



Supplier Delivery Specification

Introduction

This guide aims to ensure our Suppliers understand and achieve the minimum standards of service required for delivery of goods to our distribution centre. Suppliers must ensure that their relevant personnel are fully aware of the procedures documented. Where Suppliers depend upon the services of third party Contractors / Hauliers, they must ensure these third parties are aware of these requirements and comply with them. A most vital factor in ensuring a smooth continuous flow of merchandise is the full co-operation of our Suppliers.

Failure to comply with these procedures could create serious delays in the system, and without limitation to any other rights or remedies of QD, deliveries may be refused. This, apart from penalising our own service levels to stores, will inevitably lead to further transport and other costs being incurred by the Supplier for which the Supplier will be liable. It is, therefore, in the interest of both parties that Suppliers conform to these procedures, especially where packaging and labeling are concerned.

Shortcomings in delivery or invoicing procedures will also hamper the processing and payment of invoices within the agreed payment terms.

Suppliers requiring further advice on specific points detailed within this guide should contact the QD Trading Support Manager. There will be occasions when QD need to make operational changes within the supply chain which could involve suppliers either pre-packaging deliveries to an agreed format (known as pack per store or fast track) to be cross docked through the distribution centre, or making deliveries directly to stores. QD reserve the right to make changes to our delivery methods and we may postpone, or cancel orders. QD will always endeavour to give reasonable notice of these changes.

The QD Trading Support Manager is responsible for all matters relating to the supply chain and will be your key contact for resolving issues and agreeing delivery methods.

Distribution Centre Information

QD currently has one composite ambient Distribution Centre:

QD Distribution Centre
Harling Road
Snetterton
Norfolk
NR16 2JU

Tel: 01953 715200 (Main Office)
01953 715201 (Goods-In)
01953 888455 (Security)

There may be occasions when satellite or relief distribution centres are used to provide temporary warehousing facilities, i.e. during peak trading periods. The names and addresses of the alternative locations will be provided to relevant Suppliers prior to use.

Product Standards

Item File

The information taken from the new line form (paper based or preformatted spreadsheet) feeds the QD Item File and many downstream systems, including the warehouse management system. It is imperative that the details provided by the Supplier are accurate. Every field is important so the new line form must be fully and accurately completed by the Supplier. These details are used for the planning of inbound and outbound volumes through our distribution centre, to ensure that sufficient handling space is available and that Health and Safety regulations are fully observed.

It is the responsibility of each Supplier to ensure QD are informed of any changes to the item attributes. Changes must be notified to QD at least 4 weeks before they are effective. Without limitation to any other rights or remedies it may have, please note that any changes not notified may result in the product being rejected at the distribution centre at the point of receipt. QD may seek compensation from a Supplier for errors in the information submitted or changes notified late.

Packaging

All packaging must comply with the Producer Responsibility Legislation (1997) and all other applicable legislation and regulations. It is essential that the transit packaging protects against product damage during delivery into our Distribution Centre and onward transshipment to stores. Without limitation to any other rights or remedies it may have, QD may seek compensation for goods which have been damaged as a result of sub-standard or insufficient packaging, and may refuse such goods at time of delivery or collection in the case of backhaul (see backhaul section).

The carton capacity must be fully utilised to enable safe stacking to prevent damage to the product. Each traded unit may only contain one product type and must be delivered consistently with the same number of retail packs. Transit packaging must be capable of carrying the weight of the product contained therein.

Whenever possible the weight of the traded unit (i.e. outer case) should be less 25 kgs. Where the case weight exceeds 25 kgs then a heavy warning triangle should be shown on the packaging. These goods require handling aids such as integral carton hand holes, handles or strapping designed in to the packaging to help picking staff and customers in manual handling. When the gross weight exceeds 35kgs then the gross weight must appear within the warning triangle and an additional warning message printed on the outer to state 'HEAVY – TWO MAN LIFT REQUIRED'. Weights over 70 kgs must be moved on pallets.

Warning Labels - Appropriate contents information symbols (such as 'glass', 'fragile sharp edges' and 'two man handling') should be clearly visible on the pack to educate and communicate pack contents to customers. (N.B. No individual retail pack with gross weight equal to or above 70 kgs is accepted by QD unless for a specific purpose, or has clear instructions for mechanical handling and is supplied fixed to a pallet base)

Unless prior agreement has been received in writing from the QD DC Manager then the maximum height of a pallet which will be accepted by the QD Distribution Centre is 1.8m including the base pallet. Internal dividers must be used where necessary. Adhesive tape or glue must be used to secure all external flaps on outer packaging. Any adhesive tape used must not obscure the product information or bar coding. (Staples must not be used). Any shrink-wrapped traded units must be strong enough to withstand any reasonable manual handling without damage. The 'side holes' of any sleeve wrap should not be so large as to allow product to be displaced or easily removed.

Breakpacks

All agreed breakpack items must be delivered in five sided cartons enabling access to the picking unit and clearly marked as Breakpack.

Shippers

For the safe carriage of goods, shippers are allowable and must be clearly labelled 'SHIPPER – CARRIAGE ONLY'. This label will instruct the person at the Distribution Centre handling the goods to open the case to check the contents inside.

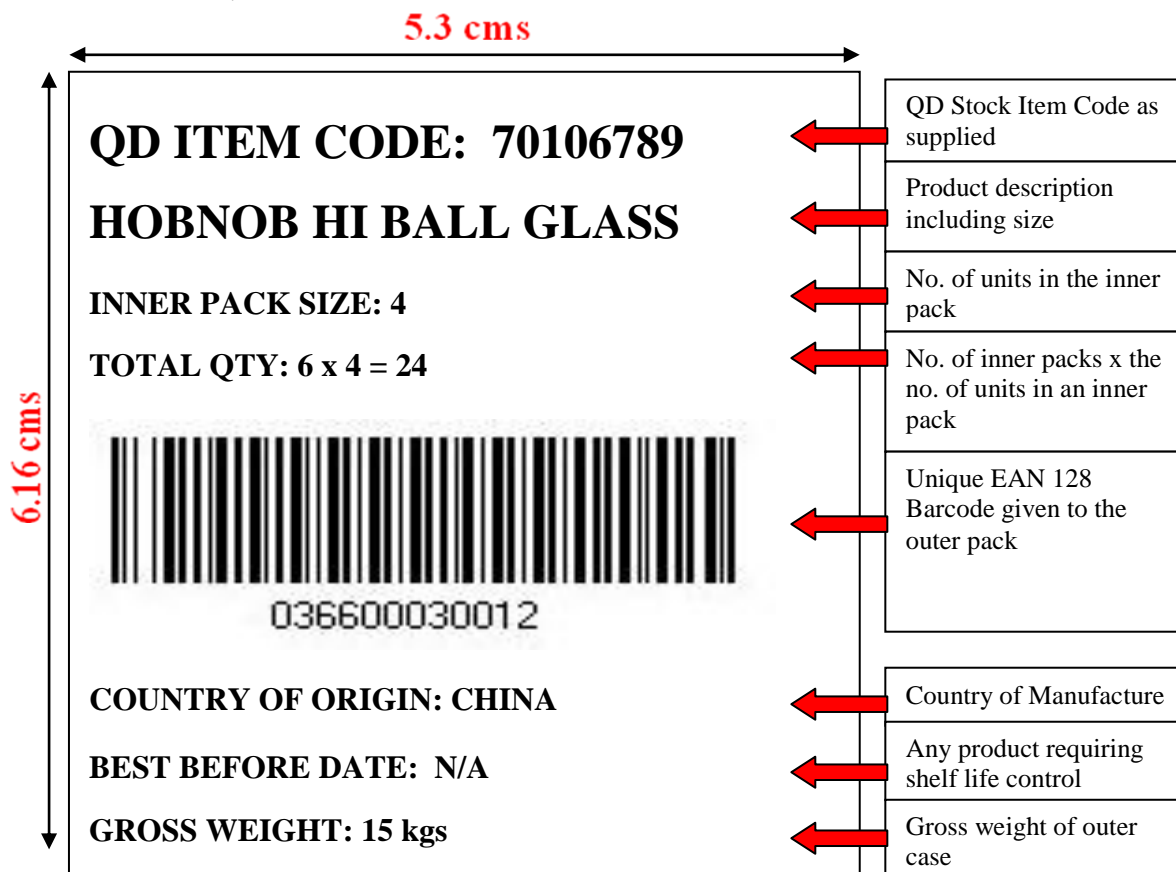
Do not put the labels of the contents on the outside of the shipper. These must be in the inner carton only. When the shipper is opened, the outer casing will be disposed of and the Distribution Centre will check (or scan where applicable) the goods inside the shipper. Cases or units of the same product must be grouped together to allow for quick and easy checking.

Labelling

Each case delivered into the distribution centre must be individually labelled. The position of the label must be on the box end. Details on the label must include:

- ✓ QD Item Code (As supplied by QD)
- ✓ Product description
- ✓ Pack Size (Quantity of units within an inner pack)
- ✓ Total number of inners within the outer and total quantity of individual units within the outer
- ✓ Date Code (use by, best before, sell by for all grocery shelf life products)
- ✓ Gross Case Weight (if in excess of 15 Kgs)
- ✓ Batch / Production Code (whenever possible)
- ✓ Country of Origin (only when from one origin of supply)
- ✓ Outer case code (numeric and/or barcode, if not printed on the outer)

EXAMPLE LABEL:



Each outer must clearly indicate the case opening instructions and carry 'This Way Up' indicators on both the outer and retail pack, when applicable. Any such indicators must not obscure the outer labelling. The outer of display cases/pallets must clearly indicate the method of opening and display criteria. All alpha/numeric indicators must be a minimum of 25mm high. All labelling, including imported product, must be in legible English or be accompanied by an English translation. Any outers containing break packs must be clearly labelled 'BREAK PACK' on at least two faces. The outer case barcodes must be communicated in advance and conform to agreed international standards. The printing of the outer case barcodes must be clear with no blurring of the barcode. Sample labels must be sent to the relevant QD buyer or Admin Coordinator for checking and acceptance before packing and shipment. The supplier will be liable for any costs incurred as a result of wrong barcodes applied or barcodes failing to scan on receipt. Loads may be rejected if codes fail to scan.

Where the outer case is not or cannot be printed with the required information, labels must be applied to at least two adjacent vertical sides.

Purchase Ordering

Purchase orders are forwarded to Suppliers via email or fax. Purchase orders and delivery notes must not be merged i.e. there must always be one delivery note per purchase order. The purchase order will specify a purchase order number, the delivery warehouse, the QD item number, order quantity and delivery due date, booking time and reference if the order has a fixed booking. Goods will only be accepted by our Distribution Centre if accompanied by a purchase order raised by the QD Trading Support team. These purchase orders will contain the only purchase order number recognised by the Distribution Centre goods receipt system. Each purchase order number will be a random 12 digit number. The first 4 digits of the PO number represent the unique QD supplier number. The purchase order number must be quoted on all delivery documentation. Any changes to the agreed booking times must be communicated to the Trading Support team at QD Head Office. Cover is normally provided from 09:00 hrs to 17:30 hrs Monday to Friday.

Supplier Service Requirements

Inbound Scheduling

We require our Suppliers to adhere to normal booking arrangements 364 days a year, including Saturdays, Sundays and Bank Holidays as requested and agreed with Suppliers. Any delivery limitations must be notified and agreed with the Trading Support Manager at least 4 days prior to deliveries being made. The QD will be closed on Christmas Day.

- **Fixed Bookings**

Where agreement has been reached to operate to 'fixed time/day slots' these will be quoted on the purchase order and must be strictly adhered to.

Amendments to these slots must be agreed centrally by the Trading Support team. Without limitation to any other rights or remedies QD may have, failure to adhere to fixed bookings may result in their removal, refusal to unload and/or a claim for compensation.

- **Non-Fixed Booking**

Vehicle appointments should be made within 24 hours of order receipt and a minimum of 3 days prior to scheduled delivery day. Contact should be made with the Goods-In Manager at the Distribution Centre to arrange a booking time. Due to the high volume and time scheduling of deliveries, our booking slots are very carefully planned. Suppliers must use their best endeavours to accept the notified slot. The Supplier will be issued with a booking reference once the booking has been accepted. Please quote the booking reference on your delivery documentation. Container deliveries must also be scheduled in this way.

Deliveries must be made at the scheduled time (+/- 30 minutes). Without limitation to any other rights or remedies QD may have, QD may claim compensation for late deliveries. If the Supplier uses a third party haulier/consolidator, then it

is the Supplier's responsibility to make sure that all bookings are made with the Distribution Centre by the Supplier or the third party

- **Emergency Bookings**

Where emergency bookings are required contact should be made direct to the Distribution Centre.

- **Backhaul (QD transport collecting from Suppliers)**

Where possible, QD transport operate a system of collection from Suppliers (Backhaul). Backhaul is an agreement between the Supplier and QD, for QD to collect goods from the Supplier utilising the QD transport fleet. A very reasonable charge is made for this service which is aimed at being mutually beneficial to all parties. If you are interested in this service please contact the DC Manager for further information.

Suppliers must pre-advise the QD Transport Manager of prospective backhaul loads by 12.00hrs on the day prior to collection. The responsibility for booking slots on inbound schedule for backhaul deliveries is held by the QD Distribution Centre. The Supplier/hauler relationship should be maintained as with third party arrangements and it is therefore the Supplier's responsibility to ensure that the collection has been made. All Suppliers must turn around the QD vehicles within one hour of the agreed collection time at the Supplier. QD operates the carriage of goods under F.T.A. regulations. The Supplier must prove to the QD driver that the product is securely loaded and sealed. The seal number should be recorded on the Supplier collection note and signed by the Supplier and the QD driver. Title of goods transfers to QD at the point of collection by the QD driver from the Supplier's site. The Supplier must provide a facility where the driver can check the number of pallets loaded. The driver will sign for the number of pallets collected. However, shortages of less than one pallet and crossovers (overages and shortages) are not the responsibility of QD until they have been checked off the vehicle at the distribution centre and the paperwork is stamped. Unless it is a QD related issue all returns must be collected from the QD site by the Supplier. The collected load will be reconciled on receipt at the QD site. Any discrepancies will be raised with the relevant Supplier within 24 hours of receipt. All Supplier delivery documentation will be sent back to the Supplier's site the day after collection. All Suppliers should cross-reference on a daily basis to ensure that all delivery documentation is returned. A Supplier must contact the depot if they don't receive delivery documentation.

- **Performance Monitoring**

Supplier performance in respect of arrival date and time will be monitored and QD may claim compensation for poor performance

- **Delays**

Any delay must be notified to QD at least one hour prior to scheduled delivery time to the Goods In Office at the QD Distribution Centre quoting a revised estimated time of arrival. Where delays have been notified, reasonable efforts will be made to accommodate the revised timing however this cannot always be guaranteed. The potential for acceptance or refusal should be discussed at the time of delay notification. In any event without limitation to any other rights or remedies QD may have, QD may claim compensation

- **Exceptions to Purchase Order**

Receipt of a purchase order by the Supplier will be viewed as acceptance of the order. If a Supplier cannot meet the order in full, the Trading Support team must be advised by the Supplier immediately (but no later than 24 hours after receipt of the order).

The Distribution Centre may refuse to accept pallets over and above the number advised to them against the appropriate booking reference

- **Notification of Partial Deliveries**

A purchase order must not be delivered across more than one vehicle load, with the exception of Pack per Store orders. If an order exceeds a vehicle's capacity, immediate contact should be made with the Trading Support team for the necessary amendments to be made.

Vehicle Standards

All deliveries must be palletised unless agreed with the Trading Support Manager. Failure to do so may result in delay at the distribution centre or rejection of delivery. Suppliers who are delivering small packages must adhere to the standard booking in procedure, this also applies to parcel delivery or courier services. Vehicles must comply with all current highway, 'construction and use' and other relevant regulations and legislation. Accepted types of articulated or rigid vehicles are as follows:

- ✓ side loading/curtain sided (Tautliners)
- ✓ box vehicles i.e. box trailers
- ✓ Vans

All vehicles must be clean, dry and free from debris and odour from previous use. Vehicle temperature settings must be capable of maintaining product temperatures. Any products outside the acceptable temperature range for the product will be rejected. Trailer doors must be kept closed until vehicles are called onto the unloading bays. In order to comply with QD's Health and Safety requirements all drivers must wear Hi-Visibility clothing on site. A minimum acceptable standard is a Hi-Visibility vest. Please note the QD Distribution Centre is designated a totally a non-smoking site.

Loading Palletisation

Goods delivered on unstable, sub-standard or damaged pallets will be refused. Drivers may be given the opportunity to re-stack goods onto acceptable pallets providing there are no Health and Safety implications or impact on the distribution centre operation. Alternatively the distribution centre may, at the Supplier's request, re-stack the goods to an acceptable standard. Availability of this service cannot be guaranteed, but where used, the Supplier will be charged for this service. The only accepted pallet specification is 1000 mm X 1200 mm, four way entry, non-reversible pallet, typically to a GKN standard. The maximum pallet load weight must not exceed 1.2 tonnes (2646 lbs), including pallet. Any pallets in excess of this weight may be rejected. Euro pallets may be acceptable by prior arrangement with the DC.

Each pallet of food product must carry a single date code. Pallets with more than one date code may be rejected.

Ti x Hi configuration must be as agreed at the time of product listing. This must not vary unless authorised by the Trading Support Manager at QD Head Office and then the Item File will be amended accordingly. Incorrect pallet configuration will result in delivery rejection. Pallets with overhanging product will be rejected unless prior agreement has been made with the DC. Pallet loads must be stabilised to prevent movement in transit. Only stretch wrap or shrink wrap must be used. Clear wrap must be used at all times to enable product identification.

Unacceptable pallet stabilisation includes mesh, fine twine, string or external glue-stopping. Wrap must not obstruct fork entry on pallet boards. Product ordered in layer quantities must be presented on individual pallets. Mixed products may only be consolidated on the same pallet where there is clear separation between each layer of different product using sheet separators and agreed in advance with the Trading Support Manager at QD Head Office.

Delivery Documentation

All deliveries must be accompanied by an original delivery note, in legible English, one per vehicle. The sequence of the products on the delivery note must match the sequence of the purchase order and subsequent invoice. Failure to do so may result in delay of turnaround time at depot. Both supplier and QD delivery codes must appear on the documentation. Where a weight declaration is required, the total product weight must be quoted in kilograms on the delivery note, alongside the appropriate product.

Random Weight Products

Suppliers of random weight products must clearly state on their delivery note total weight of product in kilos by item, exclusive of tare. Failure to do this will cause unnecessary delay in determining the total weight of the product. QD reserves the right to carry out a spot check of random weight products at point of goods-in, prior to receipt, which may delay the Supplier/haulier vehicle leaving site.

Chep Pallet Exchange

QD is not a member of the Chep pallet pool but does have an arrangement with Chep to ensure compliance to appropriate Chep rules and that excess GKN blue pallets are regularly returned to Chep

- **GKN Pallets**

One for One Exchange Suppliers who use GKN blue pallets must ensure a Pallet Exchange Note (PEN) accompanies any delivery to the QD Distribution Centre. The Supplier driver / haulier must ensure the PEN is handed over to the Goods-in Checker (GIC) at time of delivery, along with the relevant delivery documentation. The Distribution Centre will verify that the number of blue pallets delivered reflects the quantity expected and will load the same number of pallets on the Supplier/haulier's vehicle. The quantity of pallets returned will be recorded on the PEN/delivery note (on all 3 copies) and signed by the GIC. The Distribution Centre will retain the 'delivery drop point' copy of the PEN/delivery note which will be attached to the related receiving documentation.

QD will not issue any form of Pallet Control Voucher (PCV). However, if QD have been unable to satisfy the exchange in full, then this will be advised on the PEN and signed by the GIC. In these circumstances, suppliers should send the relevant details and evidence through to Chep who will make the necessary 'banking' adjustment to the pool.

- **Conditions of Use**

For the exchange to be completed, delivery paperwork must state that the Supplier is an authorised user of the GKN pallet pool. The Distribution Centre GIC must check the pallets received, confirm the delivery exchange quantity and ensure exchange pallets are loaded onto the Supplier/haulier vehicle. GKN blue pallets will only be issued for GKN blue pallets received, accompanied by a PEN. Failure to present a PEN will result in refusal of any exchange.. Any issue on this point must be addressed to GKN head office and not the QD Distribution Centre. GKN pallets will not be exchanged for any other pallets.

White Pallet Exchange

A one for one, like for like exchange will be carried out when requested subject to availability.

Receipt Standards

Distribution Centre Operations

This section describes goods inward, and receiving and checking processes within the Distribution Centre.

Arrival at Barrier

On arrival at the DC barrier the driver of the inbound vehicle must press the intercom on the barrier and speak to the GIC quoting the unique 4 digit number given to the supplier at time of booking. The GIC Office will have a copy of the

inbound schedule for that day's intake. The actual time of arrival and vehicle registration will be recorded on the delivery note. The driver will then be advised to go directly to a given bay number or be requested to go to the waiting area.

Arrival at Goods Inward

On arrival at the goods-in bay, the GIC will take the delivery documents from the driver including GKN PEN notes (if applicable). After the goods have been offloaded, the GIC will match the delivery against the order on the QD receiving system. The receiving document will be amended to record any differences between the delivery and receiving document. The checks will include:

- ✓ QD item Number
- ✓ Pack size
- ✓ Item description
- ✓ Quantity
- ✓ Ti x Hi
- ✓ Code life date (if applicable)
- ✓ Random weight (if applicable)

Details that fail to match may result in goods being refused.

By prior arrangement with the supplier, goods may be delivered on a 'Drop & Drive' basis and received in as unchecked. In these instances the delivery documents will be stamped 'RECEIVED UNCHECKED'. Any subsequent errors found will be reported back to the supplier within 72 hours of receipt.

The above procedure will apply to all goods received including those products requiring further processing work.

Turn Around Times

The Distribution Centre is committed to the development of efficient back door disciplines and target a maximum turnaround time of 1 hour for vehicles (excluding containers) presented at scheduled arrival times.

Discrepancies

- **Between Delivery Quantity and Ordered Quantity**

If there are discrepancies between the ordered quantity and the delivered quantity, the Distribution Centre will check the Goods Receipt System for any amendments to the purchase order

- **Overs**

Unless otherwise specified by QD, any overs, if identified at time of receipt, will be refused and returned on the same Supplier's vehicle. The GIC will record the number of cases per item on the receiving document and indicate the quantity as 'OVERS'.

Supplier Documentation

- **Differences on Delivery Documentation**

If the amount of cases delivered differs from the amount of cases ordered, the following procedures will be applied:

If the quantity of goods is in excess of the order, a line will be put through the Supplier's quantity on the delivery note and the actual accepted quantity written alongside the relevant item number, followed by the word 'OVERS' in brackets.

If the quantity of goods is less than the order, there will be no amendment to Supplier's delivery note. **If the delivered quantity indicated is more than the actual delivered quantity**, a line will be put through the Supplier's quantity on the delivery note, and the actual accepted quantity written alongside the relevant item number, followed by 'SHORTS' in brackets.

If there are items listed on the delivery note but not on the delivery, a line will be put through the Supplier's quantity and 'NIL' written alongside the relevant item number.

If the Supplier's delivery note lists items that were delivered but not ordered and not accepted, the word 'OVERS' will be written in brackets alongside the relevant item number.

If the Supplier's delivery note lists a wrong description/pack size to that delivered and ordered, the delivery note will be amended to reflect the actual. **In instances where the Supplier substitutes price marked pack for standard pack** (and vice versa), and this differs from the product stated on the purchase order, the Supplier must contact the Trading Support team to adjust the lines on the purchase order prior to delivery. Lines not specified on the purchase order will be rejected by the Distribution Centre.

On completion of the goods and documentation cross check, the GIC will stamp each copy of the Supplier's delivery note with a POD stamp and record the results of the delivery details. Both the GIC and driver must sign the POD. The Distribution Centre will ensure the driver is aware of what he is signing for. The driver will be given the opportunity to verify any short delivery/refusal, should the POD be disputed.

Amendments to Random Weights Recorded by Supplier

If the Supplier's weight recorded on the documentation differs from the physical weight of the product, a line will be put through the Supplier's weight and the actual weight written alongside the relevant item number.

Completion of the POD

A copy of the completed Supplier's delivery note, together with PEN copies, and for imported products the CMR and SDV copies, will be attached to the receiving document and the remaining copies handed to the driver

- **Amendments to POD**

Once the driver has left site and amendments are found to be required to the POD, the Distribution Centre will contact the Supplier prior to the amendment to advise them of the change.

For amendments where the POD quantity is greater than the actual number of cases received, the Supplier must respond to QD in writing the same day

- **POD Quantity is Less Than Actual Delivered Quantity**

Where the quantity signed for on the POD is less than the actual delivered quantity, the Distribution Centre will amend the POD and forward copies to the Supplier and our Accounts Administration Manager the same day, followed by a receiving correction. The Distribution Centre will not ask for acceptance from the Supplier to amend in such instances i.e. as the adjustment is in the Supplier's favour. Alternatively the Supplier may be requested to collect the excess.

- **POD Confirmation Requests by Accounts Administration**

When a Supplier disputes a debit raised by QD, our Accounts Administration Manager will contact the Distribution Centre to request a photocopy of the original POD. The Distribution Centre will forward the completed receipt information to the Accounts Administration Manager within five working days from receipt of the request. The Supplier may also be requested to forward a copy of the completed POD. This information will be used when deciding to reverse/accept the debit. Drivers who do not wait for PODs (i.e. Drop & Drive) must have received prior approval from the QD Trading Support Manager. If a driver decides to leave site and collect the delivery notes the following day, the

procedures for checking and POD'ing the delivery remain the same. Once the documentation is completed, the Distribution Centre will place it in an envelope marked with the Supplier's name and next expected delivery date to ensure the driver collects the notes on the next visit. Please note that any Supplier adopting a 'drop and drive' arrangement will automatically forfeit their right to challenge notified shortages and date code variances. Suppliers interested in adopting a 'drop and drive' procedure should communicate directly with the Trading Support Manager.

Goods Refused at Point of Delivery

Conditions for Refusal

Goods may be refused and/or compensation claimed by QD for goods delivered in breach of these guidelines or the conditions of purchase which include, without limitation to QD's other rights and remedies the following:

- ✓ Goods which are or appear to be damaged (NB: If one single unit is damaged within a case, the total case and/or pallet will be refused.)
- ✓ Goods which are or appear to be tainted by odour
- ✓ Product with a use by/display until date that has expired the minimum acceptance date specified in the product set up as agreed with the Supplier and held on the Item File. Date coded product must have the agreed minimum life remaining in order to be accepted at the point of delivery
- ✓ Goods which are not on the purchase order
- ✓ Overs
- ✓ Goods delivered on a vehicle not to specification
- ✓ Late deliveries or failure to achieve fixed bookings
- ✓ Damaged or unsafe pallets
- ✓ Poor packaging
- ✓ Incorrect labeling
- ✓ Incorrect coding
- ✓ Incorrect pallet configuration
- ✓ Poorly stacked pallets
- ✓ Mixed date codes of the same product on the same pallet
- ✓ Changes in the item file attributes not notified to QD at least 4 weeks before they are effective. Additionally QD may seek compensation from the Supplier for errors in the New Line Form or changes notified late
- ✓ Non-fixed Bookings – Continual late delivery (more than 3 consecutive late deliveries)
- ✓ Performance monitoring – QD will monitor Supplier performance in respect of arrival date and time and may claim compensation for poor performance
- ✓ Pallets over and above the number advised against the appropriate booking reference
- ✓ Vehicle Standards - All deliveries must be palletised unless otherwise agreed
- ✓ Goods delivered on unstable, sub-standard or damaged pallets
- ✓ Any pallets in excess of 1.2 tonnes
- ✓ Pallets with overhanging product
- ✓ No seal on a vehicle with an overseas delivery
- ✓ Non-compliance with other physical handling aspects contained within the guide

Goods received on a drop and drive arrangement that meet any of the above refusal criteria will incur a penalty charge of £100 per pallet. If QD agree to rework the pallet then the supplier must put in writing (email / fax) that they are prepared to accept the cost on a time and materials basis. All penalties / costs incurred will be auto debited to the supplier's account.

Completion of Paperwork

If goods are refused, the Distribution Centre will clearly indicate on the Supplier delivery document which item/s have been rejected and why. The refusals section of the POD will also be completed with the total cases rejected. The haulier/Supplier driver will be asked to endorse the refusal.

Return to Supplier Notification

Where it is agreed product is to be returned, QD will notify the Supplier of the product to be returned. The Supplier must contact the distribution centre to arrange a collection date and time. The distribution centre will complete the Return to Supplier documentation and ensure the goods are ready for the Supplier to collect at the agreed time.

- **Collection From the Distribution Centre**

On arrival at the distribution centre the Supplier's driver will be given the opportunity of checking that the returned goods correspond to the Return to Supplier documentation. The distribution centre will request the driver to sign the documentation as confirmation that the goods were uplifted. Note that collection will not be allowed unless the signature is obtained.

If the supplier fails to collect on the scheduled day then the collection must be rescheduled within 7 days. Failure to collect on the rescheduled day and time may result in QD arranging for the goods to be disposed of at the supplier's expense.

Security

The Supplier must procure that its personnel, drivers and contractors obey site rules with particular regard to 'no smoking'. In addition to specific site procedures, the following general rules will apply:

- **Spot Checks**

The driver will at all times be subject to a vehicle check on leaving the distribution centre

- **Drivers Leaving Vehicles**

Drivers whilst on the premise of the Distribution Centre must at all times remain with their vehicles unless by prior agreement with the Distribution Centre management

- **Out of Hours/Overnight Parking**

This is not permitted on our Distribution Centre premises.

- **Authorised Personnel**

Only authorized haulier personnel will be allowed on site This expressly excludes under 16'

Imports

QD has a policy of actively managing all imported product

Through its appointed freight management company, all shipments are monitored from order placement to delivery to the QD Distribution Centre.

Invoicing Requirements

There must be one invoice per delivery note and one per purchase order.

Invoices should be sent to our Accounts Administration Manager (preferably via EDI) based on:

- ✓ Quantities signed for by QD at point of delivery
- ✓ The prices previously agreed with the relevant QD Buyer

EDI is the preferred condition of Trade with QD. All transmissions of Orders, Remittance Statements, Debit Notes, Price File and Invoices should, if possible, be sent via EDI.

Traded Unit Codes (TUC)

This code is the key reference code for EDI. It is critical that Supplier TUC codes and QD item codes are in line for successful EDI transmission. Invalid TUC codes will result in lines being rejected during order transmission. Please ask for more information regarding order transmission and TUC Requirements.

Content Requirement on Label

To achieve consistency for proper delivery and to aid purchase order verification at our Distribution Centre we require the following information on all outer case labels:

General Merchandise Label Requirements (If in doubt consult your QD Buyer or the Trading Support Manager at QD Head Office before finalising the label specification):

- ✓ Ship From Address – Supplier’s address, city and postal code
- ✓ Ship To Address – QD’s depot address or under previous agreement QD’s head office address
- ✓ QD Item Number
- ✓ Supplier Number
- ✓ Item Description (Including Size / Style / Variety (if applicable))
- ✓ Weight (KG) inclusive of packaging tare, plus warning triangle and message if over 25 Kgs
- ✓ Quantity of items within case
- ✓ 14 digit TUC code (numeric and barcode)
- ✓ Break pack label (if applicable)

Food Label Requirements (Please note that certain food labelling is also subject to technical & legal requirements):

- ✓ Ship From Address – Supplier’s address, city and postal code
- ✓ Ship To Address – QD’s depot address or under previous agreement QD’s head office address
- ✓ QD Item Number
- ✓ Supplier Number
- ✓ Item Description
- ✓ Pack Size
- ✓ Date Code (use by, best before and sell by)
- ✓ Weight (KG) exclusive of packaging tare
- ✓ Quantity of items within case
- ✓ 14-digit TUC code (numeric and barcode)

Bar Code Requirements

The automation of warehouses through RF technology and ever increasing need for accuracy and speed all rely heavily on the GTIN (Global Trade Identification Number) which is encompassed within the EAN-128 – 14 –digit TUC code.

- **Sizes**

Bar codes can be printed in various sizes. The size to be selected depends on the printing conditions. A small bar code can be used if good quality printing is coupled with a good quality substrate.

It is not possible to select an arbitrary symbol size to fit a predetermined space on the package. QD TUC codes should be printed at least 25mm tall on any item and the size may vary between this minimum (25%) and a maximum size (120%). The bar code should not be truncated.

- **Quiet Zones (Blank Space Surrounding the Bar Code)**

All types of bar codes must have Quiet Zones, before the first bar and after the last bar

This Quiet Zone is extremely important and must be respected. The size of the Quiet Zone area varies depending on the symbol. Any print within Quiet Zones can prevent the reading of the bar code symbol.

- **Colours and contrast**

Scanners work by measuring reflectance. There must be sufficient contrast between dark bars and light spaces. There must be sufficient density of ink in the bars not to create voids.

Composite colours are not adequate to print bar codes. It is best to use solid colours.

Scanners use a beam of red light. A contrast that seems to be satisfactory for human eyes may be insufficient for scanners.

Bar codes can be printed in various colours. A general indication is that light colours including red and orange are suitable for the light bars (spaces) and quiet zones. Dark colours including black, blue, and green are suitable for the bars.

High-gloss substrates may change the reflectance and checks must be made before printing. Transparent over-wraps may also reduce contrast and checks on the completed package should be made if over-wrapping is used.

- **Placement Requirements**

Outer Case Label Placement Guidelines

Each outer must clearly indicate the case opening instructions and carry 'This way Up' indicators on both the outer and retail pack, where applicable. Any such indicators must not obscure the outer labelling. All labelling must be able to withstand temperature regimes encountered within the product's normal distribution methods.

The bar code, including the human readable digits underneath (identification number) must be visible and free of any obstacles preventing it from scanning.

The preferred placement for a bar code is on the lower right quadrant of the back, respecting the proper Quiet Zone areas around the bar code symbol and the edge rule. Labels must be applied to and be visible on at least two adjacent vertical sides.

Edge rule: The bar code symbol must not be closer than 8 mm or farther than 102 mm from any edge of the package/case.

- (a) On cases less than a metre in height the lower edge of bar should be located 32 mm from the lower edge of the base of the case. Including Quiet Zones, the symbol should be at least 19 mm from the vertical edges.
- (b) On cases greater than 1 metre in height, labels should be placed so that all the bar code symbols are at a height of between 400mm and 800mm from the base of the pallet, and no closer than 500mm from the vertical edge.

- **Breakpacks (Masterpacks)**

Any outers containing Breakpacks must be clearly labelled BREAKPACK on at least two faces.

We continuously review our outer labeling requirements, and the size, content and specification of the labels we require Suppliers to use will change from time to time. We will endeavor to give reasonable notice to Suppliers of any changes planned to enable Suppliers to run down stocks of current labels.

Further information on required standards for electronic trade can be found at <http://www.gs1uk.org/>

Food Safety

The Food Safety Act 1990 is a wide ranging law, which together with changes to the Food Hygiene regulations strengthens and updates the laws on food safety and consumer protection in the food sector throughout Great Britain.

Summary

The QD Supplier Delivery Guidelines are not intended to replace any of the requirements of Local Authority or Central Government relating to hygiene, health or safety in a production or distribution unit, nor do they refer to Government Acts or Regulations pertaining to specific products. Suppliers are required to study the contents of all pertinent legislation in full, and to take due note of any proposed legislation that may necessitate changes to products or processes.

Deliveries will be monitored on arrival and products that fail to meet the minimum acceptable criteria for the general condition of goods on receipt will be rejected. Conditions which may result in rejection include inadequate life code remaining, damage to goods, and quantities delivered in excess of our purchase order.

Non-compliance with other physical handling aspects contained within this guide may also result in product rejection.

For goods requiring return to Suppliers, the responsibility for the disposal or destruction of these goods remains only with the Supplier. Third party hauliers are not authorised to destroy or otherwise dispose of any items returned by the Distribution Centre or stores.

QD Head Office Contact Details

QD Stores Ltd
1 Cherry Lane
Anglia Square
Norwich NR3 1WA

Tel: 01603 275200



ACCEPTANCE OF QD SUPPLIER DELIVERY SPECIFICATION

I acknowledge I have read and accept the QD Supplier Delivery Specification and agree that my company will comply with the QD requirements.

(Should you wish for any exceptions to be considered please submit an Exemption Request Form. This will be reviewed by the Trading Support Manager who will either accept the request or may wish to discuss the matter further with you). Please tick the box if you have submitted an Exemption Request Form

I agree that the QD Distribution centre may / may not * receive goods on a 'Drop and Drive' basis.

* Delete as applicable

Signed by:

Name:

Position in Company:

Date:

For and on behalf of:

Company Name:

Address:



DELIVERY SPECIFICATION – EXEMPTION REQUEST FORM

SUPPLIER NAME:

EXEMPTION REQUESTED:

REASONS:

SUPPLIER CONTACT NAME:

EMAIL ADDRESS:

TELEPHONE NUMBER:

AUTHORISED BY:

DATE:

(QD TRADING SUPPORT MANAGER)