Kit will help ensure that these goals are achieved.

When a purchase order is accepted, the requirements of this Kit are automatically accepted. Our vendor compliance team monitors all inbound shipments to our facilities to ensure they are in alignment with the requirements set forth in this Kit. Failure to meet any requirements will result in a vendor chargeback for noncompliance. Our intent with charging vendors for non-compliance is to offset those additional expenses that could have been avoided. As always, we are willing to work with you to establish proper procedures that will comply with our requirements. Our goal is not to assess charges, but to have zero charges and 100% compliance.

We appreciate your cooperation, and hope that the successful partnership between us continues to grow.

How to Use the Kit

This Kit serves as your reference for doing business with Fuego Holdings. You should read through this entire document closely, as you are expected to comply with the requirements set forth herein. We encourage you to share this Kit by distributing it internally throughout your organization.

Need to reach us? You can always send an email to vendorinfo@fuegostores.com. Emails to that address are read multiple times a day by the members of the Vendor Relations team. If they cannot help you, they will forward your email to the person who can.

Need to reach a specific person? Following is a list of our team members with whom you are most likely to have contact.

CONTACT	TITLE	EMAIL	FAX	PHONE
Purchasing				
Linzy Lyons	Fuego Buyer	LinzyL@FuegoStores.com		253-770-4676
Lorna Miss	Fuego Buyer	LornaM@fuegostores.com		253-770-4676
Tammy Adkins	Fuego Buyer	TammyA@fuegostores.com	512-369-6185	512-386-7220, x313
Vendor Relations				
Rachel Dashnaw	Director of Calendars	RachelD@calendars.com	512-389-4002	512-386-7220, x180
Tod Corley	Vendor Specialist/Data Analyst	Todc@fuegostores.com	512-389-4002	512-386-7220, x163
Accounting				
Merchandise Payables		MerchandisePayable@fuegostores.com	800-978-1765	512-386-7220, x113
Traffic				
Traffic Department		Traffic@fuegostores.com	512-369-6199	512-386-7220, x551
Michael Parker	Traffic Manager	MichaelP@calendars.com	512-369-6199	512-386-7220, x118



Vendor Setup Requirements

The Vendor Compliance Agreement and Certificate of Insurance are required to be on file prior to the release of a purchase order.

Vendor Compliance Agreement (VCA)

The Vendor Compliance Agreement (VCA) must be signed and returned to Vendor Relations at the commencement of the business relationship. The VCA must be in place for any purchase order to be valid.

Please note that Vendor Compliance Agreements are valid until canceled.

Certificate of Liability Insurance

Fuego Holdings requires that each vendor provide us with a Certificate of Insurance for General Liability including Products Liability with limits of liability no less than \$1,000,000 occurrence /\$2,000,000 aggregate. This coverage will include Broad Form Vendors Coverage in favor of our company, will be primary and include a waiver of subrogation in favor of our company. In addition, we also require that thirty (30) days advance notice be given in the event of cancellation or material changes in the coverages.

This document, prepared by your insurance company, should indicate the coverage carried, limits of liability and the date of expiration of your policy as well as the steps necessary to assure that a Renewal Certificate is automatically forwarded to Vendor Relations whenever your policy is changed or renewed. This document will need to be on file before purchase orders are issued.

Contact Information

We must have current contact information on file. If you have changes, including personnel, address, phone number, and email address, please submit the new information to us as soon as possible.

Website

Our SRVexchange website is a major part of our vendor communications.

The website will allow you to:

- View and edit product data
- View and download purchase orders
- Order product and carton labels
- Schedule shipping appointments
- View sell thru data
- View and download important documents and instructions

How to Get to SRVexchange

- The website address for SRVexchange is www.SRVexchange.com.
- When you arrive at this address with your browser, you will immediately be asked for your user name and password. Type in your company's login information, and then enter the site.
- Choose the 2018/2019 Current Year link. If you need to see information from last year, choose the 2017/2018 Last Season link.
- On the next page you are given a choice of the yearly data set you want to view. Most of the time you will want to view data for the current year.
- Choose from the top navigation the link most appropriate for what you want to accomplish.



CPSIA (Consumer Product Safety Improvement Act)

Fuego Holdings requires that all vendors comply with the CPSIA. This law was enacted on July 14th, 2008 and became effective February 10th, 2009 for the portions of the law related to lead and phthalates. Fuego Holdings has required and will continue to require that all vendors provide ASTM test reports and Certificates of Compliance for all products in-tended for children ages 12 and under.

Vendor Documentation Required

For EACH product we purchase from you that is intended for children under the age of 12 we require:

ASTM F963 Testing Report

Certificate of Compliance upon effective date as required under law

1. Identification of the product covered by this certificate:
2. Citation to each CPSC product safety regulation to which this product is being certified:
3. Identification of the U.S. importer or domestic manufacturer certifying compliance of the product:
4. Contact information for the individual maintaining records of test results:
5. Date and place where this product was manufactured:
6. Date and place where this product was tested for compliance with the regulation(s) cited above:
7. Identification of any third-party laboratory on whose testing the certificate depends.

These reports should be emailed to vendorinfo@fuegostores.com or mailed Attention: Vendor Relations to our main address.

CPSIA Questions

If you have questions about CPSIA we recommend you visit www.cpsc.gov/about/cpsia/cpsia.html

Proposition 65 (California)

The state of California has additional requirements for products made of metal and a list of prohibited chemicals that are covered under Proposition 65. Listed below are links to websites with specific information on Proposition 65 and the Metal-containing Jewelry Law.

<http://oehha.ca.gov/prop65/law/index.html>

<http://www.dtsc.ca.gov/PollutionPrevention/ToxicsInProducts/MetalJewelryLaw.cfm>

If your products do not meet these additional standards they can't be sold in our California stores.

Fuego Holdings LLC expects that all products supplied by vendors comply with all federal, state, and local laws, regulations, and rules regarding toxic chemicals. Further, vendors should be familiar with any changes to these regulations and test their products as necessary to remain in compliance, notifying Fuego Holdings LLC if any products are found to contain unacceptable levels of any toxic or prohibited chemicals. General Conformity Certification should be maintained by the vendor based on a reasonable testing program and must be available to Fuego Holdings LLC upon request. Vendor will submit its reasonable testing plan to Fuego Holdings. Vendor must test each year or in the event of any change of component, supplier or process a new test must be done and supplied to Fuego Holdings. Vendor will within ten days of changing any component, supplier or process advise Fuego Holdings in writing of the change that has occurred. Fuego Holdings will make the final determination if the testing is sufficient.



Product Data

Required Data

Listed below are the specific types of information requested in our Product Data Spreadsheet. Please contact Vendor Relations at vendorinfo@fuegostores.com with any questions about your data or filling out the spreadsheet.

Vendor ID - 6 character code based on your company name. This was assigned when you registered as a vendor with Fuego Holdings and is what you use as your username for SRVexchange.

Vendor Product ID - If your company uses an internal identification number/code for the item, please list it here. Leave this blank if you do not use internal codes.

Vendor Product Title - Your internal product title/description.

Database Title - Leave this blank. Your buyer will fill this in with the title name we will use for our database.

EAN/ISBN-13 Barcode - Barcode number 13 digits long, often beginning with "978..." Do not enter dashes or spaces.

UPC Barcode - Barcode number 12 digits long beginning with the vendor's UPC Merchant ID. Do not enter dashes or spaces.

Country of Origin - Country in which the product is manufactured. Use the drop-down choices.

Cost - The cost of the product for purchase to Fuego Holdings.

Item Smallest Dimension - The smallest dimension of the product (in inches); In decimal format without units.

Item Middle Dimension - The middle dimension of the product (in inches); In decimal format without units.

Item Largest Dimension - The largest dimension of the product (in inches); In decimal format without units

Item Weight - The weight of an individual product (in pounds); In decimal format without units

Inner Pack Quantity - If the master carton is packed with smaller boxes inside (or envelopes, bags, etc.), this quantity will be filled in with the number of pieces inside the inner pack. All inner pack containers must be stickered with an individual price sticker; This number can not be 0, 1, equal to or greater than the carton quantity.

Master Carton Quantity - The number of shipping pieces that will be packed in the master carton.

Carton Smallest Dimension - The smallest dimension of the shipping carton (in inches); In decimal format without units

Carton Middle Dimension - The middle dimension of the shipping carton (in inches); In decimal format without units

Carton Largest Dimension - The largest dimension of the shipping carton (in inches); In decimal format without units

Available Ship Date - Approximately when will this product be ready to ship? In MM/DD/YYYY format. 'Now', 'In Stock', 'In 30 Days', etc. are not acceptable in this column.

Please note the following guidelines when submitting product data:

- Please **Read The Instructions** in the Instructions tab of the Product Data Spreadsheet before you begin filling it out. The instructions are repeated as comments in the cells of the header row in the data worksheet.
- Contact us at vendorinfo@fuegostores.com or call us at 512-386-7220 if you have any questions.
- If your product has both EAN and UPC barcodes, you must provide both barcode numbers to us.
- All barcode numbers must be unique. The same barcode cannot be used on multiple products.
- *Do Not Enter N/A in any cell of the worksheet.* If the column does not apply to your product, leave the cell blank.
- Place your Product Data in the spreadsheet that you downloaded from SRV Exchange or that was e-mailed to you by your buyer. Do not cut and paste the header row into a new spreadsheet. The Product Data Spreadsheet contains a macro that allows us to perform an initial error check of your data to confirm that the data is not a duplication and that the formatting is compatible before we import it into our database.
- *Use the drop down choices in columns where this option is given.*



Purchase Orders

A purchase order is required before the vendor ships product. Items shipped without a purchase order may be refused or subject to a chargeback.

Purchase Order Discrepancies

Purchase orders are based on product information that the vendor has provided and the terms that have been negotiated. Common discrepancies include carton quantity changes, typos, and misunderstandings of terms between the vendor and Fuego Holdings. To help eliminate the extra expense of having to correct these discrepancies after receipt of a shipment, we ask for your help in verifying that the information is as accurate as possible by proofreading the purchase order.

Please follow these guidelines when receiving a purchase order:

1. Review the purchase order to confirm that all information stated is what has been agreed upon.
 - Are you responsible for paying freight to our distribution center?
 - Is your cancel date correct?
 - Does the UPC/EAN code match the title/description of the product as you submitted?
 - Is the carton quantity you originally provided still correct?
 - Is the quantity ordered evenly divisible by the correct carton quantity?
 - Does the unit cost reflect the proper discount for that product?
 - Is the retail price, unit cost, and extended cost correct?
1. If you find any discrepancies, **DO NOT SHIP**. Resolve the issues before you ship.
 - Submit a Purchase Order Discrepancy on the SRVexchange website. You can find the form under the Purchase Order Summary link. This information is forwarded to a distribution list that alerts all departments that could be affected.
 - The Buyer will send you a response confirming that the corrections to the discrepancies have been made and that you have approval to ship. You may also receive a revised purchase order.

If you fail to notify Vendor Relations of any and all discrepancies on a purchase order, Fuego Holdings reserves the right to take action deemed appropriate, including, but not limited to, the application of chargebacks or refusal to accept the product.

Late Shipments

It is critical that shipments are delivered in a timely manner. Every late day results in a potential loss of sales and shelf placement, affecting both the vendor and Fuego Holdings. It is the vendor's responsibility to notify the buyer if an extension or revision to the purchase order is required. Otherwise, the following chargebacks will be assessed:

- Fuego Holdings reserves the right to cancel, return, or accept a late order. If a late shipment arrives at our distribution center and we choose to return any or all of the merchandise, the vendor will be charged all freight costs.

Every purchase order has a cancel date. The cancel date is the last date we expect the order to arrive at Fuego Holdings' distribution center. Orders received at our distribution center after the cancel date will, at the option of Fuego, be cancelled, refused, or subject to a chargeback of 25% of the total cost of the purchase order.



Product Discrepancies

Product Discrepancies

If any changes occur after the original data has been supplied, you must edit that data using the SRV Exchange website. If any product information changes after you've ordered labels for that product, please contact vendorinfo@fuegostores.com for assistance. Please note that title, barcode, or carton quantity changes will require new carton labels.

Submitting Product Discrepancies

- Log on to SRV Exchange
- Choose 2018-2019 Current Season
- Choose Product Data tab
- Click the Search button at the bottom of the page
- After the list populates, click the productid to the left of the product that needs to be changed
- Make any changes that are needed in the Product Discrepancy Form
- When complete, click the Submit button at the bottom of the page
- Repeat this process for all titles that need to be edited

After you submit Product Discrepancies, the Buyers or the Vendor Relations Department will accept your changes into our database.

Please note that you may only submit Product Discrepancies for your titles that have not been placed on a Purchase Order. See next page for submitting PO Discrepancies.



PO Discrepancies

Purchase Order Discrepancies

If your data changes or you discover that the data is incorrect for your product after it has been placed on a PO, you must submit the data change using the SRV Exchange website. The procedure for submitting a PO Discrepancy is similar to submitting a Product Discrepancy, but is used for products that are already on a PO.

If any product information changes after you've ordered labels for that product, please contact vendorinfo@calendars.com for assistance. Please note that title, barcode, or carton quantity changes will require new carton labels.

Submitting PO Discrepancies

- Log on to SRV Exchange
- Choose 2018-2019 Current Season
- Choose the Purchase Orders tab
- Click on the PO number that has products needing edits
- Click the Productid of the product that needs to be adjusted
- Make any changes that are needed in the Product Discrepancy Form
- When complete, click the Submit button at the bottom of the page
- Repeat this process for any other titles on the PO that need to be edited

After you submit PO Discrepancies, your Buyer will accept your changes and repost your PO.



Product Images

For each product that we order, we require one or more images for our database. If your product arrives at our warehouse and you have not sent images, then a chargeback may apply.

All images should show the product straight on, not at an angle. Please ensure that you are sending high quality images. Images should be sharp, not blurry, with a white background.

Image Specifics

FILE TYPE	COLOR MODE	DPI	SOLUTION
JPG	RGB	72-300	Longest side 1000 pixels or larger, other side proportional

File Naming

- *Primary Image: The barcode or vendor productid followed by .jpg.*

Example: 9781421628363.jpg

- *Back/Alternate Image: The barcode or vendor productid followed by _1.jpg.*

Example: 9781421628363_1.jpg

- *Alternates: The barcode or vendor productid followed by _#.jpg.*

Examples:

9781421628363_2.jpg 9781421628363_3.jpg 9781421628363_4.jpg 9781421628363_5.jpg

- *You may submit a maximum of 6 product images per product, though we only require a front image.*

Submitting Your Images

All images should be submitted via the Image Uploader on SRV Exchange. Just log on to your account at www.srv-exchange.com, then go to **2018/2019 New Season Link** and choose the **Upload Images** tab. There you will see instructions on how to upload your images and specific examples of the kind of images we need based on your product type.



Item Labels

Fuego Holdings requires each product item sent out to the stores to have a functional barcode and US retail price. These requirements make it possible for the product to move successfully through the distribution center, out to our stores and ring up at the cash register, all the while presenting a professional image to our customers.

Ordering Item Labels

Item Labels can be ordered from srvexchange.com. There are fees associated with this service:

- \$0.012 (\$12.00 per thousand) for each price label printed
- \$1.50 set up fee for each title
- \$15 batch fee (regardless of size)

The cost of shipping will be added to the final bill for each label order. The shipping cost will be determined by the weight of the package and the selected shipping service.

The following is our policy regarding Item Labels:

- If the PO cost is \$500 or less Fuego will pay for item labels.
- If the PO cost is between \$500 and \$2,000 Fuego will pay for 50% of the item label charges.
- If the PO cost is more than \$2,000 the vendor will pay all label fees.
- For new vendors, Fuego will pay for label charges for the first six months. Vendor must sign our Vendor Compliance Agreement and purchase orders must be shipped compliant.
- Expedited printing or shipping will not be paid for by Fuego Holdings.

You will not receive an invoice for item labels. A label credit memo will be issued and viewable on srvexchange.com and the fees will be deducted from the payment for your invoice. To save time and money, we recommend that you order your item and carton labels at the same time. This will ensure that you meet the minimum \$15 batch fee, and PIPS will ship them together so you can avoid multiple shipping charges. You are not required to order your item labels from srv.exchange.com.

Producing Your Own Item Labels

If your product has a pre-printed scannable barcode or you have the ability to print your own barcode labels we encourage you to produce your own item price labels.

- Products with a printed barcode only need to have a small price sticker with the Retail price placed adjacent to the barcode. The price on the sticker must match the Retail price for that product as it is listed on your purchase order.
- If you can create your own labels, we require them to have the product description, a scannable barcode and a human readable Retail price. The price on the sticker must match the Retail price for that product as it is listed on your purchase order.

In both of the above cases we ask that you send us an image of your labels and their placement on the product for approval. You may e-mail the image to vendorinfo@fuegostores.com.

Barcode & Price Placement

The barcode should be placed on the back or the bottom of the product, in the lower left or right corner whenever possible. Please contact vendorinfo@fuegostores.com if you have any question regarding our policies for Item Labels.



Item Tags

Product Tags

Depending on what type of product you are providing, there are tags with the Fuego name printed on them that you will attach to the product. You will place the item label with the barcode and retail price on the tag and then attach the tag to your product. These tags will be provided at no cost to you. Specific information on the type of tag and how to attach it to your product can be found on the beginning of page 21.



Carton Requirements

Carton Specifications

To reduce product damage due to deficient carton quality, master cartons that do not fit the size of the product, and cartons too large for transport, Fuego Holdings is requiring the following standards to ensure the safety of our employees, as well as the product.

Each Master Carton:

- Should have double-sided walls and/or be 200lb test, C-flute.
- Should be just big enough to fit the product inside. The standard guideline is no more than ¼ inch of space from any side. This will prohibit the cartons from collapsing and will prevent the product from shifting during transport.
- Should not be overloaded beyond the carton's intended use specifications.
- Should be no less than five pounds and no greater than 50 pounds.
- Must not be longer than 22 inches on any given side, unless the dimensions of the product warrant a box with sides larger than 22 inches.

Accurate and consistent carton dimensions are critical to the production planning for Fuego Holdings. Therefore, carton dimensions must not change throughout the season. Any changes made without prior approval will result in a chargeback.

These standards will be strictly enforced due to our safety guidelines and conveyor system restrictions. If your cartons do not meet the above standards, Vendor Relations should be notified immediately.

Preferred Carton Packing Guidelines

There must be only one carton quantity per title. Fuego Holdings' product database, purchase order application, and entire distribution center system are based on carton quantities. In the event that the quantity of your product has changed since the last shipment, please notify the Vendor Relations department immediately.

- Product must be shipped in cardboard cartons.
- Pack only one title per carton. This title should be the one indicated on the carton label.

Multiple Title Cartons

In the event that the size or quantity of your product is such that it can't be shipped by our preferred method of carton packing (one title/style/size per carton), use the following guidelines for shipping your purchase order to us.

- Place each title/style/size in a separate poly bag. This should match each product ordered on the purchase order.
- Affix carton label for the product to the outside of the poly bag. See pages 15-16 for information on ordering carton labels.
- Place poly bags in the shipping carton. Please note— Do not pack products from different purchase orders in the same shipping carton.
- Write the words 'Multiple Title Carton' and the purchase order number clearly on the outside of the shipping carton.

Contact vendorinfo@fuegostores.com with any questions about shipping Multiple Title Cartons.



Carton Labels

Carton Label Guidelines and Ordering

Fuego Holdings requires each carton entering our distribution center to have a carton label. These labels make it possible for the product to move successfully through the distribution center and out to our stores. Failure to affix a carton label or the correct carton label to a carton in the correct position will result in a chargeback.

In order to reduce vendor compliance related issues regarding carton labels, the vendor must order the carton labels from Fuego Holdings via www.SRVexchange.com.

The following is our policy regarding Carton Labels:

- If the PO cost is \$500 or less Fuego will pay for item labels.
- If the PO cost is between \$500 and \$2,000 Fuego will pay for 50% of the item label charges.
- If the PO cost is more than \$2,000 the vendor will pay all label fees.
- For new vendors, Fuego will pay for label charges for the first six months. Vendor must sign our Vendor Compliance Agreement and purchase orders must be shipped compliant.
- Expedited printing or shipping will not be paid for by Fuego Holdings.

You will not receive an invoice for carton labels. A label credit memo will be issued and viewable on srvexchange.com and the fees will be deducted from the payment for your invoice. To save time and money, we recommend that you order your item and carton labels at the same time. This will ensure that you meet the minimum \$15 batch fee, and PIPS will ship them together so you can avoid multiple shipping charges.

Carton labels are available in two formats:

1) Printed 4"x 6" Adhesive Labels

These pressure-sensitive labels are produced by a third-party label printer (PIPS) and shipped to you ready for application. Required for orders of 146 labels or more.

Label Charges: Fuego Holdings will charge \$0.13 each (\$130.00 per thousand) for the production of the shipping carton labels.

Service Level Differential: Depending upon the time frame required for production, label charges vary. The earlier you order your labels, the more money you can save by choosing a longer service level.

Shipping Charges: The cost of shipping will be added to the final bill for each label order. The shipping cost will be determined by the weight of the package and the selected shipping service.

Minimum Billing Differential: Shipping carton label orders that do not achieve the minimum billing of \$15.00 will be assessed a minimum billing differential.

SERVICE LEVEL		BASE CHARGE	DIFFERENTIAL	COST PER THOUSAND
P1	Same Day Production/Shipping (before 1:00 pm Eastern)	\$130.00/M	1.30	\$169.00/M
P2	Next Business Day Shipping	\$130.00/M	1.15	\$149.50/M
P3	3rd Business Day Shipping	\$130.00/M	1.00	\$130.00/M
P4	Shipping Within 5 Business Days (1 Week)	\$130.00/M	0.95	\$123.50/M
P5	Shipping Within 10 Business Days (2 Weeks)	\$130.00/M	0.90	\$117.00/M



Carton Labels Cont.

VirtuaLabels™ 1-UP Plain-paper Labels

Also known as eLabels, these self-print labels are only available for orders of 145 labels or fewer. When you order eLabels you will be emailed a PDF file containing one pre-formatted label per page. Simply print the pages using a laser printer, fold each page in half, insert into a clear plastic pouch (such as one used for UPS or FedEx shipments), and adhere to the master carton in the proper position. Additional instructions are available on SRVexchange.com. VirtuaLabels™ are generally delivered within one hour of being ordered.

VirtuaLabel™ eLabels are provided at no cost for all orders up to 5 labels. You must still order these labels on SRVexchange. This program is only available for purchase orders of 145 cartons or fewer. If your purchase order qualifies you will be given the option to order e-labels or continue the label ordering process with the standard 4x6 labels. If you elect to choose the e-labels option the following charge will apply:

- 5 Labels Ordered: FREE to vendor
- 6-15 Cartons Labels Ordered: \$11.00 Batch Charge
- 16-35 Carton Labels Ordered: \$13.00 Batch Charge
- 36-65 Carton Labels Ordered: \$17.00 Batch Charge
- 66-105 Carton Labels Ordered: \$20.00 Batch Charge
- 106-145 Carton Labels Ordered: \$23.00 Batch Charge

When ordering VirtuaLabels, be sure to check the box with the arrow next to it as shown below.

The PIPS VirtuaLabels™ program is offered for purchase orders of 55 cartons or fewer. This PO is eligible to participate in the VirtuaLabels™ Program.

[Learn more about VirtuaLabels™](#)

[How to use VirtuaLabels™](#)

If you are planning to order item labels for this purchase order today, you may not want to participate as item labels cannot be ordered through this program.

Check the box below if you would you like to switch your carton label order to VirtuaLabels™?

Order eLabels

Otherwise, check the box below to order carton labels.

Order Carton Labels

An email address is required if ordering eLabels:

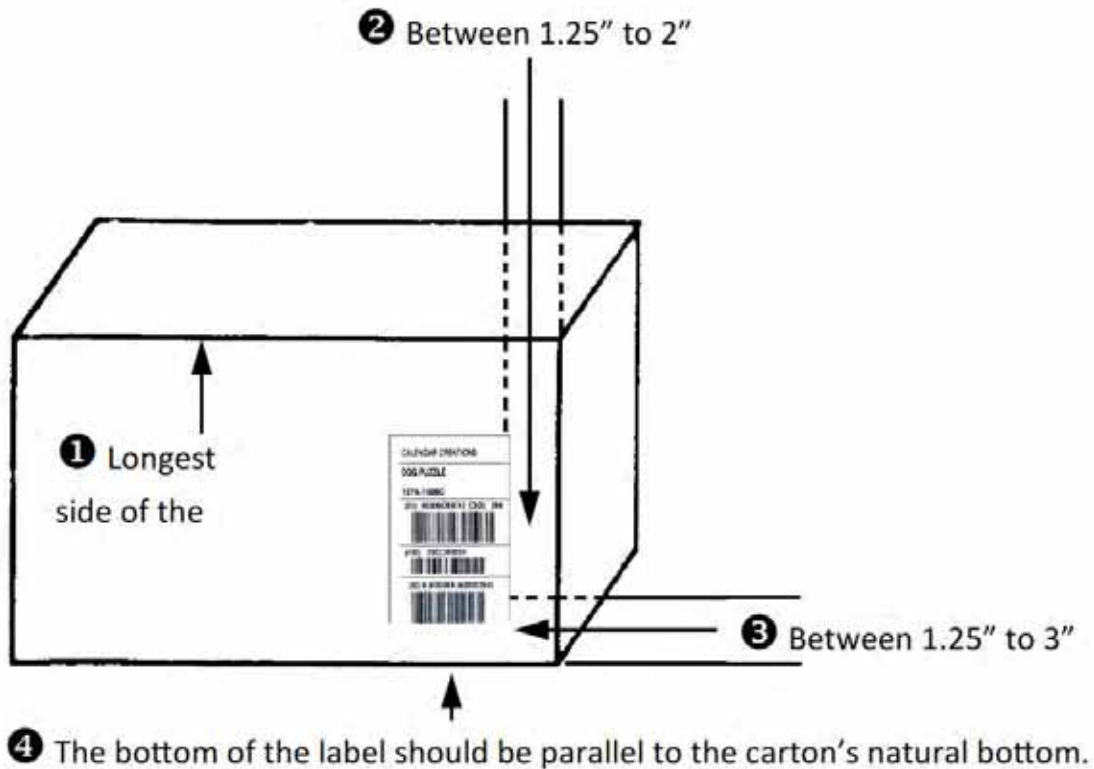
If the label shipping address is missing an email address, click on the company name to edit the label shipping address and enter the email address. Then return to the label ordering process to continue.



Carton Label Placement

To assure scanning in automated environments and to prevent damage to the barcodes due to crushed edges, the following is a brief description of where the shipping carton label must be placed, and some specific examples that address most commonly asked questions.

1. Labels must be placed in the lower right corner on the longest side of the cartons.
 - Do not place the label on the short side, bottom, or top of the carton.
2. Labels must be placed no closer than 1¼ inches and no farther than two inches from the leading edge.
 - The leading edge is always the right side of any carton for Fuego Holdings.
3. The bottom edge of the label should be between 1¼ and 3 inches from the bottom edge of the carton.
4. Labels must be placed on the side of the carton with the lines of the barcode perpendicular to the bottom of the carton (+/- 5 degrees, anything more will not allow the label to be scanned in the automated environment).
5. Banding on cartons must not cover any portion of the barcodes on the carton labels. Cartons that have unscannable labels due to banding will receive a chargeback per the chargeback schedule.





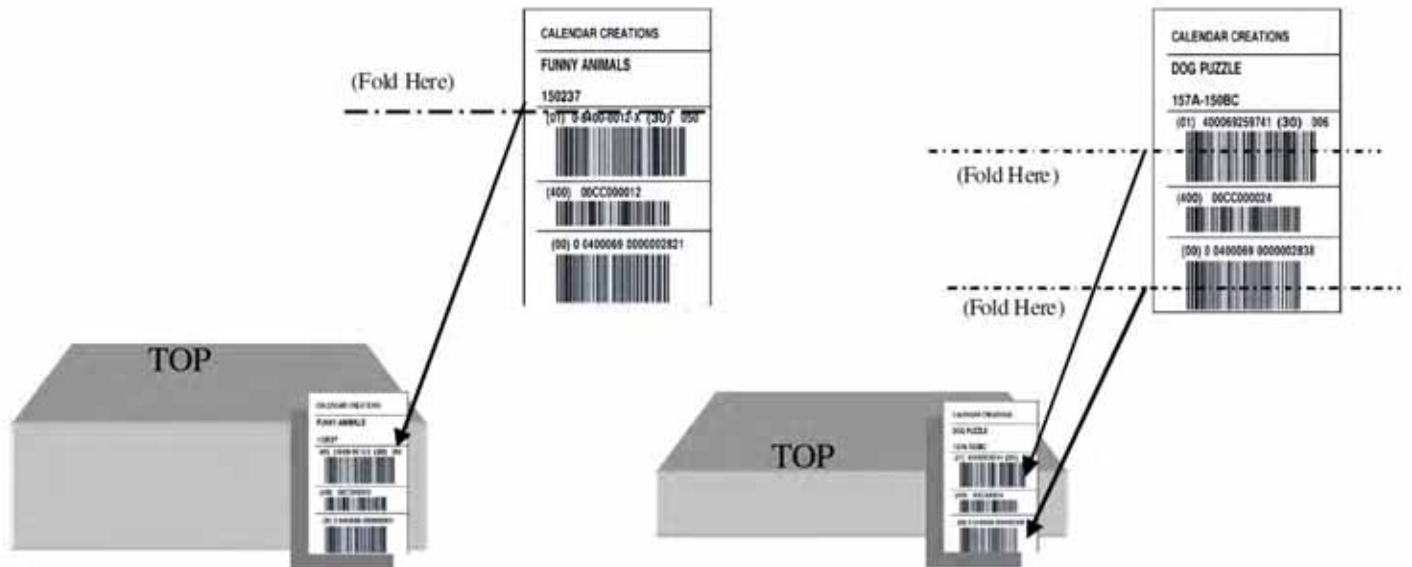
Carton Label Placement

The following are the most commonly asked questions regarding shipping carton labeling.

Example I

Where does the label go if the carton's height is shorter than the actual label? (The label size is 4"x 6")

The most important thing is that the shipping carton label's barcodes are on the side of the carton. As long as the barcodes are in the correct place, the human-readable vendor name and title can be on the top of the carton. In cases where the carton does not allow all three barcodes to be displayed, place the bottom barcode on the side of the carton.



Example II

What about cartons that contain products that are packed from the top?

Those cartons must be turned on their sides before the shipping carton labels are placed and before they can travel on our conveyor system. Remember that the carton labels must be placed in the lower right hand corner of the longest side of the carton. The shipping carton label must be placed so that the bars of the barcode are parallel to the bottom of the carton so our automated scanners can read them.



Reminder: These cartons must ride on a conveyor system that has a 22-degree slope.



General Shipping Information

Shipping Appointments

To facilitate the efficient movement of product into our distribution center, vendors are required to schedule delivery appointments with our Traffic Department via www.SRVexchange.com at least two days prior to shipments leaving the vendor's facilities. In most cases the Traffic Department will respond within one business day.

A shipping appointment is required for every shipment sent to the Fuego Holdings distribution center.

Shipments that arrive without a scheduled delivery appointment will be assessed a chargeback plus any additional fees assessed from the freight company.

Setting a Shipping Appointment through SRV Exchange:

1. You cannot schedule a Shipping Appointment for any purchase orders until you have ordered carton labels for those POs. Please visit our SRV Exchange website and go to the label ordering section for more details on ordering your labels.
2. To set your Shipping Appointment, please visit our website at www.SRVexchange.com and go to the shipping tab.
 - a. **(Phase 1)** Enter your Shipping Address and Contact information. Scroll down the page and click on the PO number you are shipping. In the three fields to the right of the PO Number, fill out the number of cartons you are shipping, the number of pallets you are shipping (enter 1 if you are not shipping on pallets), and the total weight of the shipment.
 - b. Our Traffic Department will contact you with confirmation and specific instructions.
 - c. **(Phase 2)** When you have shipped your PO, go back to the website and complete the Phase 2 portion of the shipping appointment. This consists of the Tracking Number and the Carrier information.
 - d. **(Phase 3)** The Traffic Department will make the final approval and the appointment process will be complete and in Approved Status.

Do not call in the pick up for the same day, you will need to call the pick up in for the next day, or drop the cartons off at your local UPS Brown store. A same day pick up with a collect small parcel shipment will be subject to a \$6.90 charge per carton that will be billed back to the vendor.



Accounting Policies

Send All Invoices to:

Fuego Holdings LLC
6411 Burleson Road Austin,
TX 78744

Attn: Merchandise Payables

Basic Invoicing Procedures

To assist us in paying you in a timely manner, please follow these simple guidelines:

- Fuego Holdings must receive an invoice in order to remit payment to the vendor.
- Only invoice Fuego Holdings for merchandise that has physically been shipped.
- If invoices are usually shipped in the cartons along with product, the vendor must forward an additional copy to the attention of Merchandise Payables (**merchandisepayable@fuegostores.com**).
- All invoices must be stated and payable in U.S. dollars.
- Please provide invoices via e-mail to **merchandisepayable@fuegostores.com** (Recommended) OR Mail the invoices to us via the Burleson Road address at the top of the page.
- Please provide Monthly Statements via e-mail to **merchandisepayable@fuegostores.com** (Recommended) OR Mail the invoices to us via the Burleson Road address at the top of the page.

In order to ensure receipt of all invoices, FuegoHoldings requires a monthly statement of account to be sent. Fuego Hold-ings will not pay from statements, invoices must be sent.

Information Required on All Invoices

- Reference the correct purchase order number.
 - There should be only one unique purchase order number per invoice.
- List the total number of pieces per title that were shipped against the referenced purchase order and a total number of pieces for the entire invoice.
- Contain the title and EAN or UPC Code of each product sent for the referenced purchase order. The EAN or UPC Code listed **MUST** match the number supplied at the beginning of the season.
 - Vendor's internal item IDs alone are not acceptable on invoices.
- Reference the correctly calculated unit price per title.
- List the total extended cost for each title included on the invoice.

Fuego Holdings reserves the right to reject any invoice or to assess a chargeback for any information that is not provided or is inaccurate.

Discrepancies

Fuego Holdings reserves the right to make claims on shortages and discrepancies up to 180 days from the date the shipment arrives at our distribution center. If PO pricing is incorrect, contact your buyer and submit PO discrepancies on SRV Exchange prior to sending the invoice.

Refunds

Cash refunds for credit balances owed to Fuego Holdings will be due no later than 30 days after final reconciliation. Unpaid balances will be subject to interest of 15% per year (1.25% per month).

Purchasing Terms

A copy of the purchasing terms, attached as Schedule A to the Vendor Compliance Agreement, and incorporated by reference therein, should be given to the vendor's accounting department for placement in the accounting records.



Labeling and Tagging

General Notes

All products are removed from poly-bags and/or plain shipping packaging before being displayed on the sales floor. All products must be price stickered on some sort of carding or hang tag with the retail price from the Purchase Order. Price stickers should not be stuck directly to any of the product. The price stickers should always be attached to the back or bottom of the Fuego carding. Merchandise should be packaged/tagged with Fuego carding unless the vendor carding has been approved by the Fuego buyer.

Scarves

- Place the price sticker on the bottom of the Fuego scarf card.
- Double loop the scarf through the folded card
- Staple card closed.
- Place the scarf in a poly bag.
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.





Labeling and Tagging Cont.

Handbags, Wallets, & Backpacks

- Place price sticker on hang tag.
- Attach the hangtag using string or small zip ties to the purse or wallet's hardware. (Cut off excess string or plastic.)
- For wallets you may also place the hang tag in the inner CLEAR pocket. Don't stick the price tag directly on the merchandise.





Labeling and Tagging Cont.

Sunglasses

- If the retail price is under \$14.99, place the price sticker on the back of the Fuego sunglass carding.
- Weave one arm of the glasses through the slits in the card so that the brow of the glasses is pointing to the left.
- If the retail price is over \$14.99, you should wrap the price sticker around the arm of the sunglasses.
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.



Hats

- Place the price sticker on the Fuego hang tag.
- Attach the hang tag with a tagging gun (using the hanging hooks) to the top of the hat.
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.





Labeling and Tagging Cont.

Watches

- Attach the price sticker to the back of the of the Fuego carding.
- Weave the clasp of the watch through the slits letting the watch hang open.
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.



Keychains

- If the keychain comes on decorative vendor carding that has been approved by the Fuego buyer, place the price sticker on the back of the card.
- If the keychain does not come on an approved vendor card by the Fuego buyer, place the sticker through the key ring and remove any other vendor packaging.
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.



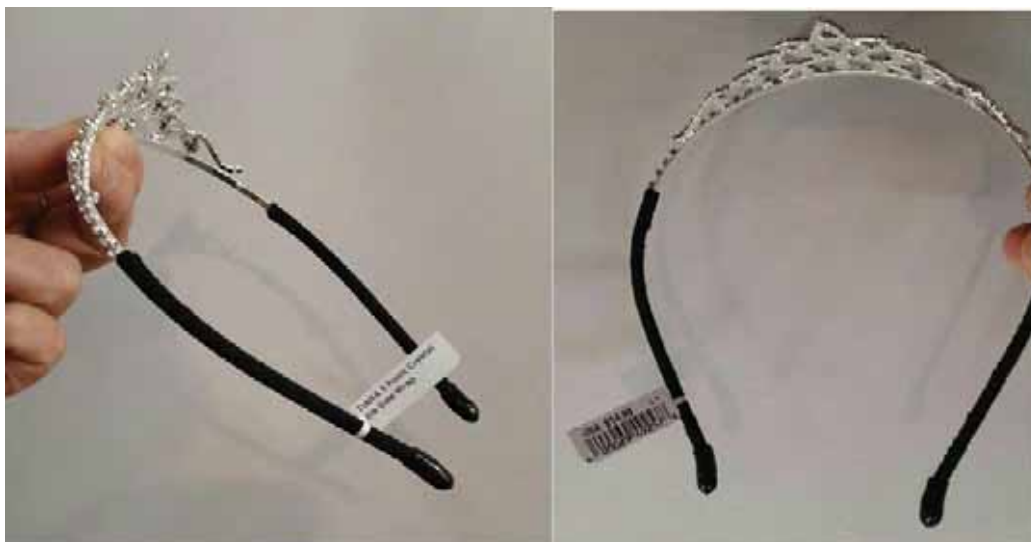
Headbands

- Place the price sticker on the back of the Fuego carding.
- Staple the card close to the top part of the headband
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.



Tiaras

- Attach the price sticker around the right leg of the tiara.
- Place in poly bag
- Make sure the barcode is visible and scannable through the plastic. If it is not, add an additional barcode sticker to the outside of the poly bag.





Compliance Chargebacks

Listed below are the chargeback amounts that Fuego Holdings LLC may, at its option, assess for various non-compliance issues. Any dispute of chargebacks must be submitted to Vendor Relations within fifteen (15) days of receipt by vendor of our non-compliance notification. Compliance Chargeback Policy: Charges will not exceed 25% of purchase order cost. You will not be invoiced for Compliance Chargebacks. The Chargeback will be taken from the total invoice we receive from you for your PO. You will find details and images of the Compliance Issues on SRV Exchange under the Chargebacks tab.

TYPE	VIOLATION	CHARGEBACK
Product	Barcode discrepancies discovered after 1st shipment without prior notification	\$1,000 per title
Product	Changes to barcodes after first shipment	\$250 per incident
Product	Duplicate, unscannable, or missing barcode	\$.50 per item
Product	Failure to submit product data or update changed data	\$25 per incident
Product	Failure to obtain approval for label format if using own label	\$100 per title
Product	Inaccurate or missing human-readable price(s)	\$.50 per item
Product	Inaccurate placement of price/barcode label	\$.50 per item
Product	Product image in unapproved format or not submitted within 45 days of estimate or posted purchase order, whichever comes first	\$10 per item
Product	Submission of data in a format other than the approved method	\$25 per incident
Product	Submission of incomplete or incorrect product data. Each title on a purchase order is treated as an incident so this chargeback is per title.	\$25 per incident
Product	No Front Calendar Image	\$7.00 per scan (possible \$21.00 per title if all 3 views are missing)
Product	No Back Calendar Image	\$7.00 per scan (possible \$21.00 per title if all 3 views are missing)
Product	No Alternate Image	\$7.00 per scan (possible \$21.00 per title if all 3 views are missing)
Product	No Product Description	\$7.00 per Description
Carton	Actual quantities in cartons differ from vendor supplied specifications	\$250 plus \$25 per carton
Carton	Carton dimensions differ (+/-) 1 inch from vendor-supplied specifications	\$500 per title
Carton	Carton dimension changes after first shipment	\$500 per title
Carton	Cartons arriving without labels	\$10 per carton (\$25 min.)
Carton	Cartons arriving with inaccurate, unscannable, or duplicated labels	\$10 per carton (\$25 min.)
Carton	Cartons with belly banding that interferes with carton label	\$10 per carton
Carton	Cartons exceeding the 50lb weight limit	\$10/carton
Carton	Cartons that have been incorrectly labeled with another title	\$10/carton
Carton	Cartons with incorrect label placement	\$10/carton
Carton	Cartons with single-wall construction or less than 200lb test, C-flute quality	\$10/carton
Carton	Changes to carton quantities after first shipment	\$250 + \$25/carton
Carton	Inner packs not labeled	\$.50 per inner pack
Carton	Products not shipped in cartons	Refused



Compliance Chargebacks

CHARGEBACK RATE SCHEDULE (CONTINUED)

TYPE	VIOLATION	CHARGEBACK
Carton	Carton Labels that are not formatted to Fuego Holdings LLC specifications or unscannable causing cartons to require relabeling	\$10 per carton
Carton	Carton Label Data Files that are not properly formatted or contain errors—Fuego Holdings LLC will relabel	\$10 per carton
Carton	Failure to upload valid Carton Label Data Files prior to shipment arrival	\$1000 or 25% of PO cost plus \$10 per carton
Pallet	Failure to create accurate Pallet Labels	\$100 per Pallet
Pallet	Failure to upload Pallet Label Data files	\$100 per Pallet
Pallet	Domestic shipments not palletized	\$250 per shipment plus \$25 per pallet
Pallet	Inadequate stretch wrap around pallet or use of metal banding on pallet	\$25 per pallet
Pallet	Mix title pallet is improperly labeled or unlabeled	\$15/title, per pallet
Pallet	Product is stacked taller than the specified limit	\$15/title, per pallet
Pallet	Product received on improperly sized or deficient-quality pallet	\$25 per pallet
Shipment	Collect shipment sent with unauthorized carrier	\$100 + freight expenses incurred
Shipment	Failure to note Appointment ID number or PO number on Bill of Lading	\$50 per incident
Shipment	Shipment arrives with different commodity than authorized by Fuego	\$50/incident + freight expenses incurred.
Shipment	Inaccurate or incomplete information on Bill of Lading, i.e.: freight terms	\$50 per discrepancy
Shipment	PO shipped late (does not arrive by Cancel Date)	25% of the total cost of the order; or may be refused
Shipment	Shipment arrives without an appointment	\$300 per incident
Shipment	Shipment arrives without an “approved” status appointment (Phase 2 incomplete)	\$100 per incident
Shipment	Shipment does not arrive as scheduled or arrives at incorrect destination	\$100 plus expenses incurred
Shipment	Shipment contains double stacked pallets without prior authorization.	\$100 per shipment
Shipment	Shipment designated as time sensitive freight when Fuego Holdings pays freight.	Additional freight expenses incurred
Shipment	Drop Shipment not properly documented as received through SRV Exchange	10% of the Total Cost of the order
Shipment	Shipment requires redelivery due to Layover, Detention, or Failure to make a Shipping Appointment	Cost of Redelivery
Shipment	Shipment arrives before Ship Date noted on Purchase Order	\$1000 or 25% of PO cost
Invoice	Inaccurate or incomplete information, including absence of purchase order numbers or ISBN/UPC Codes	\$25 per invoice



Common SRV Exchange Questions

How to Download a PO

- Log on to srvexchange.com.
- Click on the 2018-2019 Current Season Link
- Choose the Purchase Orders tab at the top of the page
- Click the Download link next to the PO number
- On the resulting page, click the blue link that has your PO number in it
- Save or Open the PO

How to Order Labels

- Log on to srvexchange.com.
- Choose the 2018-2019 Current Season link to get to your home page.
- In the top row of tabs on this page there is a link for Labels and a Link for Item Labels. The Labels link is for Carton Labels and the Item Labels link is for Item Labels. To order Carton Labels, choose the Labels link to view a list of your PO's.
- Click the box to the left of the PO you need to order labels for and then the button at the bottom of the page that says Create a new Carton Label batch.
- On the resulting page you will see a list of the titles that are on the PO. Check the box to the left of the products that you need to order labels for. In the field to the right of each product, confirm the quantity of labels that are needed for each product. Make sure that items you aren't ordering labels for are not checked.
- When you have completed these fields, click the Next to Printing and Shipping button at the bottom of the page.
- Choose the Printing Priority from the drop down menu. This is how soon you would like the printer to produce and ship your labels and does not include the time it takes the shipment to reach your facility.
- Choose the Shipping Method from the next drop down menu. This is how you would like the labels shipped (Next Day, Ground, etc.)
- When you have made these choices, click the View Label Request Summary button.
- On the resulting page, confirm your Carton Label order. You may go back to previous pages to adjust your choices if necessary.
- Once you are satisfied with your choices, click on the Order these Labels button. You will receive an e-mail from the printer with tracking information once your order has shipped.

How to Submit Product Discrepancies

- Log on to srvexchange.com.
- Choose the 2018-2019 Current Year link.
- From the resulting page, select the Product Data tab.
- Scroll to the bottom of the page, and click the Search button to pull up a list of your products.
- Click on the Product Id of the product requiring edits to go to the Product Discrepancy Form for that product.
- Make the necessary changes to your data and click the Submit button.
- Repeat this procedure for all products that need to be adjusted.



Common SRV Exchange Questions

How to Submit Purchase Order Discrepancies

- Log on to srvexchange.com.
- Choose the 2018-2019 Current Year link.
- From the resulting page, select the Purchase Orders tab and click the appropriate Purchase Order number to pull up a list of the products on the desired Purchase Order.
- Click on the Product Id of the product requiring edits to go to the Product Discrepancy Form for that product.
- Make the necessary changes to your data and click the Submit button.
- Repeat this procedure for all products that need to be adjusted on the PO.

How to Make a Shipping Appointment

- Log on to srvexchange.com.
- Choose the 2018-2019 Current Year link.
- On the resulting page, choose the Shipping tab and read the shipping guidelines.
- Click on the button at the bottom of the page to create a new shipping appointment.
- The following page will show all of your current confirmed, complete, and incomplete appointments along with those in Phase 1 and Phase 2. To create a new appointment, choose the button at the bottom of the page marked Create New Appointment.
- Fill out the form, choose the appropriate PO, fill in the number of cartons, pallets (enter 1 if you are not shipping pallets), and the total weight, and click the submit button at the bottom of the page. This is the Phase 1 part of the process.
- You will receive e-mail from our Traffic Department with further information once the Phase 1 information has been submitted.