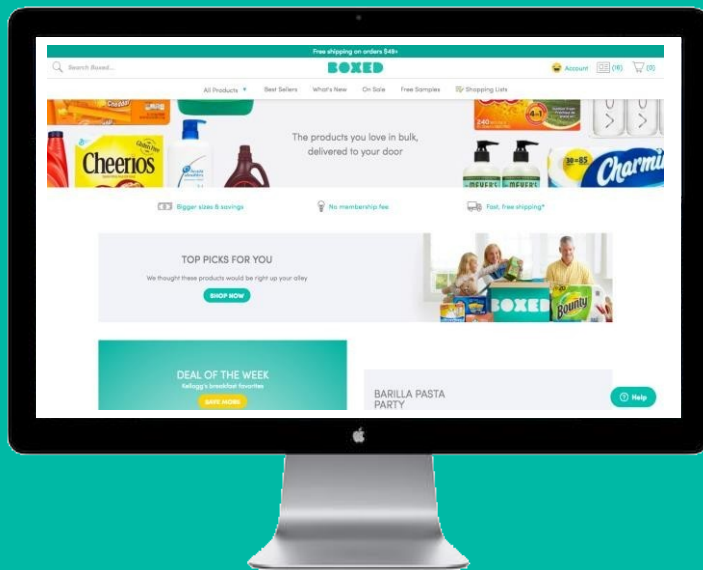


BOXED

LOGISTICS AND ROUTING GUIDE
January 2019





To our Vendor Partners:

The Boxed Logistics and Routing guide is intended to provide vendors with instructions on how to conduct shipping and logistical activities with Boxed. Your adherence to the guidelines set forth in this document are critical in ensuring that the flow of goods from the vendors to Boxed are seamless.

Instructions in this document supersede any previously issued logistics and/or routing guide. This document is maintained by Boxed; for any questions, please reach out to the appropriate contact.

Thank you!

The Boxed Team





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SECTION 1: PURCHASE ORDERS

PURCHASE ORDERS (PO) PROCESS

Boxed will create and send purchase orders to vendors via email or Electronic Data Interchange (EDI). POs should be acknowledged by the vendor within 24 hours in email or EDI. Please ensure the most up to date contacts are sent to Boxed to ensure accurate PO delivery. Vendor contacts should be sent to the appropriate buyer and to po@boxed.com.

Boxed will provide a “Must Arrive by Date” which will be present on the PO. The expectation is that product on that PO will arrive by that date in full. In the event the PO delivers after the “Must arrive by Date”, vendor will be subject to chargebacks as listed in Appendix B. For POs where Boxed picks up from the vendor DC, product must be ready for pickup by the date stated on the PO.

Boxed’s expectation is that orders are fulfilled at a 99.5% fill rate. The metric used to calculate fill rate is quantity received divided by quantity ordered. In the event certain items cannot be filled, this must be communicated prior to the purchase order arriving at the Boxed facility.

SCHEDULING INBOUND PURCHASE ORDERS (TL and LTL)

All vendor delivered Truckload (TL) and Less than Truckload (LTL) orders require an appointment in order to be received at a Boxed fulfillment center. Any POs that arrive without an appointment will be rejected; these POs will be subject to chargebacks.

Boxed uses Setmore as a platform for vendors to schedule inbound deliveries into Boxed fulfillment centers. Please see the links below that will guide you through securing an appointment time:

- **Union,**
NJ:<http://boxedunion.setmore.com>
- **Las Vegas,**
NV:boxedlasvegas.setmore.com
- **Dallas,**
TX:boxeddallas.setmore.com





Please ensure the following information is accurate when creating an appointment; any discrepancies in this information may result in increased unload/wait times or rejected deliveries:

- **Vendor Name**
- **PO Number**
- **Pallet Count (not pallet positions)**
- **Carrier Name**

SCHEDULING INBOUND PURCHASE ORDERS (TL and LTL) (CONT)

For both TL and LTL shipments, it is highly recommended for the appointment to be secured as far in advance as possible but no later than 48 hours in advance of the “Must Arrive by Date” to ensure delivery on or before such date.

In the event an appointment is not available on the schedule, please contact PO@boxed.com for assistance in getting your shipment delivered on time.

For more information on Setmore, including how to use the tool, please visit <https://www.setmore.com/>

SCHEDULING INBOUND PURCHASE ORDERS (PARCEL)

For parcel shipments, such as FedEx or UPS, please ensure that the “attention-to” information is clearly stated in the “ship-to” address on the carrier shipment label. This information can be found in the purchase order “ship-to” section under “PARCEL DELIVERY ATTN TO:”.

Additionally, please provide tracking information to po@boxed.com no later than 24 hours prior to delivery.

CUSTOMER PICK UP LOADS

For purchase orders where Boxed picks up the shipment, the date shown on the POs is when the order needs to be ready for pickup. Please provide the following information 48 hours after the PO has been submitted:

- **Pick up address**
- **Contact information (name, email, phone)**
- **Total pallet count**
- **Total unit count**
- **Total shipment weight**
- **Total cubic volume**
- **Pickup appointment time**

For any questions related to pick up, please reach out to the appropriate Boxed contact listed on Appendix A.





SECTION 2: RECEIVING

CUSTOMER PICK UP PROCESS

All inbound/Customer Pick Up Boxed orders are considered “Shipper Load and Count”. The vendor is responsible for ensuring that the order is properly packed and loaded to prevent any in-transit damage, tampering, or other loss. Generally accepted methods for safeguarding goods in transit are to be followed. It is also the responsibility of the vendor to ensure an accurate piece count of the load and the piece count must be clearly stated on the Bill of Lading (BOL) and Packing List.

BILL OF LADING REQUIREMENTS

To ensure efficient and accurate receipt of product, BOLs must be complete and legible and include the following information:

- Ship From Name, Address, Zip Code, and BOL number
- Consignee Name, Address, and Zip Code
- Shipment Date
- Total Carton and/or Pallet Count
- Product Description
- Purchase Order Number(s)
- Total Shipment Cube and Weight
- Freight Terms
- Name of Carrier and PRO/Tracking Number
- Seal Number

The BOL must be placed on the first visible pallet when the truck is opened and should be affixed to the side facing the rear of the truck. For questions specific to BOL templates, please send inquiries to po@boxed.com.

PACKING LIST REQUIREMENTS

Packing lists allow Boxed receiving personnel to perform a physical check of goods upon receipt. Packing lists should be placed in the same packet as the BOL. The contents on the packing list should represent the information for the entire purchase order and should include the following information:

- Ship From Name, Address, Zip Code
- Ship To Name, Address, Zip Code
- Must Arrive by Date
- Purchase Order Number
- Boxed Item Number
- UPC/GTIN Number
- Quantity Ordered
- Quantity Shipped
- Item Description
- Expiration Date (if applicable)





PACKING LIST REQUIREMENTS (CONT)

For questions specific to packing list templates, please send inquiries to supplychain@boxed.com.

OVER, SHORT, AND DAMAGES (OS&D)

Boxed will audit all inbound shipments at the time of receipt against the original purchase order as well as the packing list provided by the vendor. Any discrepancies between the physical count and corresponding documents will be noted on the BOL; however, unless otherwise agreed to in writing, Boxed will have up to 48 hours after delivery to revise the OS&D count. All discrepancies will be communicated to the vendor within 48 hours of delivery. If action is required by either party, this will be clearly communicated. In general, see below for guidelines on how overages, shortages, and damaged product are handled:

- **Overages** – depending on the overage amount, product will either be retained by Boxed, rejected at the time of delivery, or an RTV will be requested within 48 hours
- **Shortages** – any partial quantities will be received and retained by Boxed; zero ships along with partials will be reflected in the Fill Rate metric. Recovery dates should be provided to the appropriate buyer and supply chain contact within 24 hours.
- **Damaged Product** – depending on the extent of the damage, product may be covered within the swell allowance as outlined in the Vendor Agreement. For excessive damages, Boxed reserves the right to reject the product at the time of delivery or destroy the product (in accordance with vendor's disposition instructions, if applicable) for quality control purposes. All damages will be communicated to the vendor within 48 hours of receipt.

Vendors are required to provide the appropriate disposition for any overage or damaged product held by Boxed. In the event product is requested to be picked up by the vendor, the vendor should provide a return authorization number to Boxed as well as the carrier pickup information including the carrier name and pickup date within 72 hours. Please note the contact information provided in Appendix A.

BACKORDERS AND SPLIT SHIPMENTS

Purchase orders are only allowed a single delivery, thus any product that cannot be filled on the PO is considered as a product cut and will impact the fill rate metric. Any attempt at splitting a purchase order into multiple shipments will result in the 2nd delivery to be rejected. For items that cannot be filled and are attempted to be placed on "Backorder", the line items on the PO will be closed with a zero quantity. Please notify the appropriate buyer when the item becomes available; if the product is still desired, a new purchase order will be sent.





SECTION 3: PRODUCT INTEGRITY AND IDENTIFICATION

PALLET AND CASE LABELING REQUIREMENTS

In efforts to optimize the receiving process and ensure accuracy of goods being received, product must be clearly labeled as follows:

➤ ***Single SKU Pallets***

Pallets containing only one SKU should have a placard or label with the following information:

- Boxed Item Number
- UPC/GTIN Number in a Barcode Format
- Purchase Order Number
- Total Number of Boxed Selling Units
- Expiration Date (if applicable)

➤ ***Non-Single SKU Pallets or Loose Cases***

For any co-mingled pallets or cases shipped via parcel carrier, the pallet should have a placard or label with the below information clearly stated. Labels/placard should be placed on the shrink wrap of the pallet.

- Boxed Item Number (include each unique item)
- UPC Number in a Barcode Format
- Purchase Order Number
- Total Number of Boxed Selling Units (by item)
- Expiration Date (if applicable)

Please ensure this information is validated for accuracy prior to shipment; this is critical to ensure smooth receiving processes. For questions specific to label templates, please send inquiries to supplychain@boxed.com.

PALLET AND STACKING REQUIREMENTS

All shipments are required to be palletized on grade A four-way pallets in good condition that measure 48' x 40' wood pallets. Program pallets such as PECO and CHEP are preferred.

- Pallets should not have any missing, split, or broken boards
- Pallets should be clean and free of dirt and foreign materials
- Slip sheets below the bottom product layer should be used to protect inventory when applicable
- Slip sheets should be used between product layers to ensure product stability
- Product should be palletized in a manner where no over or under hang exists
- All product on the pallet should be shrink/stretch wrapped; wrap should extend down the pallet to ensure product stability while in transit
- Corner boards should be used to provide additional support when needed





PALLET AND STACKING REQUIREMENTS (CONT.)

Please see below for CHEP Distributor account numbers:

- BOXED Wholesale - NJ - (4000308510)
- BOXED Wholesale - NV - (4000308512)
- BOXED Wholesale - TX - (4000318969)

ITEM PREP AND HANDLING OF LIQUIDS

All units shipped to Boxed fulfillment centers are expected to be packaged or bundled in a manner that represents the end selling unit to the consumer. For example, if an item is sold as a “2 pack”, the two individual pieces should be bundled together or should be in their own separate case. The UPC/GTIN for the bundle should be easily accessible, legible, and easy to scan. For any items that require repacking or kitting, the labor required to do so will be billed back to the vendor including the cost of the packaging material.

Fragile items, such as glass must be packaged appropriately so that they successfully pass the drop testing procedures. Packages should be able to sustain 7 drops from a height of 4 feet. Each drop should land on a different side of the box; top, bottom, four sides, and one corner. It is recommended that materials such as thick corrugated board dividers, paper pulp trays, and higher grade corrugated outer boxes are used to prevent breakage.

Liquids, any product containing liquids, and hazardous materials should have a double seal to prevent leakage while in transit. Examples of seals are as follows:

- i) Peel off seals that are placed on condiment bottles
- ii) Plastic heat seal around the cap of a bottle
- iii) Transparent, air tight plastic bags that are able to hold liquid/air under duress and are wrapped tightly around the selling unit
- iv) For bottles with triggers, inserts that block triggers from depressing

These requirements are in place to ensure the safety of anyone who handles the product including consumers and employees; and to prevent contamination of neighboring product.





SECTION 4: MISCELLANEOUS ITEMS

ITEM SETUP AND CHANGE PROCESS

After gaining alignment on adding new items to Boxed's assortment or for any items experiencing a change, please fill out the new item template and send to the buyer associated with that category. Information required is as follows; the Boxed selling unit represents the format that the item is purchased by the consumer:

- Item Name
- Item Description
- Brand Name
- Manufacturer SKU Number
- Product UPC
- Case GTIN
- Item Dimensions for the Boxed selling unit (height, width, depth)
- Case Dimensions for the Boxed selling unit (height, width, depth)
- Item Weight for the Boxed selling unit
- Case Weight for the Boxed selling unit
- Item cost for the Boxed selling unit
- Ordering configuration (i.e. unit, case, layer, pallet)
- Number of Boxed selling units per configuration (case, layer, pallet)
- Guaranteed Shelf Life (if applicable)
- Ingredients (for perishable items)
- Product Attributes (i.e. Organic, non-GMO)
- Allergens (if applicable)
- Hazardous Materials
- Website Product Description
- SEO
- Country of Origin

All new items or any items undergoing change require a product sample to be sent to validate item specifications and for content purposes. Please send samples to:

Boxed
Attn: Samples Department
750 Union Avenue, Suite A
Union, NJ 07083





PROMOTIONAL AND/OR MARKETING RELATED PRODUCT

For products not intended for sale to end consumers, such as samples or product to support marketing initiatives, these should follow the standard Purchase Order Process outlined in Section 1. Boxed will send POs and vendors should adhere to the proper handling and delivery instructions.

CHARGEBACK PRINCIPLES

Boxed expects vendors to comply with the policies in this document to ensure the seamless transfer of goods into Boxed fulfillment centers and to our end consumers. The intent of chargebacks is to recoup costs for waste created by activities that are not in adherence to the guidelines set forth in the logistics and routing guide. Our desire is to work collaboratively with our vendor partners to remove waste in the value chain.

Vendors will be notified of chargebacks and Boxed will deduct corresponding amounts off invoice. For disputes, please provide, in writing, the date, description, reason for dispute, and corrective action if applicable within 30 days of receiving the deduction notice. Disputes will be reviewed and determination will be made based on policies outline in this guide. All disputes should be sent to chargebacks@boxed.com.

Please refer to the Appendix B in this document to view the fee schedule.

PRODUCT RECALLS

Consumer safety comes first. For any voluntary or mandatory product recalls, please send immediate communication to recalls@boxed.com. Boxed requires an official recall notice or letter issued by the manufacturer. As all recalls are different, we ask for transparency and collaboration on an action plan to ensure any product at risk is contained as outlined in the vendor agreement.





Appendix A: Boxed Contact List

Department	Phone	Email
Accounts Payable/Billing Boxed Wholesale, Giddy Inc 451 Broadway, 2ndfloor New York, NY 10013	646-741-4530	Accounting@boxed.com
Union Fulfillment Center Boxed Wholesale 750 Union Avenue Suite A Union, NJ 07083	732-515-7877	AdminNJ@boxed.com ReceivingNJ@boxed.com
Dallas Fulfillment Center Boxed Wholesale 501 Gerault Rd Suite 130 Flower Mound, TX 75028	972-954-1210	AdminTX@boxed.com ReceivingTX@boxed.com
LasVegas Fulfillment Center Boxed Wholesale 2970 N. Lamb Suite 103-105 Las Vegas, NV 89115	702-333-2671	AdminLV@boxed.com ReceivingLV@boxed.com
Vendor Pick-Up	908-208-3454	pickup@boxed.com
Returns		returns@boxed.com
Chargebacks/Disputes		chargebacks@boxed.com
Product Recalls		recalls@boxed.com
General Inquiries and Other Topics		supplychain@boxed.com





Appendix B: Chargeback Fee Schedule

Description of Chargeback	Amount	Interval/Frequency
Fill Rate Non-Adherence	5% of COGS	Monthly
Not able to meet "Must Arrive by Date" or "Pick up date"	\$ 300.00	per occurrence
Product not ready on communicated pick-up date	\$ 200.00	per occurrence
Carrier arrives with no appointment	\$ 200.00	per occurrence
Carrier no show for scheduled appointment	\$ 200.00	per occurrence
Carrier Late Arrival <i>(after 30 min grace period)</i>	\$ 100.00	per occurrence
Failure to Provide Notification of Over/Shorts Prior to Delivery	\$ 100.00	per line item
Incomplete or Missing BOL or Packing List	\$ 100.00	per occurrence
Rework of shipment, including; <i>Restacking pallets</i> <i>Pallet or case label rework</i> <i>Sorting damages</i>	\$ 50.00	per man hour
Missing Expiration Dates on Pallets/Cases	\$ 25.00	per pallet/case
Insufficient Shrink Wrap	\$ 50.00	per pallet
Damaged Pallets	\$ 50.00	per pallet

