Chapter 2

EDI TECHNOLOGY

DXL Group is committed to supporting the Universal Product Code (UPC), Electronic Data Interchange (EDI), Voluntary Interindustry Commerce Standards (VICS) and the Uniform Code Council (UCC) standards. By implementing these standards and technologies DXL Group can expedite merchandise through the supply chain thus insuring an expedited flow from our trading partners to the selling floor, better management of inventories, increased sales and enhanced customer service. It is DXL Group’s goal to have all Vendors fully compliant with EDI production.

Summary of Vendor Expectations

- Supply DXL Group with access to vendor’s UPC catalog if DXL Group will be using the vendors UPC.
- Initiate contact with DXL Group’s EDI department @ 781-828-9300. Contact ext 2651 or ext 2509 to start the testing process.
- Return a test ASN within 30 days of receiving a test PO.
- Using test data and within 30 days, send an actual UCC128 label to VendorCompliance_PLM@DXLG.com for approval.
- EDI ASN transmissions will not be approved until an actual UCC128 case label from the first EDI ASN shipment is reviewed to ensure it is on the ASN transmission. A picture of an actual label attached to the ASN must be emailed to EDI@dxlg.com, cc VendorCompliance_PLM@DXLG.com. Note we are requesting two labels, one for label format approval to and the second for EDI ASN approval.

Summary of Standards

- Merchandise should be marked with quality, industry standard; vendor generated UPC bar-code ticket including vendor style and size.
- Provide accurate, updated UPC via Quick Response Service Catalog (QRS). Merchants prefer to receive UPCs from vendors.
- Required EDI documents
  - A) 850 Purchase Order
  - B) Accurate carton level EDI 856 Advance Ship Notice (ASN)
  - C) All UCC128 labels applied to cases of an EDI PO must be successfully attached to the corresponding EDI ASN.
  - D) Functional Acknowledgment (997)
  - E) 810 Invoice
  - F) 860 PO Cancellation
EDI DOCUMENTATION AND TRANSMISSION

A. Qualifications for Becoming and EDI Partner with DXL Group

- To qualify as an EDI partner, your company must be 100% UPC marked and provide us with access to your UPC catalog. EDI is a requirement of doing business with DXL Group. As vendors, you are expected to comply and contact us to start testing.
- You must be capable of transmitting the necessary EDI documents required by DXL Group.

B. EDI Document Requirements

- #850 Purchase Order
- #856 Advanced Ship Notice (ASN) with accurate carton level information.
- UCC-128 Shipping Container Label matching the carton level info in the 856 ASN
- #997 Functional Acknowledgment
- #810 Invoice

C. EDI Transmission Standards

Transmission of the # 856 Advance Shipping Notice must contain the following information.

- Our Purchase Order Number
- SKU and quantity must match the contents of the case as this is the information used to receive the shipment and verify the invoice for payment.
- Total weight of Shipment
- Total number of cartons in your shipment
- The freight carrier
- The exact quantity (in units) by SKU, color and size
- DXL Group will only accept one ASN per shipment / Bill of Lading (BOL) for domestic shipments. The ASN can contain multiple POs for the same location. Advance Shipping Notices (ASN’s) must match the shipment and must be transmitted to DXL Group the same day the shipment is tendered to the carrier at the PO designated FOB point (ASN transmission date and the carrier signed BOL date must be exactly the same)
- Direct import shipments must have one ASN per container. ASN’s must match each actual container; ASN’s must not be shared over multiple containers. ASN’s must be transmitted to DXL Group within seven (7) calendar days for a container shipment and three (3) calendar days for an air shipment.

D. EDI Document Requirements

- #850 Purchase Order
- #856 Advanced Ship Notice (ASN) with accurate carton level information.
- UCC-128 Shipping Container Label (856 ASN)
- #997 Functional Acknowledgment
- #810 Invoice
E. UCC-128 Shipping Container label

- Each label must match the SKU and quantity within the case to which it has been applied
- All labels applied to cases of an EDI PO shipment must be successfully attached to an EDI ASN
- A label cannot be changed by crossing out the SKU or quantity and writing the correct information in pen
- A new label must be created and assigned to the EDI ASN before submitting the EDI ASN to DXLG.

Non Compliance / Charge Backs

DXL Group will issue charge backs for any and all EDI non compliance issues including but not limited to: unable to receive 850 purchase order; no 856 ASN transmission; 856 transmission is incorrect or was not received prior to the arrival of the shipment at DXL Group’s distribution center; failure to consolidate PO’s into one ASN per shipment / BOL / direct import container at the rate of $100.00 per purchase order plus $1.00 per carton.

For Domestic Vendors: If the ASN transmission date and carrier signed BOL date do not match a 5% merchandise invoice deduction up to a maximum of $2,000 per ASN will be taken.

For Global Vendors: If an ASN isn’t transmitted (7) seven calendar days for container shipments and (3) three calendar days for an air shipment after the shipment leaves, a 5% merchandise invoice deduction up to a maximum of $2,000 per ASN will be taken.

Failure to transmit an 810 invoice or transmitting an 810 invoice with errors will result in a charge back of $100.00 per invoice.

If you have any questions or concerns regarding DXL Group’s EDI program, documentation requirements and/or transmission standards please contact our EDI department at 781-828-9300 ext. 2509 or 2651.
Packaging and Presentation Requirements Overview

Objective

It is the overall objective of DXL Group, Inc that ALL merchandise intended for DXL Group (Rochester retail stores and catalog) must adhere to packaging specifications and requirements.

Packaging and Presentation Compliance Inspection critical, major and minor issues below:

<table>
<thead>
<tr>
<th>PACKAGING AND PRESENTATION-APPAREL</th>
<th>Critical</th>
<th>Major</th>
<th>Minor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing size and care label</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing hang tag</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Missing price tickets, price stickers and PIDs</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price tickets, price stickers and PIDs placed on wrong item</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wrong UCC128 placement on case</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Wrong size ratio in pre pack cases</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wrong SKUs mixed in single SKU cases</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QTY in Case does not match QTY on UCC128</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improper folding</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>PID placed incorrectly on poly bag</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soiled/Dirty/Unsealed poly bag</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Compliance Expectations - Apparel

Overview

- Written communication to the Vendor Compliance Department prior to shipment of orders for any garments missing tickets, joker tags and PIDs.
  - Depending upon situation:
    - DXL Group may choose to send missing trim to vendor/factory to complete before shipping.
    - DXL Group may request case numbers missing trim are noted on the cases and packing list as an alert to the DC to correct upon receipt.

- Written communication to the VendorCompliance_PLM@DXLG.com prior to shipment of orders that do not comply to purchase order request regarding correct sizes and colors inside cases.
  - Vendor Compliance Department will:
    - Review information with responsible partner.
    - Depending upon situation, request vendor/factory to rework order.
    - Ship as is and indicate correct information on cases and packing list.
• Broken or damaged cases are unacceptable and need to be repacked into new cases before shipping.
• GOH is defined as any garment packed and shipped in a wardrobe case that allows product to hang inside. Example – suit jacket
• Flat packed product such as shirts, shorts, loungewear, sweaters, lightweight outerwear and pants cannot include a hanger.

Labeling Guideline Overview - Footwear

• Country of Origin Marking (COO)
  o For footwear other than slippers, US Customs requires that the COO be permanently marked either by molding on the outer sole, imprinting inside the shoe or a sewn-in label. Slippers may be labeled with stickers or hangtags.
  o The COO must be conspicuous and legible. The phrase “Made in XXX” is acceptable in English and does not require translating into any other national language. However, if the phrase is varied in any way, then translation is required.

• Importer Identification
  o In the USA, Europe and Canada, Brand logo is sufficient business identification for unpackaged footwear. Packaging is defined as any material used to contain, surround or confine the product – the most common package type being a shoebox.

• Size
  o Size must be indicated in the US numerical sizing convention regardless of market. Other national conventions may be used in addition to the US numerical sizing convention since market laws do not restrict sizing. Note: If letters or words are used such as “M/L” translations must be provided for in all EU labels.

• Composition
  o There is a European Footwear Directive that details the labeling of materials used in the main components of footwear for sale to the consumer. Footwear must be labeled with the generic composition of the following 3 parts: Upper, Lining and Sock, and Outer Sole.
  o The appropriate generic composition for any of these parts is: Leather, Coated Leather, Textile or Other Materials
    • Upper: Outside upper parts of footwear. Ankle patches, edgings, hardware and ornamentation. Composition is based on 80% of the surface area of the upper excluding ankle patches, edgings, hardware and ornamentation.
- **Lining and Sock**: Inside lining of the upper and insole. Composition is based on 80% of the surface area of the Lining and Sock.

- **Outer Sole**: Outside bottom part of footwear. Composition is based on 80% of the volume of the outer sole. It is measured on the visible portion only and excludes extensions concealed by the upper.

**Composition Terms**

- Leather: Natural leather with no applied surface coating greater than 0.15 mm
- Coated Leather: Surface coating greater than 0.15 mm but less than 1/3 of the product’s total finish. This designation is typically intended for performance footwear designed to resist water or lesser grades of leather that have thick, plasticized coatings. It does not refer to typical leather finishes.
- Textile: Natural, synthetic or non-woven textile materials such as cotton, rayon, hemp, felt and the like.
- Note: When footwear contains wool, or if there is an insulating lining, the actual fiber content must be called out. Using the term “Textile” is not sufficient in this case.
  - **EXAMPLE I** - Part contains wool: Upper: 100% Wool
  - **EXAMPLE II** - Insulating or warm lining: Lining and Sock: Shell: 100% Nylon Fill: 100% Polyester
- Other Materials: Refers to materials such as cork, plastic, rubber, synthetic leather, etc.

**Canada Stuffed Articles**

- Footwear such as slippers that have stuffing material in the upper must display a Canada Stuffed Articles Label. Further information may be obtained from:
  - **Quebec**
    Ministère du Développement économique, de l’Innovation et de l’Exportation
    (Ministry of Economic Development, Innovation and Export Trade)
    Government of Quebec
    www.mdeie.gouv.qc.ca
  - **Ontario**
    Technical Standards and Safety Authority
    www.tssa.org
  - **Manitoba**
    Consumers’ Bureau
    Government of Manitoba
    www.gov.mb.ca/finance/cca/consumb
- **Performance Claims**
  - Statements such as “Water Resistant” or “Waterproof” are performance claims and as such must be substantiated by laboratory testing. There are laws and directives requiring that all claims be accurate and not misleading or deceptive in any way.

- **Label Placement**
  - COO marking must be permanent by means of molding on the outer sole, imprinting inside the shoe, or by a sewn-in label.
  - All other labeling may be on a sticker or hangtag and must be visible, accessible, legible and securely affixed. At least one shoe of the pair must bear the label.

**Inner Packaging – Footwear Box and Materials**

- Footwear box shall be sufficiently sized to hold footwear without deforming the footwear or retail box.
- Each footwear box should be well constructed so as not to fall apart, deform or crush when stacked. Each footwear box shall have a separate top or if it is a single piece box it shall have a finger opening to provide for ease of opening.
- Packaging shall include a sufficient amount of tissue paper inside each shoe to prevent crushing/deforming of the footwear.
- Each shoe shall be encased in a plastic bag or tissue paper to prevent any scratching / marring / damage or rubbing of shoes against each other. General industry standards for plastic bag apply
  - Factory sourced
  - Tissue must meet industry standard quality, construction and regulatory requirements
  - Poly bag Material of linear low-density polyethylene of a minimum thickness of 1.0 mil
  - Poly bags with a 5” opening or larger will require the below suffocation in English and French:
    - **WARNING:** TO AVOID DANGER OF SUFFOCATION KEEP THIS BAG AWAY FROM BABIES AND CHILDREN.
    - DO NOT USE IN CRIBS, BEDS, CARRIAGES, OR PLAYPENS. THIN FILM MAY CLING TO NOSE AND MOUTH AND PREVENT BREATHING. THIS BAG IS NOT A TOY.

**Inner Packaging – Footwear Box General Markings:**

- Each footwear box may have a picture of the footwear.
- Each footwear box shall include name of brand of footwear.
- Each footwear box shall include country of origin marked in a conspicuous and legible way.
- INNER BOX LABEL (see illustration that follows for general placement) = Each footwear box for retail shall be marked (manufacturer’s markings) as follows but not limited to:
  - Description
- Size of shoe
- Width of shoe
- Style #
- UPC markings

**Packaging – footwear box stickers and placement**

![Diagram of box with labels](image)

**INNER BOX LABEL**

- **CUSTOMER LABEL** = *Combined Price Sticker and PID*, not actual size

<table>
<thead>
<tr>
<th>D= Department #</th>
<th>SUB= Sub Class #</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL= Vendor Class#</td>
<td>SEA= Season Code</td>
</tr>
<tr>
<td>ST=DXL Group Style #</td>
<td></td>
</tr>
</tbody>
</table>

Location as pictured above at same end as vendor’s information.

**Packaging – Footwear Hanging Materials**

- Hanger and attachment method. Factory sourced unless otherwise indicated or requested from DXL Group Merchandising Buyer.
- Polybag is factory sourced and must meet minimum industry standards as above mentioned.
Packing – Footwear Hanging Price Ticket and PID placement

- Price Ticket – Not Actual Size

- PID placement on poly bag should be closest to center front without covering private label or brand logo, if present, of footwear hanging.

Packaging Requirements – Apparel and Footwear

PIDs /Tickets/Stickers/Jokers/Size Stickers

FineLine Technologies is our nominated supplier for tickets, stickers, PIDs, Jokers and Size Stickers. Contact support@finelinetech.com for account set up, instructions and questions and concerns.

New vendors must create an account on Fast Track to order tickets. It is the responsibility of the vendor to pay for trims.

Product Identification Sticker (PIDS) for individually packaged units

- General - Must be affixed to the front center of the poly bag; always refer to your tech pack for specific instructions
- GOH - facing the product place the PID sticker on the upper right chest just below the hanger of the garment
- Dress shirts – Stand up fold must be affixed to the back center of the poly bag
- Belts – apply PID on the top center of the bag
- Branded vendors that have been approved to use their own branded tickets/stickers/jokers must order PIDs thru FineLine Technologies’ Fast Trak system.

Price tickets, stickers, joker tags, size stickers

- Each merchandise unit must have a price ticket or joker affixed to the merchandise product. Refer to DXL Group standard placement located in the full technical package from Technical design for DXL Group private label brands.
- If applicable, each merchandise unit must have a size sticker strip adhered to the merchandise product. Refer to DXL Group standard placement located in the full technical package from Technical design for DXL Group private label brands.
Vendor must verify placement requirements from merchant for product not associated with a full tech pack.

Branded vendor should use their own tickets, stickers, joker tags after having received written approval from VendorCompliance_PLM@DXLG.com.

Folding requirements
- Folding requirements are located in a full technical package (aka tech pack).
- Vendor must attain folding requirements from merchant for product not associated with a full tech pack.
- Ties – all ties must be folded in half in a sealed polybag.
  - Polybag size: **14.9” L x 3.5” W x 0.8” H**.
  - Recommended box size for 30 ties – **16”L x 12” W x 10” H**

Packaging
- All merchandise must be folded to avoid excessive wrinkling and creasing; when placed individually, the poly bags should be of dimensions relating to the category of merchandise so each garment fits neatly and tightly within its poly bag.
- Merchandise for purchase orders (PO’s) written in eaches must be placed individually in poly bags of dimensions with no more than ½” maximum space between product and poly bag on all sides.
- Belts must be loosely rolled into an 8.5 x 11 poly bag.
- Merchandise for PO’s written for pre-packs should be neatly packed in one master poly bag within one carton.
- Dress shirt pre-pack PO’s - To retain the shape, dress shirts must be individually poly bagged before placing in large PPK poly bag. PID does not need to be applied to the poly bags.
- Unless an order is designated as a pre-pack, all items are expected to arrive in individual poly bags. Example: A package of athletic socks sold as one price should be packaged in one poly bag. Socks that are sold as one individual item must be packaged individually.
- The use of string or any other material including inner boxes to bundle garments together in the master carton is strictly prohibited.

Standards
- Factory sourced
- All flat pack merchandise must be placed neck or waist first in a poly bag in order to fit to the size of the folded garment. There should be no more than ½” of maximum space between the garment and the poly bag; the maximum dimensions for flat pack merchandise poly bags are 23” x 15”.
- Poly bags for flat pack merchandise must be of linear low-density polyethylene of a minimum thickness of 1.0 mil.
- GOH and outerwear poly bags must be of a linear low-density polyethylene of a minimum thickness of 1.25 millimeters. The polybag must be longer than the garment to avoid wrinkling however the it cannot exceed 3” in additional length.
- Poly bags for leathers, furs and suede should have vent holes.
- All poly bags must be sealed by one of three methods:
  - A self-adhesive strip
  - Three pieces of scotch tape 2” in length by ½” wide diagonally placed across the bag opening
- A piece of 2” packing tape placed across two thirds of the opening
- Unsecured fold-in flaps are not acceptable.
- Poly bags with an opening size of five inches or more must have a Suffocation Warning.
- Back of bag - Required Suffocation Warning in English and Spanish:
  - **English** - WARNING: TO AVOID DANGER OF SUDDICATION, KEEP THIS BAG AWAY FROM INFANTS AND CHILDREN. DO NOT USE IN CRIBS, BEDS, CARRIAGES, OR PLAYPENS. THIN FILM MAY CLING TO NOSE AND MOUTH AND PREVENT BREATHING. THIS BAG IS NOT A TOY.
  - **Spanish** - ADVERTENCIA: PARA EVITAR EL PELIGRO DE ASFIXIA O SUFFOCACION, MANTENGA ESTA BOLSA FUERA DEL ALCANCE DE INFANTES Y DE NIÑOS. NO LA USE EN CUNAS, CAMAS, COCHECITOS O CORRALITOS. EL PLASTICO FINO PUEDE AFERRARSE A LA NARIZ Y BOCA Y PUEDE EVITAR LA RESPIRACIÓN. ESTA BOLSA NO ES UN JUGUETE.

**Chargeback Policy**
*Please refer to the chargeback assessment chart for non-compliance with any of the aforementioned merchandise preparation and/or packaging requirements*