

# Cornerstone Brands, Inc.

FRONTGATE®

Garnet Hill

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BALLARD DESIGNS.

# Cornerstone Brands Vendor Compliance Manual

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# Welcome to Cornerstone Brands

Dear New Cornerstone Brands, Inc. Vendor,

We would like to take this opportunity to welcome you to Cornerstone Brands, Inc. ("CBI") – the parent company of luxury lifestyle, home décor, furnishing, and clothing companies: Ballard Designs, Frontgate, Grandinroad, and Garnet Hill (collectively, the "Cornerstone Brands"). At Cornerstone Brands, much of our success derives from the strong relationship we have developed with our vendors over the years. Together, we and our suppliers provide customers with beautifully designed products of the highest quality and value, delivered with award-winning customer service.

Cornerstone Brands' Vendor Compliance Manual is an outline of the company's operating principles. It will provide you with an overview of our business philosophy; detailing how we work together with vendors to develop, buy and ensure the quality of our products. Our objective is to work with you in a spirit of cooperation and partnership to help us achieve our mutual goals. As a member of the Qurate Retail Group, all Cornerstone Brands business partners are also expected to follow and adhere to the Qurate Retail Group Global Business Partner Code of Conduct which is included. In order to develop a sound business partnership, it is critical that our vendors understand our business procedures and requirements.

All information in the Vendor Compliance Manual should be considered confidential and proprietary to Cornerstone Brands, Inc. We urge you to carefully read this manual in its entirety and share its contents with the appropriate individuals within your organization. In the interim, should you have any questions, please don't hesitate to contact your CBI partner. This person is here to help you.

We look forward to a mutually rewarding business relationship with you and your staff. This manual is intended to facilitate our relationship. We invite your questions or comments regarding our policies and procedures as you review the manual, or at any time in the future.

Respectfully,



Ryan McKelvey  
EVP President



# Qurate Retail Group Global Business Partner Code of Conduct

## Introduction

Members of the Qurate Retail Group, which include HSN, Cornerstone, QVC, and their subsidiaries (referred to as QRG), work with individuals and companies to bring the highest quality products to our customers. These supply chain vendors, whether government-owned or private entities, supply products for retail and are defined as Business Partners.

The conduct of QRG Business Partners and their subcontractors can affect QRG and its reputation.

This QRG Global Business Partner Code of Conduct (Code) identifies the standards QRG expects Business Partners to maintain. Business Partners must comply with international, national, and other applicable laws. If the relevant law and this Code cover the same subject, QRG expects that Business Partners will comply with the higher standard.

## Scope

This Code applies to all QRG Business Partners globally. QRG expects our Business Partners to ensure that their subcontractors comply with the requirements of this code.

## Monitoring this Code

QRG monitors Business Partners and requires them to respond to monitoring inquiries made by or on behalf of QRG.

## Adherence

QRG will only work with Business Partners that meet or exceed the standards of this Code. QRG reserves the right to take all appropriate action in response to violations of this Code, including, without limitation, termination of its relationship and agreements with such Business Partner.

## Contact

Questions regarding this Code can be sent to QRG vendor relations at: [Vendor.Relations@qvc.com](mailto:Vendor.Relations@qvc.com)

## BUSINESS PROCESSES

Business Partners must comply with this Code at their own expense and through self-enforcement.

### Management, monitoring, and confirmation

To comply with this Code, Business Partners must, as appropriate:

- make this Code available to employees and their subcontractors.
- inform their employees about the requirement to comply with this Code.
- monitor compliance with this Code.
- ensure compliance with this Code by their agents and subcontractors; and
- have a corrective action program in the case of non-compliance with this Code.

Applicable documentation demonstrating compliance with this Code must be kept for at least three years.

## **Inspection and audit**

Business Partners and their subcontractors may be audited by QRG or a third-party auditor appointed by QRG, at the expense of the Business Partner, at intervals established by QRG, to confirm compliance with this Code or to evaluate a report or audit finding. These audits will generally be scheduled on a mutually agreed date.

Business Partners must co-operate with QRG and its designees in any such audits.

Business Partners must permit QRG or an appointed auditor to conduct private employee interviews.

Business Partners must not retaliate against any employee interviewed by QRG or an appointed auditor.

## **Compliance with economic sanctions**

Business Partners must, concerning any QRG business, remain compliant with all laws administered by the United States Office of Foreign Assets Control ("OFAC") and any component of the United Kingdom or EU governments imposing economic sanctions and trade embargoes ("Economic Sanctions Laws") against designated countries ("Embargoed Countries"), entities, and persons (collectively, "Embargoed Targets"). Business Partners must not cause a violation of Economic Sanctions Laws by QRG, a business with holdings in the US, UK, and EU. Additionally, Business Partners must not, concerning any QRG business:

- directly or indirectly export, re-export, transship, or otherwise deliver any shipment or any portion of any shipment to an Embargoed Target without an applicable authorization or exemption; or
- broker, finance, or otherwise facilitate any transaction involving an Embargoed Target without an applicable authorization or exemption.

## **ENVIRONMENT**

QRG expects business partners to have appropriate policies and procedures in place to minimize environmental impact.

Business Partners are encouraged to make sustainable improvements in environmental performance and recycling.

## **ETHICAL SOURCING PRACTICES**

Business partners are expected to engage in ethical sourcing practices when producing and procuring materials sourced from animals.

## **EMPLOYMENT CONDITIONS**

### **Forced labor or slavery**

Forced labor, slavery, bonded, indentured, or prison labor, or any other forced or involuntary labor in any form must never be used by Business Partners.

Employees of Business Partners must be permitted to:

- work without a requirement to pay any deposit;
- work without a requirement to deposit any original identification papers; and
- resign without any unlawful penalty.

## **Child labor**

Business Partners must never use child labor. A child is any person who is:

- under the age of 15; or
- under the age for compulsory education under applicable laws; or
- under the minimum age for employment in the country of operation.

Individuals under 18 shall not be subjected to hazardous work, including night work and overtime.

Legitimate workplace apprenticeship programs are permitted. Business Partners must maintain complete records of any such programs, demonstrating compliance with local laws and standards.

## **Health and safety**

Business Partners must provide a safe workplace that complies with applicable laws. They must design and maintain their workplace to minimize hazards and prevent accidents and injuries related to work.

## **Work conditions**

QRG expects Business Partners to:

- comply with applicable work hour laws and conditions. Normal working hours shall not exceed 60 hours per week, including a maximum of 12 hours overtime. This would only be acceptable in extraordinary cases.
- comply with compensation and employee benefits laws and industry standards;
- appropriately document the terms of employment for their employees;
- provide employees with an environment where discrimination and harassment are not tolerated and any instances are dealt with appropriately;
- develop a process for its employees to express grievances without fear of retaliation; and
- treat employees respectfully and without any improper discipline or punishment.

## **ETHICAL CONDUCT**

QRG will not tolerate any form of bribery or corruption.

### **Anti-bribery and corruption**

Business Partners must comply with all applicable anti-bribery and corruption laws.

Business partners must not seek advantages in business except through fair, legal, and ethical conduct.

Business Partners must not offer, provide, request, or accept benefits or things of value to give or receive an improper advantage. This applies in all cases, whether the thing of value is given, promised, offered, requested, or accepted directly or indirectly, such as through an external person or intermediary, or to a spouse, close relative, friend, or associated company, or whether the request or offer comes from a government employee or entity, or a private person or entity.

Business Partners must have appropriate policies regarding corruption as part of a prevention program.

### **Expediting or grease payments**

Business Partners must not offer, pay, promise, or give a benefit or anything of value to a government official in exchange for any business advantage, including a commitment to expedite or perform a routine government action.

### **Conflict of interest**

Business partners' behaviors, business relationships, and decisions must be free from conflicts of interest, improper favoritism, or unfair advantage. They must also avoid the appearance of any conflict of interest.

Business Partners must not permit their objectivity and decision-making related to QRG's business interests to be interfered with or compromised by personal benefit.

### **Confidential Information**

Business Partners must treat QRG confidential information appropriately and respect QRG and QRG licensors' intellectual property.

### **Gifts and Hospitality**

Business Partners must not offer or accept gifts, hospitality, promotional expenses, travel, or other benefits or expenses where they might improperly affect, or appear to affect improperly, the outcome of a business decision or would violate applicable laws.

Between QRG employees and Business Partners:

- QRG discourages the exchange of gifts or hospitality. Gifts or hospitality must be of very low value and not given to influence business decisions.
- Gifts of cash or cash equivalents (gift cards) must never be offered or accepted in any amount.
- Business Partners must not pay or offer to pay for QRG travel expenses.
- Business Partners should not make charitable donations on behalf of QRG.
- QRG does not accept requests for sponsorships or donations without following an established internal process.

### **Conflict Minerals**

Certain Business Partners that supply merchandise to QRG's businesses are subject to the Conflict Minerals Policy of Qurate Retail, Inc., which is expressly incorporated by reference into this Code and which can be found at <https://www.qurate.com/investors/corporate-governance/conflict-minerals-policy>

### **Business records**

Business Partners must keep accurate books and records available for inspection that properly and fairly document all QRG financial transactions. All QRG transactions must be recorded accurately. Inappropriate or off-the-books accounts must not be created or maintained.

*\*\*\* By accepting any orders issued by a QRG member company, each Business Associate, for itself and on behalf of its agents and subcontractors, at this moment certifies that it will comply in all respects with the Code.*



# Purchase Order Terms and Conditions

ALL PURCHASE ORDERS ISSUED BY A MEMBER OF CORNERSTONE BRANDS WILL BE APPLICABLE TO THE SPECIFIC BRAND WITH WHICH YOU ARE DOING BUSINESS. FOR ILLUSTRATIVE PURPOSES, THIS PURCHASE ORDER IS COMPLETED AS CORNERSTONE BRANDS, INC. ("CBI") TO THE UNDERSIGNED SELLER ("YOU," "YOUR") AND IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS ("T&Cs"):

1. **Description of Products; QA Procedures.** All products purchased from You by CBI ("Products") pursuant to a purchase order ("PO") will conform to the samples and other descriptions provided to CBI. You will comply with CBI's quality assurance and fulfillment policies, standards, and procedures, including those in CBI's most current Vendor Compliance Manual ("VCM").

In addition to and without prejudice to any other warranties, express or implied by law, Vendor represents warrants, and covenants to the Buyer that the Vendor shall provide a California Proposition 65 warning on the product or its immediate packaging and provide the Buyer with any other information requested by Buyer to ensure Buyer's compliance with California's Proposition 65 ("California Proposition 65"), regardless of whether Vendor is exempt from the requirements of Proposition 65 due to its size, or other reason. The vendor also shall provide a polyfluoroalkyl substances (PFAS) warning on the product or its immediate packaging and provide the Buyer with any other information requested by the Buyer to ensure the Buyer's compliance. Vendor agrees to provide the Buyer with any documents or information requested or required by the Buyer at any time and from time to time to support the representations, warranties, and covenants herein contained.

CBI may request testing documentation at any time to support compliance with California Proposition 65, PFAS, CPSIA, and FDA regulations, and these must be made available within 48 hours of a written request. Buyer has right to reject product and require Vendor to re-formulate to meet the requirements of CA Prop 65 and PFAS and not allow a warning label.

2. **Shipment and delivery time.** Time is of the essence concerning the shipment of Products. You must receive CBI's approval before shipping Products. Unless otherwise mutually agreed in advance and in writing, you will ship the Products to CBI no earlier than and not later than the shipping date set forth on the applicable PO. The Products will be shipped in accordance with the PO (or if there are no instructions in the PO, the Products are to be packaged, shipped, and routed in accordance with the VCM) unless otherwise authorized by CBI. You will indicate CBI's PO number and SKU on all invoices, packages, and other communications with CBI. You will immediately notify CBI if You cannot ship all or any portion of the Products by the ship date specified in the PO or as otherwise authorized by CBI. Any POs not delivered by the ship date specified on the PO and for which CBI has not approved any other ship date may be canceled by CBI, and/or penalties and chargebacks may result as outlined below.
  - a) If the order is one (1) week late, a discount of 5% of the total invoice may be applied.
  - b) If the order is two (2) weeks late, a discount of 8% of the total invoice may be applied.
  - c) If the order is three (3) weeks late, a discount of 15% of the total invoice may be applied or the order may be cancelled.
  - d) Maximum chargeback of up to 1% per day of the total invoice may be applied.\*\*

CBI requires written or system confirmation of acceptance of all POs within forty-eight (48) hours via email or system verification to confirm quantities, cost, ship date, and cancel date. Suppose Your acts or omissions result in Your failure to meet CBI's delivery schedules and requirements and CBI requires a more expeditious method of transportation for the Products than the transportation method originally specified by CBI. In that case, You shall, (a) allow CBI to reduce its payment of Your invoices by such differences, or (b) ship the Products as

expeditiously as possible at Your expense via a CBI-designated freight forwarder. Unless otherwise specified on the PO, all "Domestic Products" (e.g., Products purchased by CBI which are picked up by CBI's carrier within the continental United States) shall be delivered on a FOB CBI's Place of Destination/Warehouse, Freight Collect basis. Notwithstanding such delivery, title and risk of loss or damage to Domestic Products will not pass to CBI until the Products are received at CBI's distribution center or place of business. Unless otherwise specified on the PO, all "International Products" (e.g., Products purchased by CBI which are picked up by CBI's steamship/ocean carrier at an origin port outside the United States) shall be delivered on a FOB Origin or as otherwise specified on the PO. Title and risk of loss and damage to International Products will pass to CBI in accordance with the freight terms on the applicable PO. For containers loaded and sealed at your factory/warehouse, You will assume the risk for all shortages if the seal applied at your factory is intact and verified by CBI's Place of Destination/Warehouse. You will provide CBI, at Your expense, all assistance and documentation requested by CBI for clearing International Products through applicable customs agencies worldwide.

- 3. Inspection and Acceptance.** CBI, a third party authorized by CBI, or CBI's authorized agent shall have the right to enter Your production facilities at reasonable times to inspect the facilities, goods, materials, and any property of CBI covered by this PO. CBI's inspection, whether during manufacture or storage, before shipment or after delivery, shall not constitute acceptance. Notwithstanding any prior inspection or payments, all Products will be subject to final inspection and acceptance or rejection at CBI's distribution center or place of business at any time after delivery. CBI may reject any damaged, defective, or non-conforming Products or Products that otherwise do not conform to approved samples and specifications for color, style, fit, packaging, labeling, materials, design, and construction. Products that are damaged, defective, or non-conforming may be returned and charged to You. Additionally, at Your risk and expense, CBI may choose to either hold such damaged, defective, or non-conforming Products pending Your instruction or return ship them to You, at Your risk and expense, at the address shown on the applicable PO.
- 4. Due Diligence.** CBI holds itself to high ethical standards and is fully compliant with the law. To help ensure the integrity of CBI's business and marketing relationships, CBI conducts due diligence on the Business Partners with whom CBI deals. The Due Diligence Program aims to ensure that QRG works with responsible and reputable Business Partners. CBI is using the Navex Global RiskRate solution for its Vendor due diligence. The Vendor will receive an email from [noreply@navexglobal.com](mailto:noreply@navexglobal.com) with a questionnaire they must complete as part of the due diligence process. We recommend that the Vendor add this email address as a Contact to prevent unnecessary delays. The Vendor should also check their junk email if they do not receive an email from [noreply@navexglobal.com](mailto:noreply@navexglobal.com) within one week of receiving the Welcome email from CBI Vendor Relations and reach out if they still do not locate the email. The Vendor should also be informed that failure to complete the questionnaire promptly will delay the onboarding process. **The vendor will not be issued a PO until passing Due Diligence.**
- 5. Payment.** Payment will be made in accordance with the terms shown on the face of the PO based on the actual Products received. CBI reserves the right to hold payment on those Products shipped early without preauthorization, and in such case, the payment terms as stated on the PO will still apply. All invoices will reference a unique invoice number, invoice date, PO number, breakdown of applicable Product number(s), and Vendor company information as well as Remittance information. If You instruct CBI to pay a third party, You will remain obligated to CBI under this "Agreement" (as defined in Paragraph 13, below). You will immediately pay any debit balance owed to CBI if CBI demands payment or if such debit balance is outstanding for more than forty-five (45) days from the occurrence giving rise to the debit balance. Your monetary claims are subject to set off by CBI for any claim or counterclaim of CBI. As reasonably requested from time to time, You will provide CBI with a statement showing any amounts due to or owed by CBI.

- 6. Returns.** CBI will have the right, in its sole discretion, to proceed as follows for damaged, defective, or non-conforming products: **IMPORT:** For foreign vendors, CBI has the right to charge you back for said merchandise. The vendor has the option to donate or destroy said product. **DOMESTIC:** RTV (return to vendor) at your expense may be a consideration post discussion with your brand partners. **DROP SHIP:** Please view callouts on Returns in the Drop Ship Section., to return all or any portion of damaged, defective, or non-conforming product. CBI's resale of any Product will not constitute a bar or waiver of CBI's right to return Products under Paragraph 5. Title and risk of loss to any Products to be returned to You under this Paragraph 5 will pass to You upon CBI's delivery of the Products to a common carrier for return to You. You will pay all freight charges incidental to the return of any Products returned under Paragraph 5 to Your place of business or point of shipment. You will fully and immediately refund to CBI any and all payments made for Products returned by CBI to You under Paragraph 5. You shall reimburse CBI for all administrative expenses and lost profits associated with back orders or order cancellations due to the rejection of the Product, late delivery, or delivery of insufficient quantities. If You do not authorize the return of Product within such twenty (20) day period or refuse to accept any returned Product, CBI may dispose of such Product in any manner and deduct from the proceeds thereof all losses, damages, claims, costs, and expenses incurred by CBI in connection with such Product. In addition, CBI retains its right to pursue all other remedies available to it under the law or in equity. You shall not sell or otherwise transfer any returned Product, seconds, or overruns that bear CBI private labels, trademarks, service marks, trade names, logos, designs, hang tags, or packaging to third parties. You shall destroy returned non-conforming Products and provide a certificate of destruction within thirty (30) days of the request by CBI. You acknowledge that CBI does not inspect each item of Product at receipt of merchandise, and therefore You understand that damages or imperfections or failure to meet specifications (including, but not limited to, compliance with any and all laws and governmental regulations), may not be discovered by CBI until after they are purchased by the ultimate customer and returned by CBI after customer uses or closely examines their purchase. CBI expressly grants authorization to allow such returns, in the sole opinion of CBI at any time, to be made for credit (or cash if CBI is not currently doing business with You). You shall not deny request by CBI for return authorization.
- 7. Representations and Warranties.** You represent and warrant to CBI that: (i) all information You provide to CBI is and will be true and correct; (ii) Your entering into these T&Cs and the performance of Your obligations hereunder will not conflict with or be prohibited or restricted by any agreements or commitments with third parties; (iii) title to Products delivered to CBI will be free of all liens, claims, debts, and rights of third parties; (iv) the Products are and will be genuine and not adulterated, misbranded, or mislabeled; (v) the Products will not infringe upon any "Intangible Rights" (as defined below), and You are the owner of, or are licensed to authorize CBI to use, any and all Intangible Rights associated with the Products; (vi) the Products (and all components of the Products) will not be subject to any import quota, restriction, rule or regulation preventing the importation or sale of the Products or any component thereof; (vii) You and anyone acting on your behalf is in compliance with all laws administered by the Office of Foreign Assets Control ("OFAC") or any other applicable economic sanctions and trade embargoes against designated countries, entities, and persons (collectively, "Embargoed Targets") by a governmental authority (collectively, "Economic Sanctions Laws"); You are not an Embargoed Target or otherwise subject to any Economic Sanctions Laws; and you will not directly or indirectly export, re-export, transship, or otherwise deliver the Merchandise or any portion of the Merchandise to an Embargoed Target or broker, finance, or otherwise facilitate any transaction, in violation of any Economic Sanctions Laws; (viii) You and anyone acting on your behalf will comply with all applicable anti-bribery/anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act (the "FCPA") and the U.K. Bribery Act, and will not give, offer, agree or promise to give, or authorize the giving, directly or indirectly, of any money or other thing of value to anyone as an inducement or reward for favorable action or forbearance from action or the exercise of influence, or for any other improper advantage. (ix) The Products will be new and not used, remanufactured, or reconditioned (unless otherwise mutually agreed upon), of consistent kind and quality, and free from all defects in material and workmanship; (x) the Products will be safe and appropriate for the purpose for which products of that kind are normally used; (xi) all manufacturers'

warranties are completely transferable, effective, and enforceable by the ultimate consumer; (xii) the Products and all materials provided to CBI in connection with the marketing, promotion, distribution, and sale of such Products, including, without limitation, packaging, labeling, and advertising materials for such Products, have been produced in compliance with all applicable federal, state and local laws, regulations, rules, guidelines, ordinances and standards ("Legal Requirements"), including, without limitation, laws relating to discrimination, coercion, harassment, health and safety, compensation, the environment, and use of child labor, in all locations throughout the "Territory" (as defined below) where the Products may be sold, and neither the Products nor their purchase or sale by CBI will violate any such Legal Requirements; (xiii) the genuine origin of the Products will be stated on the Country of Origin Declaration, Invoice, Visa and other importation documents, and no shipment will be illegally transshipped from any other country; (xiv) the Products have been manufactured in compliance with CBI's Code of Conduct for Manufacturers attached hereto as "Exhibit A" and incorporated herein by reference and (xv) except as disclosed to CBI in writing, the Products have not been subject to any products liability claims. "Intangible Rights" means any United States or foreign patents or copyrights or any United States, foreign, state, or common law trademark, trade dress, trade name, service mark, publicity or privacy right or similar property or other right. You represent warrant and agree that the Products may be re-sold by CBI and its affiliates in any location where CBI and/or its affiliates market, sell, or distribute Products and/or services (the "Territory"). These representations and warranties are in addition to and without prejudice to all other warranties expressed or implied by law. CBI has specifically relied upon all of Your representations and warranties contained in these T&Cs. CBI will continue such reliance in purchasing Products from You as if such representations and warranties were made on the date of purchase of such Products. All of Your representations and warranties, both express and implied, will constitute conditions of sale and will survive receipt, inspection, testing, acceptance, payment, and use of the Products. You will fulfill Your warranty and other obligations to end-use consumers and will be responsible for any product liability claims that arise from Products that You have supplied to customers.

8. **Ownership.** CBI shall exclusively own all Work, including, without limitation, all intellectual property rights associated with any idea, concept, technique, invention, process, or Work of Authorship included therein (as defined in Section 102 of the Copyright Act), together with the media in which they are embodied. To the extent possible, all Work shall be considered a "work made for hire" for CBI within the meaning of Title 17 of the United States Code. You at this moment assign to CBI, without any requirement of further consideration, the entire right, title, and interest throughout the world in and to such Work, including all related intellectual property rights. If any Work includes software, then for such software, You shall deliver (a) source code; (b) specifications and other written descriptions of the software, including build files, test scripts, application programming interfaces, and file formats, and identification of third-party tools and utilities; and (c) program documentation sufficiently detailed to enable a programmer to understand, use, update and modify the software, and to permit a typical end user to understand the software's functions and features and procedures for exercising such functions and features.

"Work" means all inventions, original works of authorship, findings, conclusions, data, discoveries, developments, concepts, improvements, trade secrets, techniques, processes, materials, deliverables, products, and know-how, whether or not patentable or registerable under patent, copyright or similar laws, that You solely or jointly conceives, develops or reduces to practice in performing this PO or that result to any extent, from the use of CBI's or any of its affiliate's premises or property or that You deliver or is required to provide under a SOW. Consultant shall deliver any Work in progress at any time at CBI's request. Suppose CBI and You have entered into a separate agreement under which CBI has a license or subscription to software or other technology provided by You. In that case, the separate agreement - and not this PO - shall control CBI's use of the software or other technology, and such software or technology shall not be deemed included in any licensing.

9. **Indemnity.** You will assume full responsibility and will provide independent legal counsel reasonably acceptable to CBI for the defense of any claims, threatened actions, filed actions, suits, investigations or proceedings ("Claims")

that may be brought against CBI or its affiliates, officers, employees, agents or assignees by reason or as a result of or relating to: (i) any actual or alleged violation or breach by You of any of Your representations, warranties, covenants, or other obligations set forth in these T&Cs or in the VCM; (ii) any actual or alleged infringement of any Intangible Rights or any actual or alleged unfair competition; (iii) any claim, representation or statement made in connection with advertising or promoting the sale of the Products by any of Your employees or agents or by any celebrity or other person provided or made available by You who is not an employee of CBI, or, to the extent consistent with or substantially based on information or materials provided by You, any claim, representation or statement made in connection with advertising or promoting the sale of the Products by any person whatsoever; (iv) any actual or alleged death of or injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, resulting or claimed to result in whole or in part from any actual or alleged defect in the Products, whether latent or patent, or the failure of such Products to comply with any express or implied warranties; and/or (v) any actual or alleged violation by the Products or their manufacture, possession, use or sale, of any law, statute or ordinance or any governmental order, rule or regulation. You will indemnify, defend, and hold CBI and its affiliates, officers, employees, agents and assignees harmless from and against any and all liabilities, injuries, damages, settlements, royalties, penalties, fines and other losses of every kind and nature whatsoever, including without limitation all attorney fees and other costs and expenses, incurred by or imposed upon them as a result of or in connection with any such Claims, or as a result of or in connection with any recalls of Products, whether voluntary or involuntary, or any actions taken to comply with all laws, regulations, rules, guidelines, ordinances and standards governing the safety, labeling, advertising or invoicing of Products, or any actual or alleged failure to comply with any bulk sales law or similar law for the protection of creditors. No settlement of any such Claims may be made without CBI's prior written consent to the settlement terms. CBI will have the right to participate in the defense of any such Claim at its own expense. Suppose CBI notifies You of a Claim to which the preceding indemnification obligation applies ("Claim Notice"). In that case, you shall provide prompt assurance of Your ability and intent to repay CBI, to CBI's reasonable satisfaction. You shall commence to defend such Claim, at Your sole cost and expense, within five (5) days of said Claim Notice. If You fail to provide such assurance or fail to commence such defense within said five (5) day period, in addition to the other rights and remedies available to CBI at law or in equity, CBI may, at its option, assume the defense or settlement of such Claim in its own name. All recoveries from such Claim shall belong to CBI. All fees and costs (including reasonable attorney fees) in defending such Claim, and all damages or settlement costs arising from that place, shall be Your sole responsibility.

**10. Confidentiality. Scope of Confidential Information.** CBI (as the "Disclosing Party") may disclose or make available to You (as the "Receiving Party") information about its business affairs, goods and services (including any Forecasts), confidential information, and materials comprising or relating to intellectual property rights, trade secrets, third-party confidential information, and other sensitive or proprietary information. Such information, as well as the terms of these Ts&Cs agreement, whether orally or in written, electronic, or other form or media, and] whether or not marked, designated, or otherwise identified as "confidential" constitutes "**Confidential Information**" hereunder. Confidential Information does not include information that at the time of disclosure and as established by documentary evidence:

- a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this [Section 9](#) by the Receiving Party or any of its Representatives;
- b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information;
- c) was known by or in the possession of the Receiving Party or its Representatives before being disclosed by or on behalf of the Disclosing Party;
- d) was or is independently developed by the Receiving Party without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information or

e) is required to be disclosed under applicable Law.

## **11. Protection of Confidential Information.**

The Receiving Party shall:

- a) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its Confidential Information, but in no event with less than a commercially reasonable degree of care;
- b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and
- c) not disclose any such Confidential Information to any Person except to the Receiving Party's Representatives who need to know it to assist the Receiving Party or act on its behalf to exercise its rights or perform its obligations under this Agreement.

The Receiving Party shall be responsible for any breach of this Section 9 caused by any of its Representatives. At any time during or after the term, at the Disclosing Party's written request, the Receiving Party and its Representatives shall return or destroy all Confidential Information and copies thereof received under this Agreement.

You will treat all information obtained from customers as confidential. You will not disclose any such information to any third party or use such information itself for any purpose other than performing Your obligations to CBI. Specifically, but without limitation, you will not use any information obtained from CBI or customers to offer for sale to such customers any Products or services. You will not issue any press or publicity release or statement relating to CBI, any of its affiliates or operations, or these T&Cs without the prior written approval of CBI. You acknowledge and agree that any communication between counsel for You and CBI, or between You or CBI or any of their principals, employees, contractors, or representatives, and Your counsel or CBI is protected by all applicable privileges, including without limitation the attorney-client, work product and joint defense privileges. You will not waive any such privilege without CBI's express written consent. You will treat all information obtained from customers as confidential. You will not disclose any such information to any third party or use such information itself for any purpose other than performing Your obligations to CBI.

**12. Standards of Conduct, Taxes, Customs.** You will comply with all standards of conduct published and made available to You from time to time by CBI and will promptly disclose in writing to CBI any conflicts of interest or any circumstances that are inconsistent with or constitute a violation of the terms or spirit of such standards. Furthermore, You acknowledge and agree that there is a common interest between You and CBI in advertising claims relating to the Products and in ensuring that all such claims comply with all laws, government rules, and regulations regarding deceptive advertising and substantiation of advertising claims. Without CBI's prior written approval, You will not include Your address, telephone number, website address, or other contact information in any packaging or labeling of the Products for marketing or promoting any products or services other than the customer or technical assistance services.

Any present or future sales, use, privilege, occupation, excise, value-added, or other tax, fees, or charges of any nature whatsoever imposed by any governmental authority on the transaction outlined in this PO shall be paid by You. You shall pay no such taxes, charges, fees, etc. on behalf of CBI without CBI's prior written consent. If CBI is required to pay any such taxes, fees or charges, You shall reimburse CBI therefore.

You warrant and represent that You understand the United States Rules of Origin as outlined in Part 102 of the United States Customs Regulations and that its textile origin declaration, if applicable, will wholly and accurately set forth the processes performed in each country and the source of all fabric and trim. You will not enter into

any arrangement with any third party for the manufacture or sub-assembly of any International Products supplied to CBI without prior written notice. To maintain CBI's high standard of quality control and to ensure that appropriate measures are taken against counterfeiting, such notice will include the following information: (i) name and address of each manufacturer; (ii) type and style of the Products to be manufactured; (iii) quantity of the Products to be manufactured; and (iv) any other relevant information. You acknowledge that You will remain primarily liable and ultimately obligated under all of the provisions of these T&Cs with respect to any such subcontracting arrangement.

**13. Most Favored Nations; Exclusivity; Non-Compete; Non-Solicitation.** All of the prices, terms or benefits granted by You for any Products purchased by CBI under this Agreement are equal or better than the prices, terms or benefits being offered by You to any present commercial customer for the same or comparable product ordered in the same or comparable quantities. If during the term of this Agreement You enter into an arrangement with any other company for the same or comparable product ordered in the same or comparable quantities providing greater benefits of more favorable pricing or terms, You shall promptly notify CBI in writing and then with respect to any open PO through date of delivery and any subsequent PO issued by CBI and accepted by You shall, at CBI's option, automatically be deemed amended to provide the same benefits or pricing to CBI.

Any Products developed for CBI by You under this Agreement will be made exclusively for CBI and may not be resold or redistributed to a third-party. Notwithstanding anything contained in the Agreement to the contrary, all product designs, design process, artwork and all other proprietary information and intellectual property of CBI furnished to You by CBI must be used exclusively for Products supplied to CBI and to no third party and You acquire no rights, title or interest in the foregoing.

During the term, you shall not manufacture or sell to any person other than CBI, or enter into any agreement with any person other than CBI related to the manufacture or sale of, the Products or other goods or products that are similar to or competitive with the Products. You shall not, at any time, use any of CBI's intellectual Property to manufacture or sell Products or other goods or products that are similar to or competitive with the Goods to any other buyer. This Section 10 (c) will survive the expiration or termination of this Agreement.

Additionally, for a period of two (2) years after each PO issued by CBI to you, you will not solicit for employment (other than a general, publicly disseminated solicitation for employment) or offer to employ any employee of CBI.

**14. Insurance.** You have and will keep in effect for five (5) years from the date of Your receipt of the first PO issued by CBI, full general/products liability insurance coverage in amounts not less than those required by Your "Insurance Class," as determined by CBI's risk management department ("CBI Risk Management").

**Insurance Class Examples Insurance Requirements**

Apparel, Coins, Furnishings, Jewelry, Rugs,	\$1,000,000 General/Products Liability per Occurrence
Table Top Items, Textiles, Household Linens	\$2,000,000 General/Products Liability aggregate
Appliances, Beauty and Cosmetics, Cleaning Products, Computers, Cookware, Electronics, Folding chairs	
Seasonal, Tools	\$2,000,000 General/Products Liability per occurrence \$4,000,000 General/Products Liability aggregate

Active Fitness, Medical Devices, Toys,  
Pressure Cookers

\$6,000,000 General/Products Liability per occurrence  
\$8,000,000 General/Products Liability aggregate

In addition if: 1) You are offering any services; 2) You have had any product recalled; 3) CBI determines, in its reasonable discretion, that the Products are subject to a license or are otherwise specifically warranted by an Your individual circumstances, including, but not limited to, prior losses or claims history, whether with CBI or otherwise, You will also be required to provide \$1,000,000 Errors & Omissions (or its equivalent) per occurrence and \$2,000,000 in the aggregate. All insurance required by CBI Risk Management must: (i) be maintained with an Insurance Company rated by A. M. Best as "A" or better; (ii) name CBI, its direct and indirect parents, subsidiaries, affiliates, and assigns as Additional Insured; and (iii) be submitted with a copy of Your Additional Insured Vendor Endorsement or the complete policy (or policies), in the English language. You must also provide the name of a specific person (including mailing address, phone and fax numbers, and email address) who is in charge of responding to complaints, claims, and/or lawsuits. All of these Insurance Requirements must be demonstrated by submission of one or more Certificates of Insurance sent via email to the attention of Vendor Compliance Division at [insurance@cinmar.com](mailto:insurance@cinmar.com) promptly following Your execution of these T&Cs, and no less frequently than annually thereafter upon the anniversary date of the applicable policy. These Insurance Requirements may be satisfied through a combination of primary, umbrella, or excess liability insurance policies. CBI Risk Management may, at its sole discretion, change the coverage limits and/or types of coverage required at any time.

**15. Relationship of Parties.** It is expressly acknowledged by the parties hereto that Your relationship to CBI under this Agreement is that of an independent contractor and nothing in this Agreement is intended or shall be construed to create an employer/employee relationship, or a joint venture relationship. You understand and agree that CBI will not withhold on behalf of You pursuant to this Agreement any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law or requirement of any governmental body relating to You or make available to You any of the benefits afforded to CBI's employees and that all such payments, withholding, and benefits, if any, are Your sole responsibility.

**16. Entire Agreement; Amendment; Assignment.** These T&Cs and any other documents referred to herein constitute the entire agreement (collectively, the "Agreement") between You and CBI. This Agreement will be effective for all Products. You accept and agree to be bound by the Agreement by shipping Products. This Agreement sets forth the entire understanding and agreement of the parties with respect to the matter covered herein, superseding all prior and contemporaneous understandings and agreements, whether oral or written. This Agreement may not be modified or amended except by a written instrument executed by both parties, and each shipment received by customers will be deemed to be only upon the terms and conditions contained in this Agreement, notwithstanding any terms and conditions that may be contained in any of Your acknowledgements, invoices or other forms and notwithstanding CBI's or its customers' act of accepting or paying for any shipment or similar act of CBI or its customers. CBI has the right to assign this Agreement, or all or any portion(s) of its rights and/or obligations hereunder, including, without limitation, the right to purchase, market and sell the Products, to any company directly or indirectly controlling, controlled by, or under common control with CBI, and this Agreement shall inure to the benefit of any such assigns. You may not assign any rights, obligations, and/or claims under this Agreement without CBI's prior written consent, and any attempted assignment without consent will be void.

**17. Governing Law; Jurisdiction.** This Agreement, and the legal relationship between You and CBI will be governed by Ohio law, without regard to conflicts of law principles and without reference to the United Nations Convention on Contracts for the International Sale of Goods. Any legal action or proceeding with respect to this Agreement may



be brought only in the courts of the United States District Court for the Southern District of Ohio and the Court of Common Pleas located in Butler County, OH and each party hereby accepts the jurisdiction of such courts. You hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which You may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. If any litigation is commenced to enforce any provision of this Agreement or to seek a declaration of the rights of the parties hereunder or as a result of any breach or threatened breach of any provision of this Agreement, the prevailing party will be entitled to recover from the non-prevailing party all of its costs and expenses incurred in connection with such litigation, including without limitation reasonable attorneys' fees, at both the trial and appellate levels.

- 18. Notice.** All notices or other communications required or permitted under this Agreement must be in writing, addressed to the address written below or to such other address for a party set forth in a notice given to the other party, sent to the intended recipient by prepaid registered mail, receipted commercial courier, or electronically receipted facsimile transmission, and will be effective upon delivery to the intended recipient. All communications shall be sent to the attention of Vendor Compliance Division:

For Garnet Hill, Inc.: 231 Main Street Franconia, NH 03580

For Ballard Designs, Inc.: 1670 DeFoor Avenue, Atlanta, GA 30318

For Grandin Road: 5566 West Chester Rd., West Chester, OH 45069

For Frontgate: 5566 West Chester Rd., West Chester, OH 45069

- 19. Termination.** Either party may prospectively terminate the Agreement by giving the other party written notice of termination, which notice specifies an effective date of termination that is not less than thirty (30) days after notice is actually received by the non-terminating party (unless otherwise agreed to in writing by the parties), in which event this Agreement will terminate as to all Products not ordered prior to such effective date. Furthermore, CBI reserves the right to cancel all or part of any PO, without liability to You if You: (i) repudiate or breach any of the material terms of these T&Cs or the PO, including Your warranties, (ii) fail to ship the Products ordered on the ship-by-date, (iii) fail to perform services or deliver Products as specified by CBI in these T&Cs or in the PO, (iv) fail to make timely and proper completion of services or delivery of Products, or (v) fail to otherwise conform to the T&Cs. You may liquidate cancelled merchandise if: (i) the Products contain no CBI labels, packaging or reference, (ii) the Products are not represented as CBI's own and (iii) the Products are not liquidated in a market where CBI competes. After the effective date of such termination, all Paragraphs hereunder concerning the parties' rights and obligations which by the content of the Paragraph operate after termination (e.g., Your returns obligations) or which are necessary to enforce any right will survive any termination or expiration of this Agreement.

- 20. Force Majeure.** Neither party shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; flood, hurricane, or other natural disaster; electrical, internet, software, telecommunication, or other systemic outage that is not caused by the obligated party; government restrictions; or other unforeseeable event outside the reasonable control of the obligated party (collectively, "Force Majeure Event"). Both parties will use reasonable efforts to mitigate the effect of a Force Majeure Event. Only if such event continues for more than forty-five (45) days, either party may cancel a PO or any other unperformed services upon written notice to the other. This Paragraph does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures.

**21. Miscellaneous.** Each party acknowledges and agrees that any failure on the part of the other party to enforce at any time, or for any period of time, any of the provisions of this Agreement will not be deemed or construed to be a waiver of such provisions or of the right of said party to thereafter enforce each and every such provision. The headings and sub-headings used in this Agreement are for convenience only and are not a part of this Agreement. If any provision of this Agreement is declared null, void or otherwise unenforceable, such provision will be deemed to have been severed from this Agreement, which will otherwise be and remain in full force and effect according to its remaining terms; provided, however, that both parties shall negotiate in good faith with respect to an equitable modification of the paragraph, subparagraph or provision held to be invalid and provisions logically related thereto. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative upon all other rights and remedies set forth herein and allowed or allowable under law. All Paragraphs hereunder concerning the parties' rights and obligations which by the content of the Paragraph operate after termination (e.g., returns obligations) or which are necessary to enforce any right will survive any termination or expiration of this Agreement.

**PO TERMS AND CONDITIONS ACCEPTED AND AGREED:**

Print your company name: \_\_\_\_\_

Print your company address: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print name of person signing

Title of person signing

# Drop Ship Terms and Conditions

- 1. 100% Satisfaction Guarantee:** Cornerstone Brands offers an 100% satisfaction guarantee on all customer purchases. All products supplied by Vendor and sold by Cornerstone Brands are covered by Cornerstone Brands's 100% satisfaction guarantee regardless of the reason for return. You are expected to accept all customer returns. Any re-stocking fees are invalid unless they are specifically negotiated prior to receipt of customer orders.
- 2. Business Practices:** Cornerstone Brands will provide each vendor with a forecasted sales quantity for each season. Cornerstone Brands sales forecasts are an estimate of the amount of business we anticipate and should not be construed as a commitment to place orders for this forecast. The vendor is expected to be able to fulfill this sales forecast within their quoted lead-times.
- 3. Order Processing:** Cornerstone Brands has partnered with [SPS Commerce, Inc. and Vendornet](#), a leading provider of EDI solutions, to facilitate our electronic business-to-business communications. SPS Commerce, Inc. offers a range of hosted EDI solutions ranging from web browser-based to direct integration with your back-end applications.

Vendors are not required to use SPS Commerce as their EDI provider, however all EDI transactions to and from Cornerstone Brands for Garnet Hill must pass through the SPS Commerce system. Vendors for all other brands must pass through Vendornet. If a vendor has in-house EDI capabilities or has already partnered with a web-based EDI company, they may use their existing capabilities for the Cornerstone program with SPS Commerce.

- 4. Method of Shipment:** All products will be shipped via Cornerstone Brands's selected carrier and under the Cornerstone Brands shipping account. Refer to the Drop Ship Routing Guide in the Drop Ship Information section on our compliance website <https://www.ccsqinc.com>. You must acquire your Login and Password well in advance of scheduling your first shipment.
- 5. International Shipments:** Cornerstone Brands may occasionally accept orders for drop ship merchandise from customers in countries other than the United States. Vendor must be able to provide all paperwork required by U.S. Customs.
- 6. Payment Terms:** Cornerstone Brands preferred payment terms are net 60 days. Terms commence on the ship date of the product to the customer. Payment is contingent on receipt of invoice within 1 week of the ship date.
- 7. Late Shipment Notification/Penalties:** Vendor must notify Cornerstone Brands as soon as they become aware of any orders that will not meet their promised ship dates in order for Cornerstone Brands to comply with the Federal Trade Commission's mail order merchandise trade regulations. Late shipments which are not the result of sales above forecast are subject to financial penalties and/or cancellation.
  - Late purchase orders also incur chargebacks at a percentage of the total cost, for example:
    - 5% of the cost for a shipment one (1) week late
    - 8% of the cost for a shipment two (2) weeks late
    - 15% of the cost for a shipment three (3) weeks late
    - Maximum chargeback of 1% per day\*\*

8. **Product Exclusivity:** If Cornerstone Brands and Vendor agree to an arrangement of preferential marketing and/or distribution, Vendor will honor that agreement for the life of the catalog as defined in the Cornerstone Brands Drop Ship Product Fact Sheet.
9. **Safety Standards:** Vendor will ship all Cornerstone Brands products in compliance with all product requirements and safety standards developed by the CPSC (Consumer Protection Safety Commission), CPSIA (Consumer Protection Safety Improvement Act), CA Prop 65 (California Prop 65), FDA (Food and Drug Administration), USDA (US Department of Agriculture), CARB (California Air Resources Board), FTC (Federal Trade Commission), and any other applicable bodies of U.S. law.
10. **Product Liability:** Vendor will be responsible for any product liability claims that arise from products Vendor has supplied to Cornerstone Brands customers.
11. **No Direct Selling:** Vendor will not accept orders direct from Cornerstone Brands customers. All inquiries regarding the manufacture of Cornerstone Brands products will be directed to each of the corresponding brands Customer Service teams.
  - For Garnet Hill: vendorhelp@garnethill.com
  - For Ballard Designs: vendorhelp@ballarddesigns.net
  - For Grandin Road: grandinroadqagroup@grandinroad.com
  - For Frontgate: frontgateqagroup@frontgate.com
12. **Confidentiality of Customer and Order Data:** Cornerstone Brands customer information is the sole and confidential property of Cornerstone Brands. Vendor agrees not to sell, use, trade or transfer Cornerstone Brands customer names, addresses, or other order information except as necessary to meet its obligations to fulfill Cornerstone Brands orders.
13. **Confidentiality of Cornerstone Brands Business Practices:** Information regarding Cornerstone Brands that is not published in a previously mailed catalog or on the web site is considered confidential. Vendor agrees that information provided by Cornerstone Brands will be used for the sole purpose of fulfilling customer orders. Confidential information includes but is not limited to business model, sourcing, marketing, and pricing policies, product development practices and identity of primary or secondary vendors.

# Drop Ship Terms and Conditions

The vendor has read, understands, and accepts these terms and conditions. All terms and conditions proposed by Vendor which are different from or in addition to those set forth in this document are expressly rejected by Cornerstone Brands and shall not become a part of this document.

Agreed to and accepted by:

---

Signature \_\_\_\_\_ Date \_\_\_\_\_

---

Printed name \_\_\_\_\_ Position \_\_\_\_\_

---

Company name \_\_\_\_\_

**Return to Vendor Relations Coordinator**

For Garnet Hill: [vendorhelp@garnethill.com](mailto:vendorhelp@garnethill.com)

For Ballard Designs: [vendorhelp@ballarddesigns.net](mailto:vendorhelp@ballarddesigns.net)

For Grandin Road: [grandinroadqagroup@grandinroad.com](mailto:grandinroadqagroup@grandinroad.com)

For Frontgate: [frontgateqagroup@frontgate.com](mailto:frontgateqagroup@frontgate.com)

# Drop Ship Process

Cornerstone Brands will provide each vendor with a forecasted sales quantity for each season. Cornerstone Brands sales forecasts are an estimate of the amount of business we anticipate and should not be construed as a commitment to place orders for this forecast. The vendor is expected to be able to fulfill this sales forecast within their quoted lead-times. All orders are to be processed through SPS.

## Returns

Cornerstone Brands offers a 100% satisfaction guarantee on all customer purchases. All products supplied by Vendor and sold by Cornerstone Brands are covered by Cornerstone Brands 100% satisfaction guarantee regardless of the reason for return. You are expected to accept all customer returns. Any re-stocking fees are invalid unless they are specifically negotiated prior to receipt of customer orders.

## Shipping

All products will be shipped via Cornerstone Brands's selected carrier and under the Cornerstone Brands shipping account. Refer to the Drop Ship Routing Guide in the Drop Ship Information section on our compliance website <https://www.ccsqinc.com>.

## Late Shipment Notification/Penalties

Vendors must notify Cornerstone Brands as soon as they become aware of any orders that will not meet their promised ship dates in order for Cornerstone Brands to comply with the Federal Trade Commission's mail order merchandise trade regulations. Late shipments which are not the result of sales above forecast are subject to financial penalties and/or cancellation.

- If the order is one (1) week late, a discount of 5% of the total invoice may be applied
- If the order is two (2) weeks late, a discount of 8% of the total invoice may be applied
- If the order is three (3) weeks late, a discount of 15% of the total invoice may be applied or the order may be cancelled
- For POs with extreme lateness (3+ weeks late), a discount of up to 1% per day of the total invoice may be applied at the discretion of the brand

## Safety Standards

Vendor will ship all Cornerstone Brands products in compliance with all product requirements and safety standards developed by the CPSC (Consumer Protection Safety Commission), CPSIA (Consumer Protection Safety Improvement Act), USDA (US Department of Agriculture), CARB (California Air Resources Board), FTC (Federal Trade Commission) and any other applicable bodies of U.S. law.

# Quality Requirements

Cornerstone Brands is committed to providing superior quality merchandise and service to its customers. We recognize that superior merchandise quality is achieved through unrelenting attention to detail, from product conception to customer purchase and beyond. This philosophy mandates the development of close relationships with our vendors, systematic monitoring of incoming products and the evaluation of customer response to product quality.

We believe that the burden of producing quality products rests with the vendor. We also believe that it is our responsibility to support our vendors by clearly defining our expectations, requirements, and standards. We build vendor partnerships on a foundation of openness and trust.

All products, including packaging, are expected to meet the minimum performance, safety, and testing standards of all the current State and Federal regulations and laws.

Product Evaluations, described below in the next section, are an important part of assuring the quality of our product and enabling vendors to be successful in meeting all expectations.

Cornerstone Brands' warehouse inspects incoming bulk shipments using a statistical sampling plan, similar to the one shown below. Our inspection guidelines support our efforts to provide customers with the best products available by ensuring that we receive goods as specified from our vendors. Our critical inspection is based on high quality expectations. Products are measured to ensure conformance to the approved sizing specifications within established tolerances and then checked for defects and conformity to all specifications. Cornerstone Brands may conduct a 2.5 AQL audit by the following standards. CBI Brands reserves the right to adjust audit standards as needed. We expect our vendors to also perform similar AQL inspections before shipping the bulk shipment.

<u>Lot Size</u>	<u>Random Sample Size</u>	<u>AQL-2.5 Accept / Reject</u>		<u>Random Sample Size</u>	<u>AQL-4.0 Accept/Reject</u>	
2-8	5	0	1	3	0	1
9-15	5	0	1	3	0	1
16-25	5	0	1	3	0	1
26-50	5	0	1	13	1	2
51-90	20	1	2	13	1	2
91-150	20	1	2	20	2	3
151-280	32	2	3	32	3	4
281-500	50	3	4	50	5	6
501-1200	80	5	6	80	7	8
1201-3200	125	7	8	125	10	11
3201-10000	200	10	11	200	14	15
10001-35000	315	14	15	315	21	22
35001-150000	500	21	22	315	21	22

When a shipment fails an incoming inspection, Cornerstone Brands may choose to conduct 100% inspection for which the vendor will be charged labor costs. If a significant quality problem is discovered, Cornerstone Brands may decide to return the product to the vendor or destroy it without completing 100% inspection.

Cornerstone Brands requires its vendors to have an effective quality system in place to monitor and assure quality performance. This includes testing and inspection of materials used, inspection of work-in-progress and a final quality audit of finished products. The audit of finished products should be conducted independently of production management, incorporating statistical sample methods. This final quality audit will verify that products meet all Cornerstone Brands specifications, including those for construction details, choice of materials, color, and sizing. Shipped lots must be free of defects, dirt, or damage. Merchandise is to be packaged according to Cornerstone Brands requirements, with all labeling applied as specified.

We believe that by working together to produce superior quality merchandise we will ensure our mutual success.

# Product Evaluation

Product evaluations are performed by QA on some but not all products. There are two different types of product evaluations that QA manages:

1. Physical Top of Production (TOP) = QA reviews first-quality product samples that are representative of the product in the bulk order to assess product quality, measurements, labels and packaging.
2. Digital Top of Production (TOP) = If a physical sample is not required, QA may request and review files and images via email of the product, labels, measurements, and packaging.

The product evaluation will include measuring, wash testing, and quality testing when applicable, as well as an overall quality product review. The sample or images are also compared with the approved samples are used to verify copy details and to check product accuracy. All packaging and item labels are also reviewed to make sure they meet legal and warehouse standards.

Packaging of hard goods are drop tested according to our requirements, please refer to the drop test process section of this manual.

Receiving TOP samples or images on time is crucial, as it ensures bulk shipments and payment of goods stay on schedule. Vendors will be charged a penalty for not sending TOP or images on time, or shipping bulk shipments before your product has been approved by QA.

Vendors must check in with their CBI brand to confirm quality evaluation requirements.

## Product Evaluation Procedure

### 1. TOP Sample or Images

Cornerstone Brands may require samples or images of most new items along with required testing or a Branded Vendor Declaration, and/or certificates. All samples are to be sent to the specific brand you're doing business with at the addresses listed below, as noted on the TOP PO's. This approval is required before the bulk shipment is released from a vendor's facility. If samples are required, vendors will receive a special purchase order specifying the items to be sent and their due date. Vendors are required to email QA the tracking number of the TOP shipment as soon as it has shipped. **We CANNOT APPROVE your product to ship until all required testing, declarations, certificates, and the product or images are received and approved.**

### 2. Labeling

TOP samples or images will be reviewed by QA to ensure your products are labeled according to CA Prop 65, PFAS, FDA, and FTC regulations, if applicable.

Children's items Tracking Labels need to be secured on product and packaging as required by Law CPSIA Section 103:

- o Item Number/Product Name
- o Date of Production
- o Manufacturer Name
- o Tracking Code (this can be any code from which your factory can track the item)



**3. Packaging**

TOP samples should be packaged and labeled individually, exactly as your bulk product will be sent to our warehouse. If images are required, they must show an example of the individual bulk packaging as well. Cornerstone Brands may request MSRP prices to be removed from the merchandise, if applicable.

**4. Timing**

TOP Purchase Orders will specify the ship date required for the sample to be sent to Cornerstone Brands QA. The due date will be approximately 30-60 days in advance of the bulk ship date. We require a minimum of five (5) working days to review and approve TOP samples and/or images. Your product is not approved to ship until all required testing, declarations, and certificates are received and approved.

**5. TOP Shipment Method**

Send TOP Samples following each brand’s sampling plan agreement:

**Ballard Design/Frontgate/Grandin Road:**

Please work with your appropriate Brand Partner to determine best TOP processes.

**Garnet Hill:**

Per Garnet Hill’s Sampling Agreement, vendors will be held responsible for all shipping and freight charges for shipping TOP samples. Vendors are to send TOP samples via the shipping carrier that is most convenient for them. Vendors are required to notify their QA contact via email with the tracking information once the TOP sample(s) have been shipped. Please note that TOP samples with multiple SKUs may be shipped in the same packaging.

**6. TOP Payment**

Garnet Hill will pay for samples if they are first-quality and are packaged and labeled as finished product. Samples that are not first quality or are mutilated, will not be paid for. All invoices must be submitted through EDI. Vendors must make sure that their EDI accounts have been properly set up with SPS at the beginning of the season and BEFORE TOP samples are shipped. If further assistance is required vendors much reach out to their dedicated SPS contacts or reach out to [caseresponse@spscommerce.com](mailto:caseresponse@spscommerce.com)

**ALL Garnet Hill TOP products must be shipped to:**

APPAREL PRODUCTS	HOME PRODUCTS
Garnet Hill Attn: QA 110 Domain Drive, Suite 110 Exeter, NH 03833	Garnet Hill Attn: QA 231 Main Street Franconia, NH 03580

# Product Evaluation Checklist

## PLEASE REVIEW BEFORE SENDING TOP OR IMAGES

For Garnet Hill, if testing is required, it must be done by a third-party accredited lab such as SGS, Intertek, BACL, Mutual Cornell Labs, Bureau Veritas, UL, and we must have results showing your product and all applicable packaging has passed all CPSIA regulations and CA Prop 65 requirements to be offered by Garnet Hill.

For all other brands, if testing is required, it must be done by a third-party accredited lab such Bureau Veritas, and we must have results showing your product and all applicable packaging has passed all CPSIA regulations & CA Prop 65 requirements to be offered by Ballard Designs, Frontgate, or Grandin Road.

If you are a branded vendor, the Branded Vendor Declaration MUST be filled out, along with any applicable COC's or CPC's.

## Branded vendors must also ensure:

- TOP samples or images of samples are labeled according to CPSIA, FTC, PFAs & CA Prop 65 regulations.
- TOP samples or images have an Item Label (Cornerstone Brands SKU Label) attached to the outside lower right or left corner of the box or poly bag (Not required for drop ship items)
- TOP or images are packaged exactly as the product will be received at our warehouse.

## Required Testing & Certifications

Vendors are responsible for ensuring their product and packaging meets all the current State and Federal Regulations and laws, including California Proposition 65, CPSC, CPSIA, STURDY Act, PFAs, FDA, and state-level filled product requirements. All required testing must be completed by a third-party ISO certified lab. Results must be from within the past 12 months and sent to the corresponding subsidiary of Cornerstone Brands QA team for our records. All approved testing to be completed 30 days or as regulated prior to shipment. Failure to do so that results in a change of ship date may result in charges.

Ballard Designs, Frontgate, and Grandin Road agree to cover costs associated with accredited third-party testing and validation for both product and transit testing as appropriate. Garnet Hill will not cover vendor costs associated with accredited third-party testing and validation for both product and transit testing as appropriate. Failures in testing that require re-testing at third-party testing facilities are the responsibility of the vendor. Internal testing reports (product and transit) are the responsibility of the vendor.

For Branded products and packaging, we do not require copies of your test reports to confirm compliance for CA Prop 65, CPSIA, STURDY Act, PFAs compliance, and FDA, to approve your product. A Branded Declaration is provided by the specific brand you are selling to and must be completed for the product to be sold. In addition, depending on the product being sold, we may also need to receive a COC or CPC certificate. Buyer reserves the right to request proof of regulatory testing and copies of the testing must be submitted to the Buyer within 48 hours of a written request.

Please note valid certifications or documentation may also be requested from your QA point person seasonally for specialty fibers to validate those fiber claims. Some examples of fibers include Egyptian Cotton, Pima Cotton, Organic Cotton, Supima Cotton, Tencel Lyocell, Lenzing Modal, Lenzing Viscose, Rayon from Bamboo, Baby Alpaca, Merino Wool, Recycled Fibers, and Specific County of Origin Claims (ie. Belgian Linen, Hungarian Down, New Zealand Wool, etc.). If Cornerstone Brands chooses to make certification claims such as; RWS, RDS, GRS, GOTS, Fair Trade, BLUESIGN, Oeko-Tex, or other claims like SPF, waterproof, water-resistant, microwave-safe, for your product, we may require all applicable certification/testing.

Due to the evolving standards and laws, please contact your QA point person regarding specific compliance limits and testing requirements for your product. Vendors are held responsible for meeting all regulatory standards, and failure to meet the limits will result in the product not being offered by Cornerstone Brands.

Vendors are required to contact the testing lab on all required protocols during the time of development.

For up-to-date compliance limits and testing guidance for CPSC/CPSIA, PFAs and California Proposition 65, please refer to the following website links:

CPSC/CPSIA <https://www.cpsc.gov/Regulations-Laws--Standards/Regulations-Mandatory-Standards-Bans>

CA Prop 65 <https://oehha.ca.gov/proposition-65>

PFAS <https://epa.gov/pfas>

Cornerstone Brands may request testing documentation at any time to support compliance with CA Prop 65, CPSIA, STURDY Act, PFAS and FDA regulations. Test documentation must be made available within 48 hours of a written request.

## CPSC and CPSIA

The Consumer Product Safety Improvement Act (CPSIA), which was enacted on August 14, 2008, imposes new requirements on a wide variety of products that are regulated by the U.S. Consumer Product Safety Commission (CPSC).

**Regulated Products** (please note the following list is not a complete list from CPSC. Refer to the CPSC website for more details) [Regulations, Laws & Standards | CPSC.gov](https://www.cpsc.gov/Regulations-Laws-Standards)

### Rugs Flammability:

- ALL rugs must be in compliance with Federal Flammability Regulations 16 CFR 1630/1631.
- Small rugs less than 24 sq ft and less than 6 ft in any one dimension must pass or be labeled for 16 CFR 1631 (FF270).
- Large rugs greater than 6 ft in one dimension or greater than 24 sq ft must pass 16 CFR 1630

### Apparel Flammability: 16 CFR 1610

- Napped and lightweight (< 2.6 oz/sq yd) fabric must be tested and pass as a Class 1 fabric.

- Plain surface fabric > 2.6 oz/sq yd is exempt from flammability testing, weight must be verified.
- 100% or blends of plain and raised surface fabrics: Wool, Nylon, Acrylic, Modacrylic, Olefin, and Polyester are exempt from flammability testing.
- Any raised surface fabric MUST be tested (Velvet, Terry, Brushed Flannel, etc.) excluding exempt fibers noted above. Fabric weight does NOT exempt this test requirement.

#### Lead in All Surface Coatings:

- CPSIA Section 101, 16 CFR 1303 Lead in Paint and Surface Coating
- FDA: Compliance of Extractable Lead & Cadmium, and Chromium Content

#### Filled Product: Quilts, Pillows, Furniture, Mattress Pads, Stuffed Toys, Etc.

- Products with hidden fill must have a law label attached that certifies the sterility of stuffing material.
- This regulation is administered by state governments.
- For application forms, go to:  
<https://com.ohio.gov/divisions-and-programs/industrial-compliance/bedding-upholstered-furniture-toys/annual-bedding-license-application>
- For more details visit: <http://iabflo.org>

#### Mattress Pads:

- All mattress pads/toppers must be in compliance with Federal Flammability Regulations. Please refer to 16 CFR 1632 for detailed requirements.

#### Furniture - Clothing Storage Units: ASTM F2057-23

- Safety Specification for Clothing Storage Units as a CPSC mandatory safety standard to protect young children from injury and death from furniture tip-over incidents associated with dressers, armoires, wardrobes, and other clothing storage units.

## Children's Products

Any product intended or marketed for children 12 years and under

#### Lead Content

- Lead in Surface Coatings (paint, leather, buttons, zippers, snaps, buckles, beads, scrapable printed fabrics)-vendors must be in compliance with CPSIA Section 101.
- Lead in Substrate (fabric, leather, metal findings, decals, beads, vinyl)-vendors must be in compliance with CPSIA Section 101
- *\*Fabric plain and dyed from natural and synthetic fibers are exempt from lead testing.*

#### Phthalate Content

- Phthalates (PVC, pliable plastics, rubber, sequins, beads, plastic drawstring tips, or synthetic components) must be in compliance with CPSIA Section 106.
- If component (for example, sequins) is made from 100% polyester film, they DO NOT require testing for Phthalates. Please provide documentation of proof of material. Lead testing per color is still required.

#### Apparel Flammability: 16 CFR 1610

- Napped and lightweight (< 2.6 oz/sq yd) fabric must be tested and pass as a Class 1 fabric.
- Plain surface fabric > 2.6 oz/sq yd is exempt from flammability testing, weight must be verified.

- 100% or blends of plain and raised surface fabrics: Wool, Nylon, Acrylic, Modacrylic, Olefin, and Polyester are exempt from flammability testing, content must be verified.
- Any raised surface fabric MUST be tested (Velvet, Terry, Brushed Flannel, etc.) excluding exempt fibers noted above. Fabric weight does NOT exempt this test requirement.
- For Children's Sleepwear all fibers must be tested and meet the flammability requirements 16 CFR 1615/1616.

#### **Drawstrings: CPSIA ASTM 1816-97**

- No drawstrings allowed on hood or neck of upper wear.
- Waist area max 3" length outside channel, tacked at midpoint.
- Drawstrings at waist of upper wear and bottoms: must be tacked at center back; no longer than 3" on each side of channel when garment is fully expanded - no knots, toggles, or attachments at ends.
- Decorative ties/bows need to be tacked at midpoint and loose ends maximum of 3" in length after it is tied.
- Sashes: should be no longer than 14" measured from the point to be tied or not extending below hem of garment.

#### **Small Parts: 16 CFR 1501**

- Any article intended for use by children under 3 years must not be a small part or contain components that are small parts and present choking hazards.
- Buttons, zipper pulls, embellishments must be attached to pass the 15 lb. pull test.

#### **Sharp Points: 16 CFR 1500.48, 1500.49**

- Any article intended for use by children under 8, must not have sharp points or edges, other than for required functionality.

#### **Use & Abuse: 16 CFR 1500.53**

- Decorative and function items for required functionality – must include torque and tension testing.

#### **Toys**

- Any item that has "play value" must be labeled and tested to pass all applicable CPSIA Section 106 ASTM F963-16.

#### **Jewelry (Children up to 15 years)**

- Lead content limits for all components and findings must be compliant with CA Prop 65.
- Stainless/surgical steel, sterling, karat gold, platinum, pearl, glass, ceramic, crystal, most gemstones, CZ, bone, feather, leather, elastics/fabrics/ribbons/strings without lead, untreated amber, coral, fur, horn, shell, wood, and adhesives – all are exempt from Lead, Cadmium and Phthalates Testing.
- Electroplated metal, un-plated metal, all other metals, dyes, surface coatings, plastic, rubber, acrylic, PVC, other materials require Lead, Cadmium, and Phthalate testing if applicable.
- COC/CPC's are required for all children's jewelry.
- Must pass Sharp Points/Edges 16 CFR 1500.48/1500.49. if applicable.

#### **Art Materials**

- Must be tested and pass the toxicity and lead standard of ASTM D4236.

#### Floor cushions/ bean bags with Styrofoam beads

- Beads must be enclosed in an inner liner and product must meet ASTM F1912 safety standards.

#### Sleeping Bags

- Must pass ASTM F1955-99 flammability test.

## California Prop 65 Compliance

In 1986, California enacted the Safe Drinking Water and Toxic Enforcement Act, which is also known as CA Proposition 65. One of the many focuses is to limit and reduce the levels of lead, cadmium, BPA, and phthalates in jewelry, handbags, wallets, belts, footwear, apparel, fashion accessories, home décor, packaging, and many other consumer products. Since Cornerstone Brands sells products to the State of California, we must be compliant.

Please contact your QA point person for specific testing requirements and compliance limits.

#### REQUIRED PASS TESTING CATEGORIES:

##### Apparel/Accessories/Footwear Items

- Lead in Paints and Surface Coatings on Components:
- Lead in Substrate Materials: Phthalates
- BPA (Socks, Athletic & Athleisure Tops & Bottoms)
- Phthalates

##### Jewelry Items

- The following materials are EXEMPT for Lead and Cadmium Testing, as well as Phthalates. Stainless/surgical steel, sterling, karat gold, platinum, pearl, glass, ceramic, crystal, most gemstones, CZ, bone, feather, leather, elastics/fabrics/ribbons/strings without lead, untreated amber, coral, fur, horn, shell, wood, and adhesives.
- Electroplated metal, un-plated metal, all other metals, dyes, surface coatings, plastic, rubber, acrylic, PVC, and other materials require Lead, Cadmium, and Phthalate testing if applicable to meet both CA Prop 65 and CPSIA requirements.

#### PLEASE CONFIRM TESTING WITH YOUR QA SPECIALIST PARTNER:

##### Home Items: (All items containing any metal, painted or coated surfaces, pliable plastics, and rubbers)

- Lead in Paints and Surface Coatings on Components
- Lead in Substrate Materials
- BPA
- Phthalates

## Other Regulatory Labeling and Requirements

Several industries require labeling for various products. Please be sure that all mandatory labeling is on the product.

QA will also ensure you meet the following labeling requirements during their product evaluation. The following are examples of some but not all regulatory labels:

- Candle Burn Warning Label
- ORM-D (Other Regulated Materials – Domestic)
- Suffocation Warning Label
- Fair Labeling FP&L / Uniform P&L Regulations NIST
- LHAMA Label (Labeling of Hazardous Art Material Law)

- Filled Product Regulations: Law Label
- Small Parts Warning Label
- FTC: Care, Content, Country of Origin Label
- TB-117 Upholstered Furniture Label
- Tracking Label CPSIA Sec. 103 (Children's Products)
- "CARB" Compliance Label
- Clothing Storage Units: ASTM F2057-23

#### **FDA (Adults & Kids):**

##### **Food Use Items**

- All food use items (lunchbox, tableware, etc.) must be in compliance with all FDA standards for Extractable Lead, Cadmium, Leachable Lead, Leachable Cadmium, Bisphenol A (BPA), and GRAS Chromium limits.

##### **Food Items**

- All food items must meet all FDA testing and labeling requirements.
- Visit <http://www.fda.gov/Food/> for more information.

## **PFAS or "Forever Chemicals"**

The EPA (Environmental Protection Agency) Council on PFAS was established in April 2021 and charged it to protect public health and the environment from the impacts of PFAS. Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom. Known as "forever" or "persistent", these chemicals are often used on non-stick or stain resistant surfaces.

#### **Typical Products Impacted:**

Often applied as a finish coating application to: outerwear, textiles, footwear, cookware, food packaging, furniture, rugs, carpets, electrical products (cords), outdoor textiles and associated products, packaging, adhesives, microchips, cosmetics, etc.

#### **Typical Claims:**

Stain Resistant/ Repellent/ Proof, Oil Resistant/ Repellent/ Proof, Water Resistant/ Repellent/ Proof, Heat Resistant, Non-Stick Coating, and associated claims.

**CBI Brands has set a date of January 1, 2025 for all intentionally added PFAS to be removed from all products.**

Vendors are required to complete the Certificate of Compliance Attestation Letter template on the following page at their earliest convenience.

# Cornerstone Brands, Inc.

Vendor Name:

Vendor Product Name and Number:

1)	4)
2)	5)
3)	6)

### CONFIRM COMPLIANCE:

#### California Proposition 65

Does this product or packaging contain any chemicals that require it to bear a California Proposition 65 warning?

YES  NO

If yes, please provide the exact Proposition 65 warning language present on the product or packaging and identify the Proposition 65 listed chemicals.

By signing this form, your brand agrees to indemnify and hold Cornerstone harmless for any violations asserted under California's Proposition 65 against Cornerstone related to all products your brand sells to Cornerstone. In addition to and without prejudice to any and all other warranties, express or implied by law, Vendor represents, warrants, and covenants to the Buyer that, the Vendor shall provide a California Proposition 65 warning on the product or its immediate packaging and provide Buyer with any other information requested by Buyer to ensure Buyer's compliance with California's Prop 65 ("Proposition 65"), regardless of whether Vendor is exempt from the requirements of Proposition 65 due to its size, or other reason. Vendor agrees to provide Buyer with any and all documents or information requested or required by the Buyer at any time and from time to time to support the representations, warranties and covenants herein contained.

Cornerstone may request testing documentation at any time to support compliance of CA Prop 65, and these must be available within 48 hours of a written request.

### CONFIRM COMPLIANCE:

#### PFAS - Prohibition of Perfluoroalkyl and Polyfluoroalkyl Substances (Total Fluorine)

Does this product contain any intentionally added PFAS (products that are considered stain- or oil-repellent/resistant, water-repellent/ resistant/proof, quick-dry, or have breathable membranes that remove or provide a barrier against moisture)?

YES  NO

If yes, it must meet the requirement of less than 50ppm for ASTM D7359 / EN14582? Please confirm.

YES  NO



Cornerstone may request testing documentation at any time to support compliance of PFAS regulations, and these must be made available within 48 hours of a written request.

**CONFIRM COMPLIANCE:**

**Consumer Product Safety Improvement Act of 2008 (CPSIA) & FDA**

Is this product subject to any of the following CPSC product safety regulations (Consumer Product Safety Act, Federal Hazardous Substances Act, Flammable Fabrics Act, CPSC Toy Safety, FDA Compliance for Extractable Lead and Cadmium, FDA GRAS-Chromium Content), STURDY Act Safety Standard for Clothing Storage Units.

YES     NO, NOT SUBJECT TO ANY OF THESE ACTS

If your product is subject to any of the regulations, you will be required to electronically submit a Certificate of Conformity or Children's Product Certificate indicating which regulations the product is subject to and the conformity being declared. Manufacturers and importers of children's products must certify, in the Children's Product Certificate (CPC) based on test results from a CPSC-accepted laboratory, that their children's products comply with applicable children's product safety rules. The COC or CPC certificate is required from Vendor prior to the bulk ship date, if product does not meet compliance limits, it will not be sold.

Cornerstone may request testing documentation at any time to support compliance of CPSIA and FDA regulations, and these must be made available within 48 hours of a written request.

**CONFIRM COMPLIANCE:**

**Animal Welfare Best Practices for Fur Fibers**

Does the product listed above contain any animal fibers?

YES     NO

If yes, which fur fibers are used:

WOOL     YAK     ALPACA     CASHMERE     OTHER:

Have the fur fibers used in this product been obtained through best Animal Welfare Practices?

YES     NO

By signing this form, your brand certifies that the fur fibers listed above comply with Qurate Retail Group's Required Animal Welfare Best Practices as well as the Five Freedoms of Animal Welfare. Any product which, by its sale and use, may cause harm, injury or death to any live animal is considered non-compliant. All products containing fur fibers must have these fibers obtained through combing or grooming, and the vendor must provide proof that these fibers were obtained using Animal Welfare best practices upon request. The vendor agrees to indemnify and hold Cornerstone harmless for any violations from the Qurate Retail Groups Animal Welfare Best Practices requirements.

Cornerstone may request documentation at any time to support compliance with Animal Welfare Best Practices, and these must be available within 48 hours of a written request.

**CONFIRM COMPLIANCE:**

**Product Claims, Fiber Claims, Certifications**

**Product Claims:**

Does this product have performance attributes that require proof of validity? (i.e., Waterproof, UPF, Oven Safe)

YES  NO

Does this product contain on-product marketing claims? (i.e., Waterproof, UPF, Oven Safe)

YES  NO If yes, please provide the exact claim language present on the product/packaging.

**Fiber Claims:**

Does the product listed above contain any fibers that require proof of validity? (i.e., Organic Cotton, Pima Cotton, Merino Wool, Recycled Polyester)

YES  NO If yes, please list fibers and exact content (i.e., 50% Pima Cotton / 50% Wool)

**Certification Claims:**

Does this product contain certified materials (i.e., GRS, RWS, SFA, GOTS, etc.)

YES  NO If yes, please list certified materials present:

Does this product contain on-product marketing with the above certification(s)?

YES  NO If yes, please provide the exact certification language present on the product/packaging.

By signing this form, your brand certifies that any product claims, fiber claims and certifications listed above are valid and true.

Cornerstone may request documentation at any time to support compliance of product claims, fiber claims and certifications and these must be made available within 48 hours of a written request.

Digital Signature:

Date:

## Wood Packaging Material (WPM)

On September 16, 2005, U.S. Customs and Border Protection (CBP) implemented a plan to enforce the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) import regulation for wood packaging material (WPM).

The rule requires WPM, such as pallets, crates, and boxes, used in international trade to support or brace cargo, to be treated to prevent the introduction of harmful insects to the U.S.

Approved Treatments:

- Heat treatment to a minimum wood core temperature of 56°C for a minimum of 30 minutes
- Fumigation with methyl bromide.

To certify treatment, the WPM must be marked with the approved International Plant Protection Convention (IPPC) logo. Unmarked WPM will be considered untreated and non-compliant and re-exported at the importer of records expense.



XX represents the ISO country code.

000 represents the unique number assigned by the national plant protection organization. YY represents either HT for heat treatment or MB for methyl bromide fumigation.

## Wood Composite Requirements (CARB - Composite Wood Products)

California Air Resources Board (CARB or ARB) has released a regulation to reduce formaldehyde emissions from composite wood products sold in California. Emissions standards are broken into Phase 1 and Phase 2 with varying dates for compliance.

You are responsible for reviewing the full regulation and being fully compliant (*Find the complete regulation at: [Frequent Questions for Consumers about the Formaldehyde Standards for Composite Wood Products Act | US EPA](#)*)

Materials Covered:

- Hardwood Plywood (HWPW) (separated into veneer core and composite core) • Particleboard (PB)
- Medium Density Fiberboard (MDF) (Standard or Thin) –includes Low-and High-Density
- All products made from above materials regardless of finish (ex. paint, laminate, coatings, etc.)
- Finished and Unfinished Products

Items Covered:

- This regulation includes all items containing these composite woods. It therefore includes wooded wall décor, decorative accessories, shelving, mirrors, pallets, furniture, etc.

Required Labeling:

- Any item manufactured using HWPW, PB or MDF must be labeled in accordance with 93120.7(d) to confirm compliance to the approved Airborne Toxic Control Measure (ATCM) enacted to reduce Formaldehyde emissions from composite wood products.
- Labels must include, at a minimum, the following information:
  - Fabricator's name
- Date the finished good was produced

## Anti-Tip Standards Notification

### Clothing Storage Units

CPSC has passed the STURDY Act adopting ASTM F2057-23 as the mandatory safety standard to address tip over-related deaths and injuries associated with dressers, armoires, wardrobes, and other clothing storage units. It includes all that:

- Are 27 inches in height; AND
- Are 30 pounds or greater in weight; AND
- Contain 3.2 cubic feet or greater of enclosed storage volume

As required by STURDY, the standard must meet the following performance requirements:

- Tests for stability when the unit is placed on carpet
- Tests for stability with loaded drawers and with multiple drawers open
- Tests that simulate the weight of children up to 60 pounds interacting with the unit

Compliant units must pass three performance tests:

- **Simulated Clothing Load:** All extendible elements and spaces behind doors are loaded with 8.5 pounds per cubic foot. All doors and loaded drawers opened. The loaded unit must remain upright for 30 seconds. (There is a separate test for units with drawer interlocks that prevent 50 percent or more of the extendible elements from opening.)
- **Simulated Horizontal Dynamic Force:** With all doors open and all elements extended, a 10-pound horizontal force is applied to the highest handhold, not to exceed 56 inches. The unit must not tip while the force is applied to the top edge of a drawer or to the center of the pull area of the extendible element and held for 10 seconds.
- **Simulated Carpet Test *with* Child Weight:** A test block of .43 inches is placed under the rear legs or base of the unit to simulate the impact of units placed on carpet. All doors opened and all elements extended. A test weight of 60 pounds is applied gradually over the top of the door or extendible element most likely to cause tip-over and remains in place for 30 seconds without causing the unit to tip over.

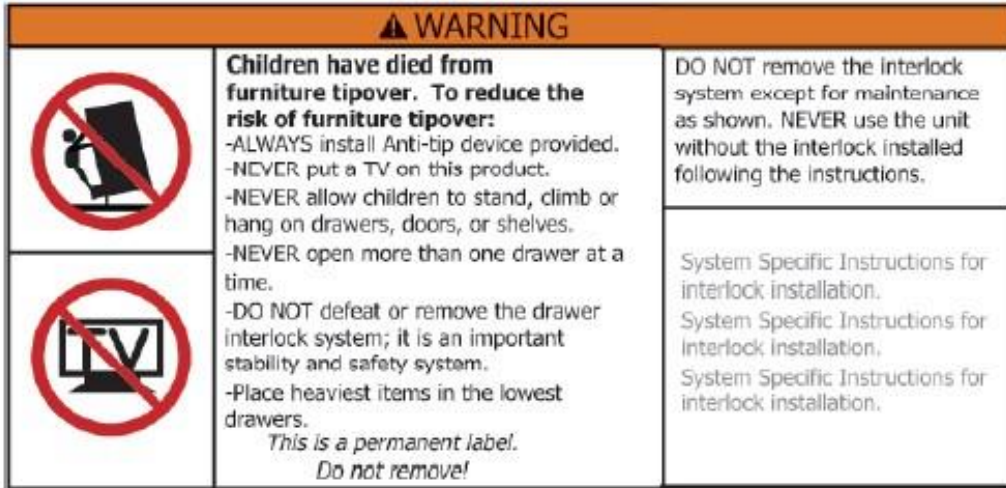
Testing must be performed by a Certified Lab. All items manufactured after 9/1/2023 must have documentation that it has passed testing prior to shipping.

The piece must have a permanent warning label. The label must be attached where it can be seen when the piece is in use. See below for placement rules. Bedroom furniture that is designed to hold a television – typically called a “media chest” – requires a separate warning label.

General Placement Rules to follow:

- If the item has drawers – the labels must be placed inside the top drawer
- If the item does not have drawers – the label must be placed on the back of the item UNLESS it is finished
- If the item does not have drawers and is finished – contact your Sourcing Specialist

The top warning label shown is for items without cord management or not intended to hold TVs.



The bottom warning label is for items with cord management or intended to hold a TV.

- Tip-over restraints must be included with each item of furniture. These must meet the requirements of the [tip restraint standard](#) (F3096-14). Instructions for installing the restraints also must be included. Items 17"+ in width should include 2 tip-over restraints.

**All Other Furniture**

This includes items such as bookcases, cabinets, entertainment furniture, jewelry armoires, and office furniture.

- 3<sup>rd</sup> Party Lab Tip Testing is NOT REQUIRED, but anti-tip hardware MUST be included. These must meet the requirements of the [tip restraint standard](#) (F3096-14). Instructions for installing the restraints also must be included. Items 17"+ in width should include 2 tip-over restraints.

- **Permanent Tip-Over Hazard Labels are required**

The same label as above and the same General Placement Rules to follow:

- If the item has drawers – the labels must be placed inside the top drawer
- If the item does not have drawers – the label must be placed on the back of the item UNLESS it is finished

If the item does not have drawers and is finished – contact your QA Specialist

## Hazardous Product Labeling

All vendors are required to comply with all local, state, and federal laws and regulations that apply to the labeling, shipping, storage, and handling of hazardous materials.

**Limited Quantity Label** a marking for shipping in the United States that identifies packages that contain hazardous material in a limited quantity and presents a limited hazard during transportation, due to its form, quantity, and packaging.



**Air Limited Quantity Label** – same as above but for air shipments



Classification



What are Flammable Liquids?

- Perfumes contain ethyl alcohol which is a flammable substance
- Flammable liquids have a flash point of 140° F or less.



For Liquids, place the arrow stickers on each side of the box with the arrows in an upward position, and the appropriate hazmat stickers next to the arrows.



### What are Gases?

- Aerosols contain flammable propellants (Propane, Butane, Isobutane)
- The gas has been put under pressure to liquefy



### Lithium Batteries

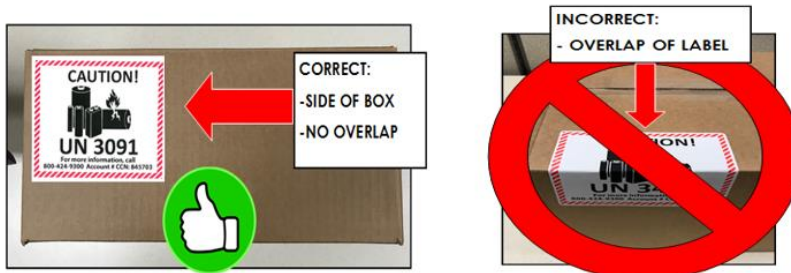
#### Packaging Types

- **Standalone**
  - Examples: batteries, quick charge battery packs, power banks
- **Packed with equipment**
  - Examples: cameras, drones, laptops, RC cars, power-tools, electric bikes, cordless equipment
- **Packed in equipment**
  - Examples: cellphones, light-up shoes, Bluetooth headphones/speakers (excludes detachable battery packs), tablets/e-readers, cordless phones, GPS, electric toothbrush; cordless vacuum cleaners



Some items include Lithium Ion. There are four (4) different labels depending on product type and how these items are shipped (metal, inside the item, with the item, lithium ion shipped alone or in an item).

- The appropriate ION label must be on the top or side of the carton, but not in multiple areas.



- The different labels are UN #3480, 3481, 3090 and 3091.



If you are unsure which regulatory labels you should be using, please reach out to your vendor compliance specialist before shipping to avoid any non-compliance chargebacks.

## Item Packaging Requirements

All merchandise must be individually packaged and labeled, while also meeting all CA Prop 65 requirements. Packaging must be designed to meet the needs of the rigorous handling necessary for the mail order process. This includes shipping to our Distribution Center, handling within our Distribution Center, shipping to our customer, and then as needed, being returned by our customer to our Distribution Center. These are stricter shipping and handling conditions than what is encountered in retail or more traditional distribution methods. Packaging of breakables and larger “ship alone” items must pass specific requirements, please refer to hard goods/furniture packaging protocol section.

### Polybags

If using polybags, all bags must be a clear poly with a minimum thickness of 0.05mm (1.9 mil). Bags must have vent holes (they can be purchased pre-punched). The poly bags must completely enclose products and have a self-adhesive re-sealable closure.

PLEASE NOTE: Use only bags that are BHT (Butylated Hydroxytoluene) free. It is your responsibility to make sure your bags are BHT-free by talking to your supplier. Bags containing BHT can cause yellowing of the product. Should this occur, you will be charged all applicable costs.

**Item Packaging: (Not all product categories are noted below. If you have any questions, contact your QA contact)**

### Apparel

We require that all apparel be packaged in folded, flat-pack form in self-adhesive re-sealable poly bags. Merchandise must be folded to fit snugly inside the poly bag so that items do not “puddle” and end up crumpled and wrinkled. Please use the appropriate bag size to prevent merchandise from shifting inside the bag. Some items may require folding around a cardboard stiffener or tissue.

Merchandise must be pressed (if necessary) and folded neatly to a size that best represents the item. The size of the finished package must fit appropriately in the carton size specified (see Shipping Carton Requirements).

Merchandise may be sent on hangers, only if the QA gives prior approval. Merchandise on hangers must be covered with garment bags that are closed at the bottom or hang at least 6” below the product.

Swimsuits must have hygienic liners applied before shipping to Cornerstone Brands.



## **Jewelry**

Jewelry must be individually bagged with tissue or bubble wrap if needed to protect during shipping. Each GH SKU must be in a polybag with the SKU label on the outside of the bag. Watches should be individually boxed and then placed in a polybag.

## **Accessories**

These items must be individually bagged to protect the item and be ready for Cornerstone Brands to ship to our customer.

## **Home Textiles**

- Sheets, pillow covers, throws, towels, blankets, soft storage: Package in taped polybags or PEVA zippered storage bags.
- Comforters, quilts: Package in PEVA zippered storage bags.
- Down filled products: Package in PEVA zippered storage bags with ventilated gussets.

## **Rugs**

Most rugs must be rolled individually and packaged in plastic that is closed at both ends with tape (no zip ties). Small rugs (2'x3' or smaller) may be packaged flat in a plastic bag. The bags must be durable enough for shipping. Please include an extra bag in the center of the roll for the ease of customer returns.

## **Liquids**

All liquid products must be in containers with lids that have a leak-proof seal. These products must be individually boxed, sealed in a bubble bag or bubble wrap, and packed ready for us to reship to our customer.

## **Ceramics, Glass items**

Ceramic items or anything in a glass or breakable container must be boxed and packaged with protective packing material. Mark case appropriately when fragile merchandise is enclosed. See hard goods furniture packing protocol for details.

## **Furniture**

Furniture that is shipped to the Cornerstone Brands Distribution Center must be individually boxed, packed with protective packing and ready for Cornerstone Brands to ship to our customer. See hard goods furniture packing protocol for details.

## **Lamps**

Lamps can be boxed individually, or the base and shade can be boxed separately. Protective packaging must be included so each box is ready for Cornerstone Brands to ship to our customer.

# **Item Labels (SKU Labels)**

All individual items that are stocked at Cornerstone Brands's warehouse (this excludes drop ship items) must contain a SKU Label on the individual item packaging. All items must have a sku label even if the quantity is just one per carton. If an item is master packed, then each individual carton or poly bag inside must be individually labeled with a sku label, as well as the outside of the master pack. This can be done with a label or printed on the carton. If items are shipped without or with inaccurate sku labels it will result in chargebacks.

The following information must be included on the sku label:

- Our Item # (from the PO)
- Color (3-4 letter color code from the PO)
- Size (size must match exactly to the size listed on your PO)

The item labels can be created using standard "Avery" (1" X 2.5") address labels that may be purchased from an office supply store. Microsoft Word has address label templates that can be used to create them – a minimum 12 pt universal font is required. The labels are critical because they identify the item once it is in our warehouse.

Examples of Garnet Hill SKU Labels:



Examples of Frontgate/Ballard Design/Grandin Road SKU Label:

Manufacture Date (year/month)

PO Number

Item Number

Made In \_\_\_\_\_

Location of Item Labels on Packaging:

- Poly bags – Place the item label on the front of the packaging, in the lower, left, or right corner.
- Boxes – Place the item label on one of the small sides of the box in the lower left or right corner. Please make sure when lid is closed the item label (GH SKU Label) is still visible.

\*For apparel vendors required to use the brands printed poly bags, please follow placement instructions on the bag, as the SKU label goes on the back lower right corner.

**\*\*If a Bulk shipment is delivered to our warehouse without a SKU Label or with an incorrect SKU Label you may be charged \$400.00.**

## DROP TEST PACKAGING GUIDELINES

**Product Scope: Hardlines only (Furniture, Mirrors, Lighting)**

To align transit test standard across all Cornerstone brands at various stages of sampling, testing and production. This protocol is for drop testing only. Please work with your brand partner to make sure you are clear on any additional tests that are required.

**All products (even if part of a collection) need to have a drop test performed.**

Step 1: Video package test sample by Vendor or Agent.

Step 2: Brand or 3<sup>rd</sup> party package test sample.

Step 3: Video package test one from production of the first PO.

\*If changes to material, construction, vendor, or issues arise = Return to step 1.

### **Step 1 - Sample Stage:**

A video drop test must be performed before any samples ship to the brand.

Brand may also perform in house drop testing once sample is received.

### **Drop Test Videos**

Vendor to submit unedited video of entire test process thru unbox/inspection closeups. Product cannot ship unless it is confirmed to ship by quality team.

- 1) Vendor shows evidence of gross weight on scale (carton should also be labeled with NW / GW)
- 2) Close up panning over carton
- 3) Close up panning while opening
- 4) Close up panning of product removed from carton
- 5) Product must be assembled (if KD) to verify no failure
- 6) Close-up panning on ALL sides including bottom of product to look for:
  - Surface defects such as scratches and dents
  - Broken / cracked parts (parts that have shifted internally in which their protective layers have been lost)
  - Parts that have motion such as drawers and doors out of alignment, etc.
- 7) Correctly name the video with a standard syntax and description, then upload the unedited video via WeTransfer or Dropbox
- 8) Video reviewed and changes to packaging and/or product may be made based on results.

**File naming for Video (Sample) Submission:** S\_Item Name Vendor Date

### **In House Drop Test at Brand Location**

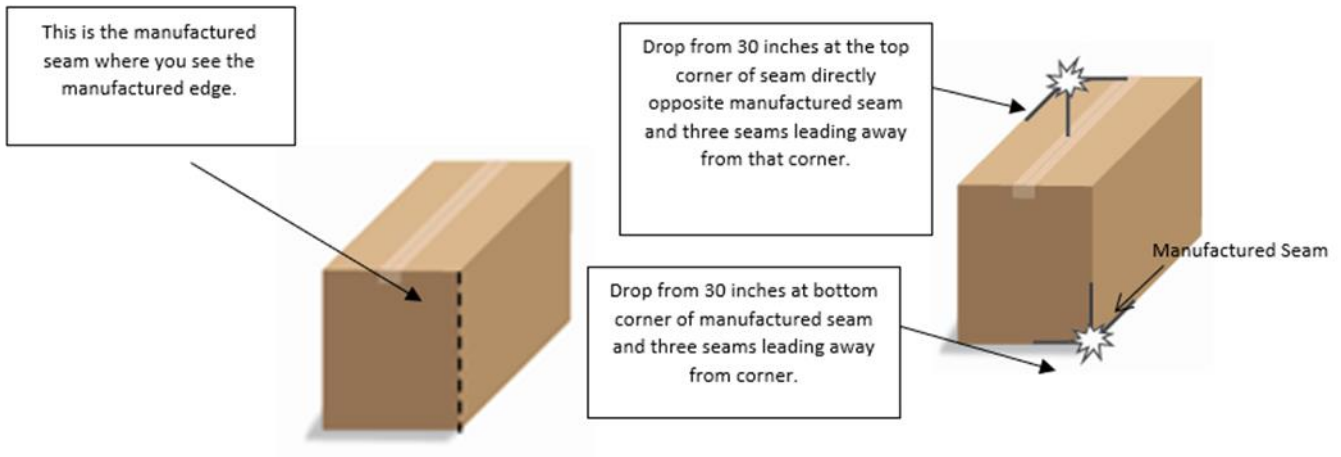
All items will be tested in house using the following guidelines unless otherwise stated.

Determine the weight and girth of an item. Girth is calculated using the formula below:

$$\text{Longest side} + (2 \times (\text{next longest side} + \text{smallest side}))$$

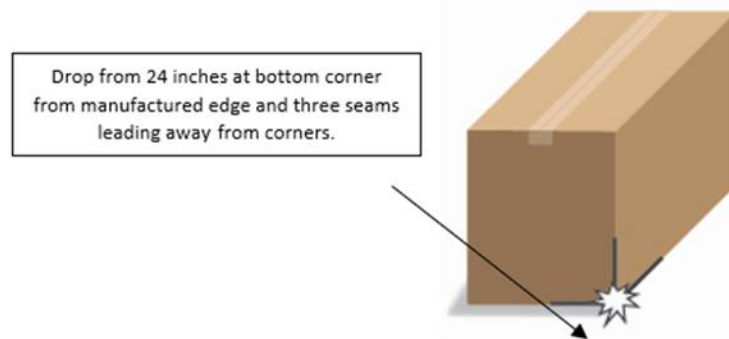
All items with weight less than 150lbs and/or a girth less than 165 inches will be dropped from a height of 30 inches. The item will be dropped a total of 14 times using the drop test techniques below:

- Item is dropped on the manufactured corner bottom, the direct opposite top corner and the three seams leading away from those corners.
- Item is dropped on the top, bottom and all four sides.



3. All items with weight more than 150lbs and/or a girth more than 165 inches will be dropped from a height of 24 inches. The item will be dropped a total of 10 times using the drop test techniques below.

- Item is dropped on the manufactured corner bottom and the three seams leading away from those corners.
- Item is dropped on the top, bottom and all four sides.



### Step 2 - Transit Testing:

After PO placement, if your product was not tested during Sample Stage and / or the product has changed in terms of material, size or construction, the product package will need to be tested. Brand will designate whether they require samples in house for review or video drop tests.

### In House Drop Testing at Brand Location:

Same process as listed during sampling stage.

### Drop Test Videos

Videos should be sent to your agent representative or Cornerstone QA representative at least **30 days** prior to product shipping.

Vendor to submit unedited video of entire test process through unbox/inspection closeups.

1. Vendor shows evidence of gross weight on scale (carton should also be labeled with NW / GW)
2. Close up panning over carton
3. Close up panning while opening
4. Close up panning of product removed from carton
5. Product must be assembled (if KD) to verify no failure
6. Close-up panning on ALL sides including bottom of product to look for:
  - Surface defects such as scratches and dents

- Broken / cracked parts (parts that have shifted internally in which their protective layers have been lost)
  - Parts that have motion such as drawers and doors out of alignment, etc.
7. Correctly name the video with a standard syntax and description, then upload the unedited video via WeTransfer or Dropbox
  8. Video reviewed and changes to packaging and/or product may be made based on results.

**File naming for Video Submission:** T\_Item # Description Vendor Date

### Step 3 - Production Stage:

Product should be drop tested during the production stage by the vendor or agent on the initial PO. A production unit should be pulled, and video drop test performed and shared with Agent or QA representative. **Product should be submitted so that it does not delay on time shipping.**

Please work with the brand to make sure appropriate teams are notified of any potential delays.

Brands may require 3<sup>rd</sup> party inspection or drop tests on later PO's as needed and formal inspections forms to be shared as needed.

Items currently in production will be reviewed and requested for drop test videos as needed.

**File Naming (Production) Submission:** P\_Item # Description Vendor Date

### Additional Drop Test Procedures

\*Crated items attached to a pallet get tip tested instead of drop tested.



### Tilt Test

To perform this test, we use the following procedures.

1. Tilt the pallet to create a 22-degree angle between the impact surface and the bottom of the test sample, then release
2. Test sample should return back to the initial orientation without tipping over.
3. Repeat steps 1 on all four sides of the test sample.

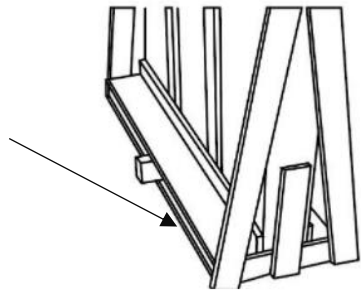
### Tip Test

To perform this test, we use the following procedures.

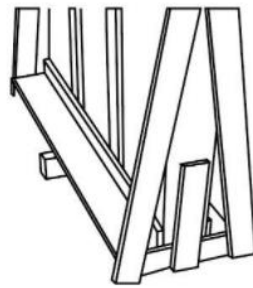
1. Raise bottom edge 8" above the impact surface and release allowing sample to fall freely. Sample could return back to initial orientation or tip over if top heavy.
2. Repeat steps 1 on all four sides of test sample.

Once all testing is complete, item can be uncrated and unboxed to reveal results.

All crates should be placed on pallets with board across the bottom of the front and back to prevent tipping when carried by forklifts. (See images below)



Correct



Incorrect –Pallet missing cross boards

## Hard Goods/Furniture Packaging Protocol

Since we ship directly to customers our packaging standards need to exceed those you may use for shipping pallet loads to retail channels. We will be shipping individual cartons to our customers via motor freight or small parcel carrier exactly as they are received from you.

Your master carton and individual re-shipper packaging must comply with ISTA packaging standards so that the product will arrive at our DC intact and then the individual re-shipper packaging will protect the product through handling and re-shipping to our customers.

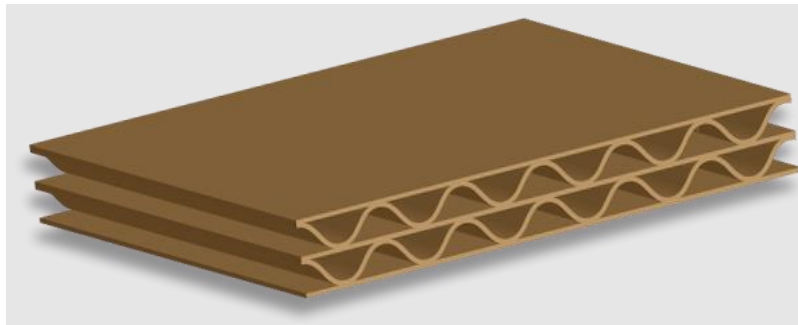
### Re-Shipper Package Guidelines

#### Box Size

- The box needs to be sized so the item and packaging/cushioning is snug inside the box with no movement.

#### Box Strength

- For items over 60 lbs. and 85" in girth, we require that the box be brown corrugated of 275# Double Walled material at a minimum.
- Double Walled Corrugated is two corrugated mediums with a linerboard facing adhered between them and to both sides.



### **Cushioning the Item**

- A 2" thick cushion on all sides of the product is the benchmark to use for sufficient cushioning.
- The cushioning needs to protect all six (6) sides of the product from the side of the box in an effort to "float" the item centered in the re-shipper box.
- A pre-formed polystyrene mold is excellent cushioning.
- Do not use Styrofoam beads or other loose fill as packing materials
- Test your re-shipper packaging to the Package Testing Requirements enclosed, making any necessary changes needed to pass this test.
- If the product weight is greater than 40 lbs. or the dimensional girth (length + width + height) is greater than 56 inches, we require that you test your re-shipper packaging to ISTA 1A or 1B at a 3rd party testing lab and submit passing test results to Cornerstone Brands before the product will be approved to ship to Cornerstone Brands customers.
- If the product weight is less than 40 lbs. and 56 inches dimensional girth, we request that you test your re-shipper package to ISTA 1A or 1B internally.

### **Internal Components**

- Internal components must be separated from each other with cushioning. No two components should touch in the box.
- The items must be enclosed in a plastic bag or something similar to protect the finish.

### **Small Parts and Tools**

- Small parts and tools must be packaged in a sealed poly bag.
- The small parts bag must be easy to locate, unable to move around the box and packaged so it does not harm the product.

### **Instruction Sheets**

- Instructions written in English must be enclosed if any part is to be assembled by the customer.
- Instructions must include:
  - A parts list with quantity and identifying picture, as well as a list of all tools needed but not supplied.
  - Each step of assembly must be numbered and listed in order, and include a picture of the action with the parts identified.
  - The last step must include a picture of the assembled item.

# Package Testing Requirements - Hard Goods

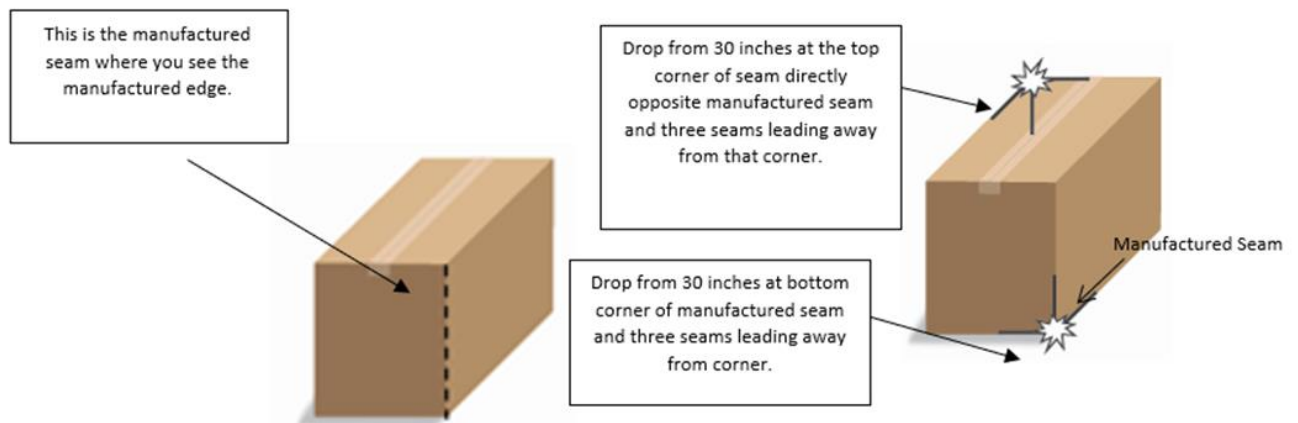
- All packaging for hard goods items must meet our drop test requirement which ensures our customers receive their product undamaged.
- Each hard good item must be individually boxed, with proper dunnage to pass drop testing. Depending on the size, that individual box will either be shipped directly to the customer as is, or included in a larger box with additional items a customer has ordered.
- Both the master shipping carton (if multiple individual product boxes are shipped together to our warehouse in one (1) box), as well as the individual product boxes, must meet these requirements.

## Test Method

All items with a weight *less than 150 lbs. and girth less than 165 inches* will be dropped from a height of 30 inches. The item will be dropped a total of 14 times using the drop techniques below:

(Girth = longest side + (2 X (next longest side + smallest side))

- Item is dropped on the manufactured corner bottom, the direct opposite top corner and the three seams leading away from those corners.
- Item is dropped on the top, bottom and all four sides.

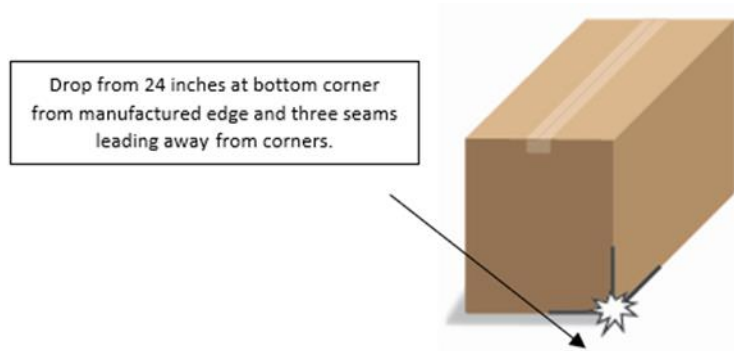


- All items with a weight *more than 150lbs and girth more than 165 inches* will be dropped from a height of 24 inches. The item will be dropped a total of 10 times using the drop techniques below.
  - Item is dropped on the manufactured corner bottom and the three seams leading away from those corners.
  - Item is dropped on the top, bottom and all four sides.

## Packaging Drop Testing and Verification:

As part of the verification process, product must be transit tested to ensure that the packaging is sufficient to prevent damage to the product during transit and ensure customer safety during unpackaging.





Product with a Length (L) + Girth ((2 x Smallest Side 1) + (2 x Smallest Side 2)) of <165 and/or less than 150lbs will follow the 14 PT Drop Test as follows and in the specified order:

- Hold the item at a 30" height
- Drop 1: Corner at manufactured joint or most fragile corner
- Drop 2: Shortest edge radiating from corner
- Drop 3: Next longest edge radiating from corner
- Drop 4: Longest edge radiating from corner
- Drop 5: Direct opposite top corner (opposite from Drop 1)
- Drop 6: Shortest edge radiating from corner
- Drop 7: Next longest edge radiating from corner
- Drop 8: Longest edge radiating from corner
- Drop 9: Flat on one of the smallest faces
- Drop 10: Flat on the opposite small face
- Drop 11: Flat on one of the medium faces
- Drop 12: Flat on the opposite medium face
- Drop 13: Flat on one of the largest faces
- Drop 14: Flat on the opposite large face

Items are passing if the product does not sustain any damage after all drops have been completed.

Product with a Length (L) + Girth ((2 x Smallest Side 1) + (2 x Smallest Side 2)) of >165 and/or more than 150lbs will follow the 10 PT Drop Test as follows and in the specified order:

- Hold the item at a 24" height
- Drop 1: Corner at manufactured joint or most fragile corner
- Drop 2: Shortest edge radiating from corner
- Drop 3: Next longest edge radiating from corner
- Drop 4: Longest edge radiating from corner
- Drop 5: Flat on one of the smallest faces
- Drop 6: Flat on the opposite small face
- Drop 7: Flat on one of the medium faces
- Drop 8: Flat on the opposite medium face
- Drop 9: Flat on one of the largest faces
- Drop 10: Flat on the opposite large face

Items are passing if the product does not sustain any damage after all drops have been completed.

Special case items or items over 250lbs may require separate validation for truck protocols and testing will be directed by the Sourcing or Quality Assurance / Compliance Specialist.

# Shipping Requirements

## Cornerstone Brands Vendor Shipping Checklist

Please use the following checklist to confirm that your shipment is in full compliance with these CBI requirements.

- For Garnet Hill: Get set up with SPS. Garnet Hill will initiate with SPS who will then contact you for setup.
- For Ballard Designs, Grandin Road, and Frontgate: Get set up with Vendornet. The applicable brand will initiate with Vendornet who will then contact you for setup.
- Choose the carrier using the current routing guide:  
<https://www.ccsinc.com>
- Package individual item and apply Cornerstone Brands item label as specified.
- If there is hazardous product, is each item/carton properly labeled?
- Each item is properly identified as being shipped to a CV, NC Facility 1, or NC Facility 2 and it is packaged according to the guidelines provided in this manual (on page 43).
- If using masterpack or multi SKU cartons, all guidelines provided in the manual have been followed.
- Complete the GS1-128 case label(s) as instructed and affix in the proper location on the case.
- If using pallets, all pallets are properly stacked, labeled, and all items are secured.
- During trailer loading, different product types are loaded based on the guidelines provided in this manual.
- Send ASN (Advanced Shipment Notification) through SPS as applicable for Garnet Hill. For other CBI brands, please work through Vendornet.
- Place packing list inside and outside the lead case (you can print the ASN and use it as a packing list).
- Call or email the Cornerstone Brands contact on your purchase order for shipping approval.

For any additional questions, please contact the specific brand you need at:

[vendorhelp@garnethill.com](mailto:vendorhelp@garnethill.com)

[vendorhelp@ballarddesigns.net](mailto:vendorhelp@ballarddesigns.net)

[grandinroadqagroup@grandinroad.com](mailto:grandinroadqagroup@grandinroad.com)

[frontgateqagroup@frontgate.com](mailto:frontgateqagroup@frontgate.com)

## Packing List

A packing list must be inside the lead case as well as attached to the outside of the lead case. Vendors can use a printed copy of the ASN as a packing list.

## Routing Guide & Transportation

All shipments must follow the most current routing guides found on <https://www.ccsqinc.com>. Click on the Cinmar Vendor Partnership link. You will find both Domestic and International routing guides on this site. Check this site often as updates are regularly made to the routing guide.

## Bill of Lading

Case count and purchase-order numbers must be printed on the Bill of Lading (BOL). If multiple POs are shipped on one BOL, then the total cases across all ASNs must match the total cases on the BOL. Vendors must consolidate same-day shipments onto one bill of lading. A BOL is not necessary when shipping UPS although vendor is required to send the proof of delivery – not just the tracking number. Acceptable forms include copy of the Ocean Bill of Lading, original copy of the Bill of Lading, Seaway Bill, Air Waybill, Express Release Bill of Lading or Forwarder's Cargo Receipt.

## Bill to Address:

Cornerstone Brands Inc.  
PO Box 1729  
West Chester OH 45071-1729

Or Email to:

[Garnet-AP@CornerstoneBrands.com](mailto:Garnet-AP@CornerstoneBrands.com) (Garnet Hill)

[Cinmar-AP@CornerstoneBrands.com](mailto:Cinmar-AP@CornerstoneBrands.com) (Frontgate and Grandin Road)

[BD-AP@CornerstoneBrands.com](mailto:BD-AP@CornerstoneBrands.com) (Ballard)

## Overages/Shortages

Cornerstone Brands recognizes there may be variances in final production quantities due to quality control inspections. Our practice is to allow a +/- 5% variance per SKU. We ask that you contact the Inventory Planner listed on the purchase order prior to shipping when variances exist. This will enable us to proactively reconcile purchase orders, advance shipment notifications and invoice.

# Case Size Requirements

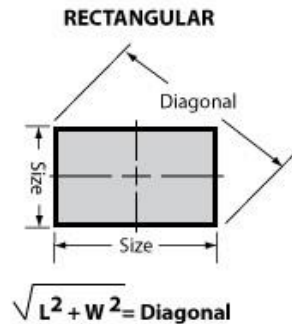
## Carton Type

### How to determine conveyable vs. non-conveyable facility 1 and 2

All of our conveyable products are stored in a CV facility. The max size for a conveyable carton (CV) is a 33.75" diagonal dimension with a max weight limit of 50lbs. This is the largest size and weight that can safely be transported on our conveyors. If your carton exceeds this, it is considered non-conveyable (NC). To get the diagonal dimension, plug the length and width of your carton into the formula below. If an item is masterpacked with multiple items, it is important to use the UNIT dimensions not the CARTON dimensions.

You can also use the “carton type” tool on the <https://www.ccsqinc.com> website to help determine if your item is conveyable or not.

(The length and width will be the two largest dimensions)



### Non-Conveyable Cartons

We have two non-conveyable facilities. Each facility handles different product, and it is important that all nonconveyable (NC) items get packaged accordingly so the right type of product is shipped to each facility. If you have an item that can fit in NC Facility 1 it is imperative that the item goes to NC Facility 1.

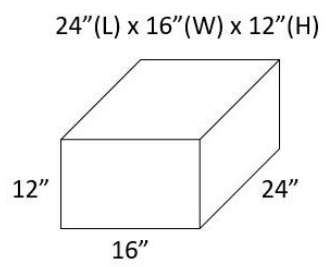
NC Facility 1 – This facility handles all items that are too large for our CV guidelines but no larger than 96” in length, 48” in width, and 36” in height. No item should weigh more than 130lbs. We prefer all non-conveyable product to be boxed individually. However, if you are masterpacking an item that falls outside of the CV guidelines and in the NC Facility 1 guidelines it should not be masterpacked with more items in a carton larger than the dimensions of 68” in length, 48” in width, and 65” in height. Doing so would push this item into NC Facility 2 where it does not belong. Failure to comply with this guideline will result in chargebacks.

NC Facility 2 – This facility handles all items that are too large or heavy for Facility 1.

## Masterpack Cartons

Masterpacking must be incorporated whenever possible for conveyable (CV) items. Master carton size must fit on a single pallet (48” x 40”) with no overhang. There is no minimum for the units in a master carton as long as the carton fits on a single pallet and does not exceed the maximum weight limit of 50lbs. The only exception to the 50lbs limit would be if the masterpack arrives to our facility on its own pallet; for example, a 43” x 43” masterpack on a pallet containing same SKU items that weighs 80lbs. Do not masterpack a CV item in a carton larger than the dimensions above or we will charge for non-compliance.

Please remember that each item inside of a master carton will need a SKU label (page 3) With smaller products we recommend the standard carton size below or smaller.



## CASES MUST CONTAIN ONLY ONE SKU (ITEM/COLOR/SIZE) WHENEVER POSSIBLE

Multiple purchase orders should never be mixed in a case.

# Multi-SKU Cases

Some of our purchase orders are for small items such as jewelry or personal care products and/or small quantities of multiple SKU's. In these circumstances Cornerstone Brands may waive the multi-SKU chargeback fees given an agreement with the vendor has been reached prior to shipping. This approval must be given by your Inventory Planner listed on your PO and is done so on an individual purchase order basis. The following packing guidelines must be followed to ensure no chargebacks will be issued:

- Create the ASN with each SKU as its own carton
- Each different SKU should have its own unique case number
- Pack each carton with multiple SKUs; placing each SKU in a separate plastic bag with the GS1-128 label inside the bag or loose in the carton (not attached, as the sticker needs to be useable)

### How to Pack Internal Content

- Every item inside should be poly bagged and then that group of SKUs should also be poly bagged to separate each SKU.
- GS1-128 labels should then be placed in the box with backing still intact.



- On the outer cartons mark it multi-SKU with a sticker or marker (preferably on 4 of the 6 sides)
- Do not place any GS1-128 labels on the outer carton

### Exceptions (Shoe Shipments)

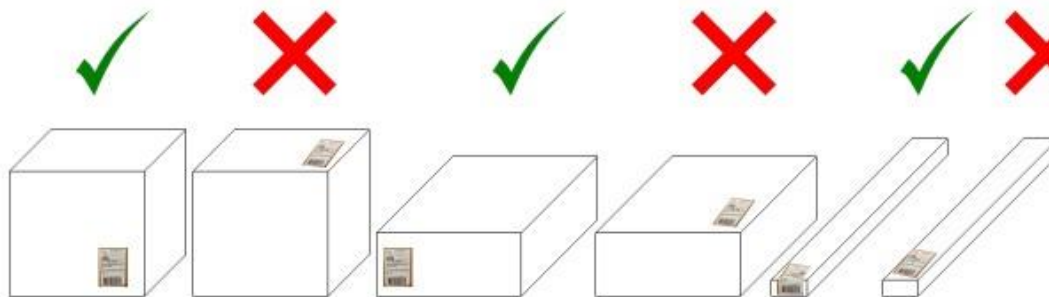
- The process should be the same as above with the exception that shoes are not required to be individually wrapped
- Each carton should contain the GS1-128 labels for the SKUs inside (either in a bag or “pouch” like the packing slip)
- For example; one (1) carton with three (3) pairs of size 11, three (3) pairs of size 8, and three (3) pairs of size 9 should contain three (3) GS1-128 labels.

<https://go.spscommerce.com/Garnet-Hill-Cornerstone-Brands-Inc-856-Multi-SKU-Shipments-Guide>

## GS1-128 Case Label Placement

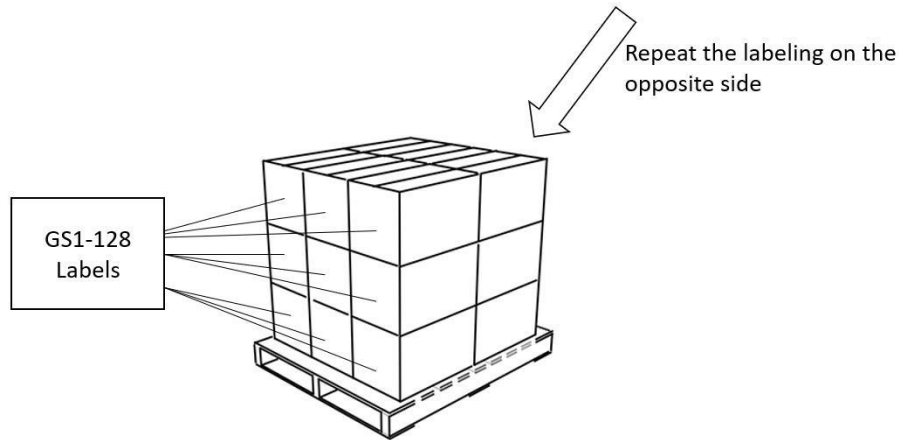
### Carton Labeling

**Conveyable labeling guidelines** – One GS1-128 carton label must be placed on one of the smallest sides of the carton. To do this, find the two smallest measurements of the carton. The smallest measurement will become your height and the next to smallest measurement will be your width. Turn the box with this side facing you. Place the GS1-128 label upright in one of the lower-hand corners approximately 1” from the bottom. If your height is smaller than 6”, you can wrap the top portion of the GS1-128 label over the top of the carton as indicated in the last picture below.



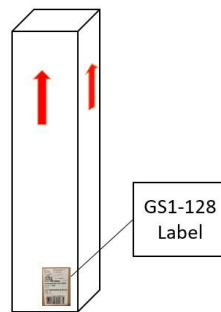
**Non-conveyable labeling guidelines** – The GS1-128 label placement must support the requirement for access by hand scanning in the non-conveyable area. All GS1-128 labels must be positioned on non-conveyables so that they can be read from the outside of the pallet.

Place the GS1-128 label on the lower-hand side of each carton. The following illustration shows two sides where GS1-128 labels can be placed.



### Arrow Directions for Non-Conveyable Only

Cornerstone Brands follows safe handling practices regarding transportation and storage of product. Consequently "arrow" instructions printed on incoming non-conveyable cartons are considered critical. Vendors should only use these indications when the "arrow" instructions impact the security and protection of the product. On all conveyable items, arrow indicators will not be adhered to. For example, if an arrow indicates that an item should be transported and stored in a vertical orientation the product must arrive to our facility in this orientation and the placement of the item or GS1-128 labels must coincide with this requirement.



### External Carton Labeling

GS1-128 (universal code council) standard carton labels are required for each shipped carton.

You can produce your own GS1-128 label, or you can print them from the SPS application.

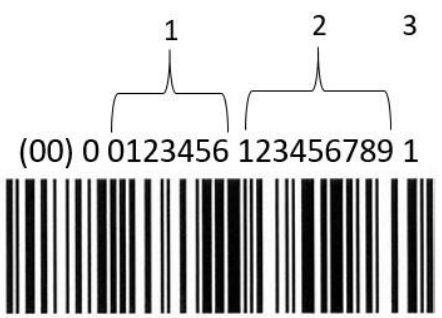
If you are producing your own GS1-128 labels or using a label provider you will need to have a label approved by scanning a copy to our GS1-128 department at [CCSG-Receiving@cornerstonebrands.com](mailto:CCSG-Receiving@cornerstonebrands.com)

Example GS1-128 carton label:

<b>FROM:</b> Vendor # 12345	Ship To: Brand DC 8877 Union Center Blvd. West Chester, OH 45069
Ship to Postal Code: (420) 45069 	<b>Carrier Info: UPS</b> Pro # B/L#
Purchase Order: 100012345 Brand Item # ZA1234 BLU Vendor Item # 00001 Size: Color: Blue Qty/Case 20 Desc: Dish Blue Flowers Carton # 2 of 3	
(00) 09922222 55555555 8 	

GS1-128 Shipping Carton Label Data Requirements:	General Information
Vendor Number	GS1-128 carton label must appear on every carton
"Ship-to" information (from PO)	Recommended label dimensions:
Bill of Lading (BOL) #	6"(H) x 4"(W)
Purchase Order (PO) #	Type must be at least 3/16" or 10pt
Brand SKU Item #	Attach GS1-128 label to lower corner of carton
Vendor Item #	PRO numbers may be requested in advance from issuing shipping company
Item Description (Size, quantity, and color)	Low-reflective tape - If tape is used on the label
Quantity per Carton	
GS1-128 Symbology (carton identification bar code)	
Carton Count (i.e. "01 of 10")	

## GS1-128 Symbology Explanation:



1
2
3

(00) 0 0123456 123456789 1

- 1) Vendor's UCC Number (or UPC preceded by a zero). Contact Vendors Relations Coordinator if UCC numbers are not utilized
- 2) Unique Carton Identification Number (9 digits)
- 3) Check digit

NOTE: The Uniform Code Council has approved a standardized format for the GS1-128 carton label. For more information call (800) 543-8137 or visit [www.uc-council.org](http://www.uc-council.org) The bar code must meet the following specifications:

- GS1 code 128 subset "C"



- Encoded Digits: twenty (20) numeric
- Minimum narrow element: .02"
- Wide element: 1.0"
- Minimum bar height: 1.0"
- Maximum pattern length: 3.12"
- Overall pattern length: 3.52" (including quiet zones)

This must have a GS1-128 bar code quality program in place that ensures ANSI A or B print quality (ANSI X3.182). Be sure to use "smudge-proof" labeling/ink and low-reflective tape (if tape is used to apply the label). **A 20-digit carton number may only be used once. Each GS1-128 label printed must be unique and not have the same carton number as another GS1-128 label.**

### Advance Shipment Notice (ASN)

Methods for attaining the ASN are:

- 1) SPS portal
- 2) EDI
  - All shipments require an ASN to be sent prior to the product leaving your dock. This must be sent electronically through EDI or SPS portal.
  - When more than one trailer or container is sent to fulfill a purchase order(s), an ASN is required for each load. This is required for both ASN methods. One ASN per trailer or container. This must match exactly what is on the shipment, brand item numbers, carton numbers, and quantities.
  - If you are splitting a shipment (sea and air,) each shipment needs its own ASN
  - **We do not support faxed ASN's.**

## EDI Requirements

All vendors are required to communicate electronically with Cornerstone Brands.

Cornerstone Brands has partnered with [SPS Commerce, Inc.](#), a leading provider of EDI solutions, to facilitate our electronic business-to-business communications. SPS Commerce, Inc. offers a range of hosted EDI solutions ranging from web browser-based to direct integration with your back-end applications.

Vendors are not required to use SPS Commerce as their EDI provider, however all EDI transactions to and from Cornerstone Brands must pass through the SPS Commerce system. If a vendor has in-house EDI capabilities or has already partnered with a web-based EDI company, they may use their existing capabilities for the Cornerstone program with SPS Commerce.

Please contact SPS Commerce for more information via the contacts below:

### SPS Commerce Onboarding

- SPS Commerce Website: [www.spscommerce.com](http://www.spscommerce.com)
- SPS Commerce Community Onboarding Email: [community@spscommerce.com](mailto:community@spscommerce.com)

During the new vendor set-up process, vendors will be contacted by a representative from SPS Commerce. Vendors will be required to move quickly through the set-up process to be certified as EDI capable by SPS Commerce. If vendors have an existing service through SPS Commerce or questions regarding the Cornerstone EDI program, please contact:

#### SPS Commerce Customer Support Operations

- SPS Commerce Support: <https://www.spscommerce.com/customer-support/support/>
- SPS Commerce Support Phone Number: 888.739.3232, option 1
- SPS Commerce Support Email: [support@spscommerce.com](mailto:support@spscommerce.com)
- SPS Commerce Support In Product Chat: Login to the SPS Commerce [Platform](#)
- SPS Commerce Global Status Page: <https://status.spscommerce.com/>

**Note:** If a vendor installs a new EDI system or makes a major change to their current system, SPS Commerce must be contacted to ensure that future transmissions continue to meet Cornerstone Brands standards.

#### Required Electronic Documents

SPS Commerce hosts the most current EDI documentation related to our program and you can find them here: [Current EDI Document Specifications](#)

Please note that the following EDI document types are supported through SPS Commerce and are required for all vendors that manage the bulk replenishment (stock) and the dropship (direct to consumer) order management model (unless noted).

- EDI 846 Inventory Advice (drop ship requirement only)
- EDI 850 Purchase Order
- EDI 855 Purchase Order Acknowledgment
- EDI 860 Purchase Order Change/Request for Cancel
- EDI 865 Purchase Order Change Acknowledgement
- EDI 856 Advanced Shipment Notice
- GS1-128 Barcode Label (bulk requirement only)
- Branded Packing Slip (drop ship requirement only)
- EDI 810 Invoice

EDI Documents Required by the Exchange			
Data Type	Direction	EDI Document	Timing
Inventory	To Cornerstone Brands	Inventory Advice (EDI 846)	24/7, At Minimum Daily
Order	From Cornerstone Brands	Purchase Order (EDI 850)	24/7 Including Functional Acknowledgment (EDI 997) returned
Order Acknowledgement	To Cornerstone Brands	Purchase Order Acknowledgement (EDI 855)	24/7
Order Change / Cancel	From Cornerstone Brands	Purchase Order Change (EDI 860)	24/7 Including Functional Acknowledgment (EDI 997) returned
Order Change Acknowledgement	To Cornerstone Brands	Purchase Order Change Acknowledgement (EDI 865)	24/7
Shipment Notification	To Cornerstone Brands	Advanced Ship Notice (EDI 856)	Daily with Shipments-and including related Barcode Label and Packing Slip
Invoice	To Cornerstone Brands	Invoice (EDI 810)	Daily

### EDI 846 Inventory Advice

Cornerstone Brands expects to receive an EDI 846 Inventory Advice, which is an electronic document that allows vendors to inform Cornerstone of their inventory availability. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

- Inventory advice is mandatory for dropship vendors (optional for bulk).
- Inventory advice must be sent a minimum of once a day (recommendation is at least four (4) times a day) and must be sent at a corporate inventory quantity / level while including the agreed upon items only.
- Items out of stock, whether because of zero quantity available or discontinued, should **NOT** be removed from the EDI 846 Inventory Advice. Rather, the quantity available should indicate a zero (0) quantity.
- Discontinued items should be sent with a zero (0) quantity available at least five (5) business days while alerting your appropriate Cornerstone buyer to insure the item is properly discontinued and deactivated.

### EDI 850 Purchase Order

Cornerstone Brands will send an EDI 850 Purchase Order for all orders being placed with a vendor. Cornerstone Brands does not accept email, phone or verbal orders. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

## EDI 855 Purchase Order Acknowledgement

Cornerstone Brands expects to receive the Purchase Order Acknowledgement to inform them of the vendors ability to fulfill the purchase order as placed. This document must be received within **48 business hours** of the purchase order. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

- The vendor will be required to send a Purchase Order Acknowledgement for each Purchase Order and indicate the acceptance of the entire order at the item level. If the vendor is rejecting the order, they will need to indicate that for all items within the order at the item level.

## EDI 860 Purchase Order Change

Cornerstone Brands expects their vendors to support the receipt of EDI 860 Purchase Order Change data as part of the process of automating order changes for the change types that are noted below. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

- Order Cancellations
- Order Changes:
  - Dates (order or item level)
  - Item additions
  - Item price
  - Item quantities

**Note:** Cornerstone Brands will be looking for vendors to support a refresh of the order with the changes included.

**Note:** Any Cornerstone Brands items that were deleted will be left off the Purchase Order Change file altogether. Cornerstone Brands will flag unchanged items as no change ("NC").

**Note:** Purchase Order Change transactions for dropship will be used to communicate order cancellations.

## EDI 865 Purchase Order Change Acknowledgement

Cornerstone Brands expects vendors to provide confirmation of receipt and management of order cancellations using the EDI 865 Purchase Order Change Acknowledgement. The Purchase Order Change Acknowledgement will need to be sent by all vendors in response to a Purchase Order Change for cancellations only. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

Each Purchase Order Change Acknowledgement will represent a response to a single Purchase Order Change and indicate if that change was accepted (order was canceled and not shipped) or rejected (order has already shipped).

## EDI 856 Advanced Shipment Notice

Cornerstone Brands expects vendors to provide the EDI 856 Advance Ship Notice (ASN) within **24 business hours** of the order shipment. Find the most current specifications for this EDI document here: [Current EDI Document Specifications](#)

- The Advance Ship Notice (ASN) should only include the true amount of product that was shipped in the individual shipment. Any product that was not shipped should not be found on the Advance Ship Notice.
- The Advance Ship Notice (ASN) number must represent each shipment and each shipment **must** include the carrier tracking information.

**Note:** Any vendor facing system issue(s) that are preventing the transmission of a timely Advance Ship Notice (ASN) should be reported to Cornerstone Brands immediately.

## Packing and Labeling

Cornerstone Brands supports the pick and pack Advance Ship Notice (ASN) structure as outlined below.

<https://go.spscommerce.com/Garnet-Hill-Cornerstone-Brands-Inc-856-Multi-SKU-Shipment-Guide>

Cornerstone uses SOPI (Shipment, Order, Pack/Carton, Item) for loose cartons and pallets containing more than one SKU. With this format, the vendor is indicating they have provided the GS1 Shipping Label at the Carton level and that the ASN data contains that barcode number.

**Note:** For those shipments that are palletized, Cornerstone Brands requires that all cartons are labeled and the SSCC information be provided at the pack level. Cornerstone Brands supports vendors packing multiple orders per pallet. In this instance, Cornerstone Brands is still expecting SOPI structure with each carton having a unique label.

## GS1-128 Barcode Label

Cornerstone Brands supports the scanning of the GS1-128 barcode within the shipping label against the Advance Ship Notice (ASN). Label placement must follow the Vendor Compliance requirements set forth by Cornerstone Brands and the GS1-128 barcode number must be correctly provided in the Advance Ship Notice (ASN). Additional resources around GS1 standards can be found here: [Get GTINs and U.P.C. Barcodes from GS1 US](#)

## Branded Packing Slips

Cornerstone Brands dropship vendors must support a branded packing slip across all four (4) brands they do business with (Garnet Hill, Ballard Design, Grandin Road, Frontgate) and this packing slip must be placed within each outgoing customer order/carton. Please reference the most up to date packing slip requirements [here](#). **Note:** Drop ship vendors cannot be moved into a production environment and cannot be considered “ready to go live” until they provide a sample of the branded packing slip that meets Cornerstone Brands requirements [here](#)

## EDI 810 Invoice Requirements

Cornerstone Brands requires the EDI 810 Invoice to automate the receipt of invoices and use the 3-way matching functionality. Please find the most current specifications here: [Current EDI Document Specifications](#) The following rules must be followed to ensure timely payments:

- o No paper invoices are allowed unless prior approval has been given by Cornerstone Brands.
- o Invoices for merchandise that was shipped after the order was cancelled will not be paid.
- o Invoices must include the correct PO#, Customer Order# and Vendor# from the Purchase Order.
- o Invoices should not include quantities for products that were not shipped.
- o The line sequence number must be returned and match the Purchase Order.
- o All products must be invoiced using the unit of measure found on the Purchase Order.

## Label Resources

The SPS portal and application does allow for printing GS1-128 labels on your printer. However, if you are not able to print GS1 labels, additional resources to purchase labels at a nominal cost are listed below.

Adaptive Data Interchange (ADI) for domestic or international vendors

<http://www.adi-barcode.com/http://www.adi-barcode.com/>

PH: 937-436-2343

1. Elmicron Printing Services (European Vendors)  
[info@Elmicron.de](mailto:info@Elmicron.de)  
[www.elmicron.de](http://www.elmicron.de)

PH: +49(0) 34 45 – 78 11 20

2. Bartender Labeling Software Professional Program
  - a) Purchase from ADI above
  - b) Purchase from Seagull Scientific  
[sales@seagullscientific.com](mailto:sales@seagullscientific.com)  
[www.seagullscientific.com](http://www.seagullscientific.com)  
PH: 800-758-2001

## ASN Specifics

- We require a consolidated ASN with GS1-128 carton level information, as a minimum, for every shipment. You must transfer the full 20-digit GS1-128 carton number on the ASN. Each 20-digit carton number must be different, and therefore NEVER use the same carton number ever. Be sure to fill out the SKU number which matches the PO (including color suffix and size suffix if applicable) and the carton quantity in each individual carton.
- Sets - Carton quantity is the way we sell the item. For example: if we sell a set of two plates and we receive 10 plates, then the carton quantity should be five (5) representing the number of sets.
- If multiple POs are to be shipped under one bill of lading, each PO should be listed on the BOL including a breakdown of the number of pallets and number of cartons. Note: a packing slip is to be attached to the lead carton of each shipment on the BOL which will include number of cartons, number of units, and all brand SKU numbers.
- When more than one truckload is sent, a unique BOL and unique ASN is necessary for each truckload. For containers, a unique ASN must be sent for each container, matching the carton numbers, brand sku numbers, and quantities exactly.
- Your ASN must be 100% accurate. To maintain accuracy, the “scan and pack” method, also known as “ship confirm” is required.
- For fabric ASN’s, please be sure to round down to full yardage. For example, 60.4 yds should be 60 yards.
- Incorrect or late ASN’s will result in chargebacks and delay of payment for the shipment.

## Advance Shipment Notice (ASN)

Methods for attaining the ASN are:

1. SPS portal
  2. EDI
- All shipments require an ASN to be sent prior to the product leaving your dock. This must be sent electronically through EDI or SPS portal.
  - When more than one trailer or container is sent to fulfill a purchase order(s), an ASN is required for each load. This is required for both ASN methods. One ASN per trailer or container. This must match exactly what is on the shipment, brand item numbers, carton numbers, and quantities. • If you are splitting a shipment (sea and air) each shipment needs its own ASN
  - **We do not support faxed ASN’s.**

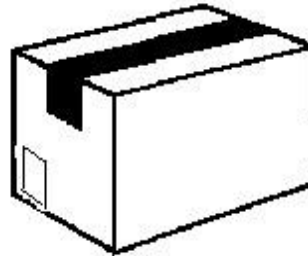
# Case Sealing and Palletizing a Shipment

## Taping and Sealing Cases

Due to the large number of cases received at the Distribution Center, standardized case sealing simplifies inventory and quality inspections. Taping must not hide any required case markings or labels.

## Sealing Technique for the Standard Case

Cornerstone Brands requests that cardboard inserts be placed in the top and bottom of each case to protect merchandise when carton is opened.



## Palletizing

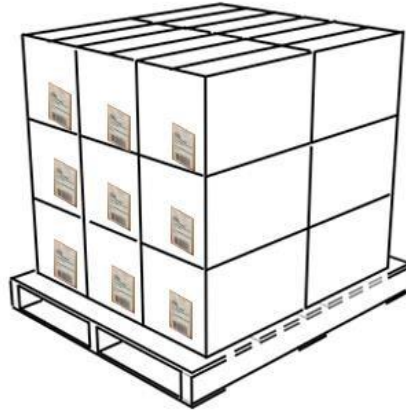
Multiple Cartons

- A) The required pallet size is 48"(L) x 40"(W)
- B) Use four-way pallets



- o Follow any regulatory guidelines on heat treatment/fumigation stamps
- C) A pallet label including the following information must be on all four (4) sides of EACH pallet:
  - o Vendor Name
  - o Address
  - o PO#
  - o PRO#
- D) A separate sheet of brightly, colored paper, approximately 8.5" x 11", should be placed on all 4 sides of each pallet.and should read:
  - a. **"PLEASE DO NOT BREAK DOWN SKIDS"**
- E) Cartons on the pallet must not overhang pallet length or width
- F) Maximum height of pallet - 65" including the cartons and pallet..
- G) Cartons of the same PO should be numbered "xx of xx" starting with "1 of xx".
- H) Place cartons on pallet so all GS1-128 carton labels face outward.
- I) All cartons are to be column stacked on the pallet as shown below.
- J) When palletizing conveyable cartons with multiple PO's, cartons of the same PO should be on the same level of the pallet or on the same pallet.

- K) When palletizing Non conveyable cartons, only same SKU and PO cartons should be on each pallet.
- L) The cartons should be secure on the pallet and withstand transit without shifting. Use shrink wrap if needed for securing the cartons to the pallet.



### Single Cartons

- A) The pallet should be equal to or larger than the item so there is no overhang
- B) The GS1-128 label should be visible
- C) Position and secure the item in the fashion it should be stored to protect the item
  - a. There should also be arrows on the carton to illustrate proper storage position
- D) The item should be able to handle transit without shifting around on the pallet
  - a. If the item would shift then it needs to be properly secured to the pallet. For example, using shrink wrap.
- E) To prevent damage to our material handling equipment, do not secure individual conveyable carton with straps, bands, strings, or film. Do not use styrofoam peanuts in packaging. All of these examples will result in charge backs.

### Mat Packaging

#### Mat vs. Rug

- A rug is a thick and heavy floor covering that does not extend over the entire floor whereas a mat is a piece of coarse material placed on a floor for people to wipe their feet on. Both come in various sizes although rugs tend to be larger in size.

All mats shipped to Cornerstone must meet the following qualifications:

- All mats must be bagged individually in snug fitting white HDPE woven bags, sealed with no open ends, and follow all labeling guidelines. The quality of the bag must be strong enough to protect the mat during shipment. We recommend using 5-6mil gauge material to ensure the mat stays protected and the film does not tear during transport.



## Packing a bundle

### Individually bagged mats

- Units bundled in "masterpacks" of same SKU only
- Height of each masterpack bundle should be no greater than 10" (multiple bundles of same SKU may be necessary)
- Masterpack bundles stacked and placed on a pallet, banded and shrink-wrapped
- Masterpack" bundle shall have a GS1-128 label placed on shortest side of bundle (image below)



### Non-individually bagged mats

- Units bundled in "masterpacks" of same SKU only
- Height of each masterpack bundle should be no greater than 10" (multiple bundles of same SKU may be necessary)
- Masterpack bundles stacked and placed on a pallet, banded and shrink wrapped
- Masterpack" bundle shall have a GS1-128 label placed on longest side of bundle (image below)



## Rug Packaging

### Mat vs. Rug

- A rug is a thick and heavy floor covering that does not extend over the entire floor whereas a mat is a piece of coarse material placed on a floor for people to wipe their feet on. Both come in various sizes although rugs tend to be larger in size.

All rugs shipped to the warehouse must meet the following qualifications.

- All rugs must be poly bagged individually with two (2) layers of poly with the ends folded over and securely attached to the end of the rug. We recommend using tape to secure it. The same SKU and size must be bundled together around a hard cardboard tube with an outer circle dimension at least 4.33" or 11cm. No mixing SKUs. The rugs then must be tied together with banding around the tube. The tube will be used as a means, so the bundle can be lifted with a forklift and moved throughout the warehouse.



### Packing a Bundle

- Please be certain to use adequate straps, size, and strength for each size rug. Strap securely together one (1) rug with the cardboard tube. This will help to secure the cardboard tube to the center of the bundle.



- Finish placing one (1) layer of rugs around the tube and band together, going all the way around the rugs.



- Put an additional layer of rugs around the inner layer of rugs if desired. Band all around the outer layer of rugs to keep them secure with the other rugs and tube.

- We recommend you use three (3) straps for 6x9 rugs and under. Anything over that size should have at least four (4) straps.



## Labeling

- Every rug received into the building must be individually SKU labeled on both sides of the rug.

### Bundle GS1-128 Label

- Each bundle of rugs must be accompanied by a GS1-128 bundle label. Please make sure the GS1-128 label is not under banding so it can be scanned easily. The GS1-128 label must include the one brand SKU in the bundle, PO#, and the quantity of rugs in the bundle.
- The GS1-128 label must be affixed to the outside of the bundle in a position similar to the one marked below.



### Bundle Exceptions

- You do not need to attach one (1) rug to a cardboard tube. Please just polybag individually with the ends folded over and taped securely. Ensure the item is SKU-labeled as mentioned above and place the GS1-128 label towards the end of the roll

### Fabric Bolts

- Fabric must be wrapped on a tube where the inside diameter is a minimum of 1.5 inches.
- Fabric bolts will need a UCC-128 label on each bolt. The UCC-128 label should be placed on the end of the bolt and the SKU label should be near it as pictured below so it can easily be hand scanned in by our facility.



- Quantity for fabric rolls should equal complete yards. Fabric bolts must be placed on pallets so they do not drag. Fabric bolts are then shrink-wrapped to the pallet for shipping.
- Fabric rolls can be palletized using mix SKUs.
- Fabric rolls should never be transported upright.

## Rugs on Pallets

All rugs shipped to our facility on a pallet must meet the following qualifications:

- One SKU (color/size) per gaylord carton or pallet. Do not mix item numbers, sizes, and/or colors
- Each individual rug should be placed in two layers of durable plastic shipping bag with a SKU label. One rug per bag
- Use four way pallets
- Pallet should be accommodating to the length of the rugs to ensure the item does not get damaged and the ends do not drag on the ground
- Each pallet must have a GS1-128 carton label placed on the outside of the pallets wrapping or on the gaylord carton in clear view.
- One purchase order per shipment



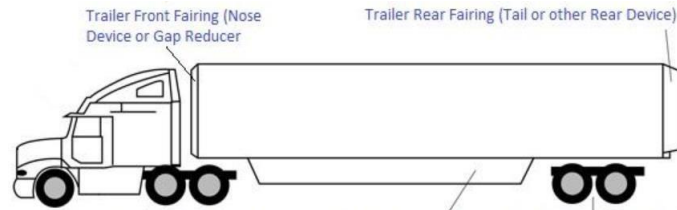
## Container/Trailer Loading

For CBI to unload and account for each carton/item in a timely manner, we require the following:

**Please refer to Carton Type (pages 15-16) to insure you have properly identified your item/s.**

- If you have a complete CV, NC Facility 1, or NC Facility 2 shipment, there are no special requirements as it will all go to one facility
- If you have product mixed for CV and NC Facility 1, load the NC Facility 1 into the nose of the trailer and the CV portion on the tail
- If you have product mixed for CV and NC Facility 2, load the NC Facility 2 into the nose of the trailer and the CV portion on the tail

- If you have product mixed for NC Facility 1 and NC Facility 2, load the NC Facility 2 into the nose of the trailer and the NC Facility 1 portion on the tail.
  - If you have fabric, mats, or rugs they should always go on the tail of the trailer no matter what they are mixed with. If you are shipping a mix of any these, mats should always be loaded in the nose, before followed by rugs, and then fabric.
- o Please do not stack cartons on top of fabric, mats, or rugs as it is dangerous to unload without climbing on them and potentially damaging the product



# Invoicing Requirements for Inventory Vendors

Cornerstone Brands has a different set of invoicing instructions for different types of payment terms.

## Vendors with Conventional Terms

See page 53 for EDI Invoicing requirements.

## Vendors with Prepaid Terms

(International vendors are paid prior to receipt of inventory – after ship but prior to receipt of inventory.)

An acceptable invoice will need to include the vendor's name, address and other contact information, invoice number, invoice date and the appropriate purchase order number. Each invoice must be for one (1) purchase order only, show detail down to the Cornerstone Brands SKU level or be accompanied by a packing slip with this detail, and include the bill of lading or air waybill.

## For Garnet Hill:

Three sets of documents must be submitted:

1. Invoice in SPS
2. A copy of the Bill of Lading must be sent to the freight forwarder.
3. A third set (copies of the invoice, packing slip, bill of lading or air way bill) must be submitted directly to Garnet Hill's corporate office either by email at [garnet-ap@cornerstonebrands.com](mailto:garnet-ap@cornerstonebrands.com) or by mail to: Garnet Hill Inc., PO Box 1729, West Chester, OH 45071-1729.

# Import Requirements

The U.S. Customs Service requires entries pay all duties and taxes applicable to the U.S. government at the time of importation. Duties are assessed when an importing carrier arrives at the port of entry. U.S. Customs requires specific documentation to secure the release of merchandise. This documentation must be provided within five (5) days of a carrier arriving at a port of entry. The required documents to provide U.S. Customs are:

- Copy of the Bill of Lading (BOL), carrier's certificate or airway bill properly consigned.
- Signed commercial invoice and packing list.
- Declare the value of merchandise in U.S. dollars.
- Other costs of merchandise (freight, insurance, etc.).
- Quantity for each SKU in a shipment.
- Total weight in kilograms.
- Textile information (fiber content as stated on invoice), also state if knit, knapped, ornamented, etc.

- The Importer Security Filing (ISF) Interim Final Rule was published in the Federal Register on November 25, 2008.

**Effective date: January 26, 2009.**

Import Responsibility: Importers will need to provide Customs and Border Protection with 10 data elements 24-hours prior to lading aboard a U.S.-bound vessel.

#### **Data Elements**

- The Seller
- The Buyer
- Importer of Record Number
- Consignee Number
- Manufacturer (or Supplier)
- Ship to Party
- Country of Origin
- Commodity HTSUS number
- Container Stuffing Location and the Consolidator (Stuffer).

Your freight forwarder is fully aware of these requirements and can help you with any questions or concerns.

#### **Additional Requirements for Import Vendors**

In addition to all other Cornerstone Brands labeling requirements stated in this manual, U.S. Customs will require:

- Case Labeling: Country of Origin must be clearly marked on each case in a shipment. This can be a supplemental label or directly on a case.
- Item Labeling: Each imported item must be clearly marked with the Country of Origin and fiber content (if applicable) and must appear in English. Textiles will have this information on sewn-in labels; hard goods will have information on supplemental, secure labels.
- Packing Slips must be ON and IN the lead case for every purchase order being shipped. (Cases should be numbered xx of xx, starting with 01 of xx for each P.O., 1 being the lead case)
- Bill of Lading (BOL) and PRO# are supplied by the import vendor's freight forwarder.
- The carrier for an import vendor IS their freight forwarder.
- Cases must meet the following dimensions:
  - Minimum case weight is 2lbs. (.9kg)
  - Maximum case weight is 50lbs. (22.7kg)

# Commercial Invoice / Customs Documentation Checklist

ENTRY NUMBER (Provided by Customs Broker)			
PO NUMBERS (Provided by Vendor)			
<b>CUSTOMS REQUIRED DOCUMENTS FOR ALL PRODUCT INCLUDING SAMPLES/PARTS</b>	<b>VENDOR</b>	<b>BROKER</b>	<b>BRAND</b>
<b>COMMERCIAL INVOICE</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shipper/Manufacturer Full Name and Address	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Textile product, ACTUAL Manufacturer Full Name and Address or MID Code:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Importer of Record Full Name and Address:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ship To Full Name and Address:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Invoice Number and Date :	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brand Purchase Order Number(s):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Country of Origin:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Incoterms/Terms of Sale (i.e. FOB, Ex-Works, etc.):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brand Item Number(s):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Complete Description of Each Line Item:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Units Shipped and Unit of Measure (i.e. Pieces, Sets, etc.):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Unit Price:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Price (Unit Price x Units Shipped):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Currency (must be USD):	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Invoice in English	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Invoice Amount and Currency:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PACKING LIST</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ship To Full Name and Address:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchase Order Number:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Box Number of each Line Item contained within	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Complete Description of each Line Item:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quantity per Line Item:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gross and Net Weight in kilograms per Line Item:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Quantity of Items:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Gross and Net Weight in Kilograms:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Dimensions in Cubic Meters:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Cartons:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Units on Commercial Invoice = Total Number of Units on Packing List	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>HOUSE BILL OF LADING (HBL) OR HOUSE AIR WAY BILL (HAWB)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Gross and Net Weight on Packing List = Total Gross and Net Weight on HBL/HAWB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Dimensions on Packing List = Total Dimensions on HBL/HAWB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Cartons on Packing List = Total Cartons on HBL/HAWB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>CUSTOMS REQUIRED DOCUMENTS FOR ALL PRODUCT INCLUDING SAMPLES/PARTS</b>	<b>VENDOR</b>	<b>BROKER</b>	<b>BRAND</b>
<b>CERTIFICATE OF ORIGIN (REQUIRED FOR ITEMS WITH PREFERENTIAL DUTY)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OTHER GOVERNMENT AGENCY DOCUMENTS</b>	<b>VENDOR</b>	<b>BROKER</b>	<b>BRAND</b>



CPSC GCC: Must provide for items subject to the Consumer Product Safety Information Act	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>FISH &amp; WILDLIFE: Must provide information on Invoice for Shells, Bone or Animal Products</b>			
Scientific Name (genus and species)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Source of the Item (i.e. the wild, farmed, etc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Unit Quantity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cost per Unit based on Unit Quantity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Country of Origin/Harvest	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Detailed Packing List showing Cartons and what F&W Product each contains:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMPLETE SURNAME</b>	<b>VENDOR</b>	<b>BROKER</b>	<b>BRAND</b>
<b>RESPONSIBLE PARTY :</b>			

# ISF Elements: Additional ISF Party Information Form

This is the Additional ISF Party Information form for parties that are not supplied on the main ISF Data Elements form. It must be completed in English and submitted to Freight Forwarder with the ISF Data Elements form no later than 96 hours prior to the shipment loading on the vessel at origin.

ISF Party Types: Manufacturer/ Supplier, Seller, Buyer, Ship-to, Consolidator, Container Stuffing Location

**Seller:**

Name:

Address Line 1:

Address Line 2:

City, State & Postal Code or

City and Country:

**Buyer:**

Name:

Address Line 1:

Address Line 2:

City, State & Postal Code or

City and Country:

**Ship-to: Name:**

Address Line 1:

Address Line 2:

City, State & Postal Code or

City and Country:

Consolidator:

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Name:

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---

Address Line 1:

Address Line 2:

---

City, State & Postal Code or

City and Country:

---

Container Stuffing Location:

Name:

---

---

Address Line 1:

---

Address Line 2:

---

City, State & Postal Code or

City and Country:



# Chargebacks for Non-Compliance

## Warehouse Non-Compliance

Our warehouse is highly automated and requires GS1-128 labels and ASN's from all vendors. The ASN needs to be in our computer system when the shipment arrives. The cases are loaded on a conveyor and the barcode from the GS1-128 label is scanned. The number associated with the scanned label is matched with the data on the ASN and received into the warehouse. Any interruption in this process requires someone to correct it. Ultimately the vendor will be issued a chargeback for the time and money it cost to correct the non-compliance.

**Chargebacks are \$400 per non-compliance per purchase order. If the vendor is still noncompliant after three shipments, the chargeback increases to \$1500 per non-compliance per purchase order.**

Below is a list of non-compliance reasons. You will notice most of them are related to ASN's and GS1-128 labels:

- ASN incorrect format
- ASN not complete
- ASN not on time
- Invalid EDI data
- Conveyable cartons with branding
- GS1-128 case label not in proper location
- GS1-128 case label not per code
- GS1-128 case markings not present
- GS1-128 label not scannable
- GS1-128 not present

### Multi-SKU cases

- Poor case packaging
- Rug compliance
- SKU labeling item

## Late Purchase Orders and Drop Ship Non-Compliance

Late purchase orders also incur chargebacks at a percentage of the total cost, for example:

- 5% of the cost for a shipment one (1) week late
- 8% of the cost for a shipment two (2) weeks late
- 15% of the cost for a shipment three (3) weeks late

Maximum chargeback of 1% per day\*\* This applies to Drop Ship orders as well.

## Non-Compliance

When Cornerstone Brands is paying for any portion of a shipment's freight, the carrier selected must be determined using our current Routing Guide. Wrong carrier selection will result in a chargeback for the full amount of the freight.

## Domestic Shipping Approval Non-Compliance

Failure to obtain approval prior to shipping will result in non-compliance chargeback fees and could lead to refusal of goods.

Vendor Non-Compliance chargebacks (debit memos) are sent via email to our vendor PO contact. Whenever appropriate the warehouse will take pictures to show the problem – these will be included in the debit memo and can be sized by right-clicking. The Cornerstone Brands finance department will deduct the debit amount from the vendor’s next invoice payment.

**Our goal is to have ZERO non-compliance issues. Please contact the Vendor Relations Coordinator:**

For Garnet Hill: [vendorhelp@garnethill.com](mailto:vendorhelp@garnethill.com)

For Ballard Designs: [vendorhelp@ballarddesigns.net](mailto:vendorhelp@ballarddesigns.net)

For Grandin Road: [grandinroadqagroup@grandinroad.com](mailto:grandinroadqagroup@grandinroad.com)

For Frontgate: [frontgateqagroup@frontgate.com](mailto:frontgateqagroup@frontgate.com)

### Chargebacks

Our warehouse is highly automated and requires compliance to all requirements outlined in this Vendor Compliance Manual including GS1-128 labels and ASN's from all vendors for all shipments and receipts. The ASN needs to be in our system prior to the shipment arriving. The number associated with the scanned GS1-128 label is matched with the data on the ASN and received into the warehouse. Any interruption in this process requires additional handling and chargebacks can be assessed due to these interruptions.

Below is a list of non-compliance reasons.

- (102) ASN not on time
- (103) ASN not complete or inaccurate
- (104) Invalid EDI / SPS data
- (105) Missing regulatory label
- (106) GS1-128 label not in proper location
- (107) No GS1-128 label or inaccurate detail
- (108) Poor carton packaging/ CV/NC carton size/weight infractions
- (111) GS1-128 label will not scan
- (113) Individual conveyable cartons with bands, straps, string, or wrapped in film
- (114) SKU label missing or inaccurate detail
- (115) Multi-SKU cartons (not approved)
- (117) Problem resolution labor hours
- (119) Photography of compliance issue
- (121) Inaccurate rug compliance
- (122) Inaccurate mat compliance

# Cornerstone Brands, Inc. Foreign Supplier Product Liability Insurance Program (FPLI-1)

Foreign vendors that are classified as Class I or Class II as defined by Cornerstone Brands, Inc. "CBI" Hazard Class Chart or as assigned by our Risk Management Department will be required to enroll in the CBI Foreign Supplier Product Liability Insurance Program "FPLI" if they do not provide evidence of insurance as required in their Master Terms & Conditions "T&Cs".

## Limits of Liability

\$1,000,000 USD per occurrence for bodily injury and property damage arising out of products covered under this policy, subject to \$2,000,000 USD per vendor aggregate and a policy aggregate of \$10,000,000 USD.

## Retention/Deductible

The FPLI has a self-insured retention of \$10,000 USD.

The deductible is your financial responsibility in settlement of any claim.

## Additional Insured

Once enrolled in the FPLI, the vendor will be listed as an Additional Insured subject to the terms of this insurance policy.

## Costs

Enrolled vendors will be charged 1% of their total purchase order amount on every purchase order placed. This charge is assessed to cover the estimated insurance costs and company expenses to administer the FPLI. We will endeavor to withhold this 1% charge on each purchase order, but in the event the charge is not withheld in this manner, we reserve the right to invoice the vendor directly or withhold the amount due from future payments. We also reserve all other remedies in the event of nonpayment.

## Conditions

- Enrollment in the FPLI shall not in any manner limit the liabilities and obligations assumed by the vendor under their T&Cs with us.
- If it is determined that an enrolled vendor has product liability insurance, Cornerstone Brands and its insurer reserve the right to proceed against the vendor and its insurer for any claims paid by Cornerstone Brands or its insurer under this FPLI.
- CBI will have the right to recover any deductible or self-insured retention from the vendor.
- The FPLI will only cover the qualifying products listed on the purchase orders issued while the vendor is participating in this program.
- The vendor must be based outside the U.S. or Canada to participate.

<i>Hazard Class Chart</i>		
Product Category	Description	Class / Limits
Apparel	Includes children's clothing.	Class I - \$1M / \$2M
Bedding	Includes mattresses and mattress pads.	Class I - \$1M / \$2M
Exercise Equipment (low risk)	Books, videos, shoes, small weights, and equipment.	Class I - \$1M / \$2M
Flameless Candles	Battery-operated candles.	Class I - \$1M / \$2M
Food (non-perishable)	Candy, etc., and those food products that don't require refrigeration.	Class I - \$1M / \$2M
Furnishings (excluding folding chairs)	Includes chairs, cabinets, mirrors, tapestries and rugs.	Class I - \$1M / \$2M
Jewelry	Includes watches and gift pen sets.	Class I - \$1M / \$2M
Pet Products	Includes apparel and furnishings as well as personal care.	Class I - \$1M / \$2M
Seasonal Items	Includes wreaths, trees, excluding candles and lights.	Class I - \$1M / \$2M
Cleaning Products	Detergents, specialty cleaners, etc.	Class II - \$2M / \$3M
Cookware	With and without blades, bakeware, including collectible. Does not include pressure cookers or air fryers.	Class II - \$2M / \$3M
Cosmetics	Soap, lotion, make-up, hair care, nail care.	Class II - \$2M / \$3M
Flame Candles with Wicks	Candles not including candle holders.	Class II - \$2M / \$3M
Folding Chairs	Includes beach chairs, camp chairs, including all that can fold.	Class II - \$2M / \$3M
Food (perishable)	Refrigeration, meats and poultry and those that must be consumed within one year, including prepared meat.	Class II - \$2M / \$3M
Household Electrical Products	Tools, including electric screwdrivers, garden equipment, including those with AC adapter 120v.	Class II - \$2M / \$3M
Oral/Dental Care	Includes toothpaste, tooth whitening systems.	Class II - \$2M / \$3M
Toys (low/medium risk)	Dolls, bears and other stuffed animals, toys without batteries or the use of electricity.	Class II - \$2M / \$3M
Electrical Heating Products (including open flame products designed for indoor use)	Includes space heaters, electrical fireplaces and fireplaces, oil lamps which use gel fuels and electricity, excluding candles and irons.	Class III - \$5M / \$6M
High Risk Toys and Personal Mobility Products	Guns, toy pistols, projectile toys, tents, playhouses, swimming accessories, pool life-saving equipment, water amusement equipment, balloons, yo-yos, pogo stick, roller skates, dart sets, trampolines and hover boards.	Class III - \$5M / \$6M
Ladders	All sizes	Class III - \$5M / \$6M
Motorized or Electric Exercise Equipment	Treadmills, or body blade systems, inversion tables, pilates machines or glider machines.	Class III - \$5M / \$6M
Open Flame Products Designed for Outdoor	Includes gas grills and fire pits.	Class III - \$5M / \$6M



Power Tools with Blades	Includes chain saws and power tools with blades.	Class III - \$5M / \$6M
Pressure Cookers and Fryers	Pressure cookers and fryers.	Class III - \$5M / \$6M
Vitamins, Supplements and Medical Devices	Medical devices including any product regulated by the FDA or FTC, excluding dental and oral care items.	Class III - \$5M / \$6M

## Cornerstone Brands FPLI Application

<i>Cornerstone Brands, Inc., Foreign Supplier Product Liability Insurance Program</i>
<p>Foreign vendors that are classified as Class I or Class II as defined by Cornerstone Brands "Cornerstone Brands" Hazard Class Chart (see page 2) or as assigned by our Risk Management Department will be required to enroll in the Cornerstone Brands, Foreign Supplier Product Liability Insurance Program "FPLI" if they do not provide evidence of insurance as required in their Master Terms &amp; Conditions "T&amp;C's".</p> <p><b>Limits of Liability:</b> \$1,000,000 USD per occurrence for bodily injury and property damage arising out of products covered under this policy, subject to a policy aggregate of \$4,000,000 USD.</p> <ul style="list-style-type: none"> <li>• <b>Retention/Deductible:</b> The FPLI has a self-insured retention of \$10,000 USD.</li> </ul> <p><b>Additional Insured:</b> Once enrolled in the FPLI, the vendor will be listed as an Additional Insured subject to the terms of this insurance policy.</p> <p><b>Costs:</b> Enrolled vendors will be charged 1% of their total purchase order amount on every purchase order placed. This charge is assessed to cover the estimated insurance costs and company expenses to administer the FPLI. We will endeavor to withhold this 1% charge on each purchase order, but in the event the charge is not withheld in this manner, we reserve the right to invoice the vendor directly or withhold the amount due from future payments. We also reserve all other remedies in the event of nonpayment.</p>
<b>Conditions:</b>
<p>Enrollment in the FPLI shall not in any manner limit the liabilities and obligations assumed by the vendor under their T&amp;Cs with us.</p> <p>If it is determined that an enrolled vendor has product liability insurance, Cornerstone Brands, Inc. and its insurer reserve the right to proceed against the vendor and its insurer for any claims paid by Cornerstone Brands, Inc. or its insurer under this FPLI.</p> <ul style="list-style-type: none"> <li>• Cornerstone Brands, Inc. will have the right to recover any deductible or self-insured retention from the vendor.</li> </ul> <p>The FPLI will only cover the qualifying products listed on the purchase orders issued while the vendor is participating in this program.</p> <ul style="list-style-type: none"> <li>• The vendor must be based outside the U.S. or Canada to participate.</li> </ul> <p><b>** To participate in the FPLI program, please complete and return this page to your Cornerstone Brands, Inc. partner.</b></p>
<i>Foreign Product Liability Insurance Program Application</i>
Vendor's Full Legal Name:
Address:
Country:
Vendor Contact's Name:

Vendor Contact's Email:
Vendor Contact's Phone:
Product Description:
Class I or Class II (see Hazard Class Chart): <b>Class I</b> [ <input type="checkbox"/> ] <b>OR</b> <b>Class II</b> [ <input type="checkbox"/> ]
Powered by 120 Volts of AC Electricity or More: <b>Yes</b> [ <input type="checkbox"/> ] <b>OR</b> <b>No</b> [ <input type="checkbox"/> ]
Estimated Date of First PO:
Have we placed any PO's with this vendor in the last 5 years? <b>Yes</b> [ <input type="checkbox"/> ] <b>OR</b> <b>No</b> [ <input type="checkbox"/> ]
<b><i>Acknowledgement - Foreign Supplier Product Liability Insurance Program</i></b>
I acknowledge that I have read and understand the above, which outlines the Cornerstone Brands, Inc., Foreign Supplier Product Liability Insurance Program. I agree to participate in this program and understand that there will be a fee charged as indicated above.
Name (Signed):
Name (Printed):
Title:
Business Name:
Date:

Please send completed form for approval to the specific brand you are doing business with at:

For Garnet Hill: [vendorhelp@garnethill.com](mailto:vendorhelp@garnethill.com)

For Ballard Designs: [vendorhelp@ballarddesigns.net](mailto:vendorhelp@ballarddesigns.net)

For Grandin Road: [grandinroadqagroup@grandinroad.com](mailto:grandinroadqagroup@grandinroad.com)

For Frontgate: [frontgateqagroup@frontgate.com](mailto:frontgateqagroup@frontgate.com)

# Confidentiality Agreement

## Scope of Confidential Information.

CBI (as the "Disclosing Party") may disclose or make available to Vendor (as the "Receiving Party") information about its business affairs, goods and services (including any Forecasts), confidential information and materials comprising or relating to intellectual property rights, trade secrets, third-party confidential information, and other sensitive or proprietary information. Such information, as well as the terms of this agreement, whether orally or in written, electronic, or other form or media, and whether or not marked, designated or otherwise identified as "confidential" constitutes "Confidential Information" hereunder. Confidential Information does not include information that at the time of disclosure and as established by documentary evidence:

- a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Confidentiality Agreement by the Receiving Party or any of its Representatives;
- b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information;
- c) was known by or in the possession of the Receiving Party or its Representatives prior to being disclosed by or on behalf of the Disclosing Party;
- d) was or is independently developed by the Receiving Party without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information; or
- e) is required to be disclosed pursuant to applicable Law.

## Protection of Confidential Information.

The Receiving Party shall:

- a) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;
- b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and
- c) not disclose any such Confidential Information to any Person, except to the Receiving Party's Representatives who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. The Receiving Party shall be responsible for any breach of this

Confidentiality Agreement caused by any of its Representatives. At any time during or after the term, at the Disclosing Party's written request, the Receiving Party and its Representatives shall return or destroy all Confidential Information and copies thereof that it has received under this Agreement.

Vendor will treat all information obtained from customers as confidential and will not disclose any such information to any third party, or use such information itself for any purpose other than performing Your obligations to CBI.

Specifically, but without limitation, Vendor will not use any information obtained from CBI or customers to offer for sale to such customers any Products or services. Vendor will not issue any press or publicity release or statement relating to CBI, any of its affiliates or operations, or these T&Cs without the prior written approval of CBI. Vendor acknowledges and agrees that any communication between counsel for Vendor and CBI, or between Vendor or CBI or any of their principals, employees, contractors or representatives, and Vendor counsel or CBI is protected by all applicable privileges, including without limitation the attorney-client, work product and joint defense privileges. Vendor will not waive any such privilege without the express written consent of CBI. Vendor will treat all information obtained from customers as confidential and will not disclose any such information to any third party, or use such information itself for any purpose other than performing Your obligations to CBI.

Date: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name / Email: \_\_\_\_\_

Vendor Signature: \_\_\_\_\_

Title of Signatory: \_\_\_\_\_

# Acknowledgement of Cornerstone Brands Vendor Compliance Manual

## Qurate Global Business Partner Code of Conduct

- o All vendors must comply with these standards.

## Purchase Orders

- o All purchase orders will be emailed to the contact you provide below.

## Top of Production (Physical or Digital)

- o GARNET HILL: If TOP has been requested, TOP approval must be received from Garnet Hill prior to a bulk order being shipped. TOP cannot be approved until requested testing and applicable certificates have been received. IF TOP has been requested, TOP approval must be received from Garnet Hill prior to a bulk order being shipped.
- o FRONTGATE/BALLARD DESIGNS/GRANDIN ROAD: Please work with your Sourcing and QA partners to determine when TOP prior to production is required.

## Item labels (SKU LABELS)

- o Vendor must affix individual item labels to each packed unit with the Cornerstone Brands item number/ 3-4 letter color code/and size exactly as it appears on the purchase order, excluding Drop Ship orders.

## Case Size Requirements

- o Case size should not exceed 40"(L) x 26"(W) x 26"(H). Shipped separate items do not need to conform to these requirements.

## GS1-128 Case Labels

- o Vendor must complete and affix a GS1-128 label to each case in a shipment. Placement is in the lower left corner of the smallest face of the case. Chargebacks are \$400 for each purchase order where the GS1-128 label is missing, incorrectly placed, or incorrectly filled out. After three non-compliant shipments, the chargeback will increase to \$1500 per non-compliance per purchase order.

## Advance Ship Notification (ASN)

- o Vendor must provide the EDI 856 Advance Ship Notice (ASN) within 24 business hours of the order shipment. Chargebacks are \$400 for each ASN that is missing, late or incorrect.

## Carrier Selection

- o The CBI Routing Guide found on <https://www.ccsqinc.com> must be used to select the appropriate carrier. No unauthorized shipments will be accepted.

It is hereby acknowledged that the undersigned agrees to comply with the requirements as outlined in the Cornerstone Brands, Inc. Vendor Agreement (Terms and Conditions) (the "Agreement") and Vendor Compliance Manual. Purchase Orders that do not comply with or are shipped in any manner outside of the Agreement and the Compliance Manual may be subject to penalties or noncompliance charges for which the vendor will be responsible.

Please acknowledge your understanding of these Terms and Conditions by legibly completing the bottom portion of the form, signing where indicated and returning the executed copy by email to your Sourcing or Quality Assurance Compliance Specialist at the brand you're doing business with.

**Frontgate Vendor Compliance**  
[Frontgateqagroup@frontgate.com](mailto:Frontgateqagroup@frontgate.com)

**Grandin Road Vendor Compliance**  
[Grandinroadqagroup@grandinroad.com](mailto:Grandinroadqagroup@grandinroad.com)

**Ballard Designs Vendor Compliance**  
[Vendorhelp@ballarddesigns.net](mailto:Vendorhelp@ballarddesigns.net)

**Garnet Hill Vendor Compliance**  
[Vendorhelp@garnethill.com](mailto:Vendorhelp@garnethill.com)

Date: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name / Email: \_\_\_\_\_

Vendor Signature: \_\_\_\_\_

Title of Signatory: \_\_\_\_\_

*We thank you for your cooperation!*