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</tr>
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<td>20</td>
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</table>

**Contact the Ace Vendor Support Center at** scenter@acehardware.com **or** 630-990-6593  
**Check Vendors.com > Contacts for additional Ace Hardware contact information.**

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Revision History

<table>
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<th>Revision Date</th>
<th>Summary of Changes</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>09/26/2011</td>
<td>Initial document</td>
<td></td>
</tr>
<tr>
<td>2.0</td>
<td>08/03/2012</td>
<td>Disposal of Closeout value changed to $200</td>
<td></td>
</tr>
</tbody>
</table>

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593
Check Vendors.com > Contacts for additional Ace Hardware contact information.

This is a compilation of Vendor materials as of September 26, 2011. Materials and policies are currently under review by Ace and this document is subject to change. Please visit this site periodically for updated materials.
Guide Overview

Ace Hardware’s Vendor Manual is a policy document covering the scope of business policies from ethical standards to vendor relationship expectations to shipment standards. This policy reflects a continuous effort to manage our business relationship in a manner that is legal and that benefits our mutual partnership and Ace’s storeowners.

The policies defined are Ace’s minimum expectations of our vendors and will continue to change with business requirements. These policies are not without purpose but exist to educate and define both common industry practices as well as unique requirements of Ace’s business. The expectation is for our vendors to read and employ these policies when addressing Ace Hardware’s business and make every effort to develop internal processes to meet our requirements.

Fines

Vendors not in compliance with certain of Ace’s requirements will be assessed a non-compliance fine.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Guide Section</th>
<th>Penalty</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bar Code Relabeling</td>
<td>Barcode Relabeling:</td>
<td>Label Qty</td>
<td>Fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 - 100</td>
<td>$300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>101 - 400</td>
<td>$425</td>
</tr>
<tr>
<td></td>
<td></td>
<td>401 - 800</td>
<td>$675</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 800</td>
<td>$675 + $.40 cents per label qty over 800</td>
</tr>
<tr>
<td>Non-EDI Compliance (850,856,810)</td>
<td>EDI Implementation Guide</td>
<td>$100 per non EDI document</td>
<td></td>
</tr>
<tr>
<td>Credit Memo 810</td>
<td>EDI Implementation Guide</td>
<td>$100 per non EDI document</td>
<td></td>
</tr>
<tr>
<td>Dropship Paper Invoice Process Fee</td>
<td>Dropship Invoice Processing Service Charge:</td>
<td>$25 per document</td>
<td></td>
</tr>
<tr>
<td>NON- EFT Compliance</td>
<td>EFT</td>
<td>$100 per occurrence</td>
<td></td>
</tr>
<tr>
<td>Non-Preferred Carrier</td>
<td>Less than Truckload – LTL</td>
<td>$75.00 Per occurrence</td>
<td></td>
</tr>
<tr>
<td>Small Packaging Shipments</td>
<td>Small Packaging Guidelines</td>
<td>$75 for exceeding the 200# weight</td>
<td></td>
</tr>
<tr>
<td>New item Start Audit</td>
<td>New Item Start Audit:</td>
<td>$50 per category (weight, measure, barcode) max $150 per Article</td>
<td></td>
</tr>
</tbody>
</table>

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Common Compliance Chargeback Codes

The following are a list of the common vendor chargeback codes used when processing the charges. These can be viewed in E-Tools Tool Box>Vendor A/P Data.

<table>
<thead>
<tr>
<th>OB Charges</th>
<th>DEPT/REASON</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBBC</td>
<td>Bar Codes</td>
<td>630-990-6593 Submit to: <a href="mailto:Scenter@acehardware.com">Scenter@acehardware.com</a></td>
</tr>
<tr>
<td>OBCL</td>
<td>Close Out Merch</td>
<td></td>
</tr>
<tr>
<td>OBDS</td>
<td>EDI Non Compliance</td>
<td></td>
</tr>
<tr>
<td>OBEDI/OBEDIR</td>
<td>810 CM non compliance / repay</td>
<td></td>
</tr>
<tr>
<td>OBEFT</td>
<td>EFT non-compliance</td>
<td></td>
</tr>
<tr>
<td>OBEX</td>
<td>EDI Exceptions</td>
<td></td>
</tr>
<tr>
<td>OBEXT</td>
<td>Extraneous</td>
<td></td>
</tr>
<tr>
<td>OBIC / OBICR</td>
<td>Instant Credit / repay</td>
<td></td>
</tr>
<tr>
<td>OBIS</td>
<td>New Item Starts</td>
<td></td>
</tr>
<tr>
<td>OBPRP/ OBPRS/ OBPRF/ OBPRM</td>
<td>POR</td>
<td></td>
</tr>
<tr>
<td>OBPRPR/ OBPRSR/ OBPRFR/ OBPRMR</td>
<td>POR repays</td>
<td></td>
</tr>
<tr>
<td>OBREB</td>
<td>Rebates</td>
<td></td>
</tr>
<tr>
<td>OBTR</td>
<td>Traffic</td>
<td></td>
</tr>
<tr>
<td>OBA</td>
<td>Quarterly Advertising</td>
<td></td>
</tr>
<tr>
<td>OBVMR</td>
<td>VMR repayment</td>
<td></td>
</tr>
<tr>
<td>OBVR</td>
<td>Vendor Recovery</td>
<td></td>
</tr>
</tbody>
</table>

Chargeback Dispute Process

Disputes must include your Ace vendor number, company name, Ace chargeback number, contact information (name, phone, fax and email) and any documents supporting the dispute. Submit to Scenter@acehardware.com.

Disputes will be considered within 30 days of the charge date. Disputes after this date will be determined on a case-by-case basis.
## Required Documents

New Vendors are required to complete the following forms/agreements and existing vendors must maintain their information as noted.

<table>
<thead>
<tr>
<th>Guide Section</th>
<th>Forms</th>
<th>Requirement</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate:</td>
<td>Vendor Insurance Requirements</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Corporate:</td>
<td>EDI Agreement Form</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Corporate:</td>
<td>EDI Trading Partner Profile</td>
<td>Required</td>
<td>Maintained</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Vendor Indemnification Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Vendor Address/Contact Forms</td>
<td>Required</td>
<td>Maintained</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Quick Response Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Vendor Rebate Agreement–Vistex</td>
<td>Required</td>
<td>Yearly</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Dropship Purchase Order Form</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>International Questionnaire</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Defective Goods Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Hazardous Material Product Information</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Request Form Agreement</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Prop 65 Agreement</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Ozone Depleting Substance Agreement</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>International:</td>
<td>NAFTA Agreement</td>
<td>Required</td>
<td>Maintain/Yearly</td>
</tr>
<tr>
<td>International:</td>
<td>Harmonized Tariff</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>EFT – Electronic Funds Transfer Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Taxpayer Identification Number (TIN) for</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td></td>
<td>1099</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dropship\</td>
<td>Vendor Dropship Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Dropship</td>
<td>Vendor Insurance Requirements</td>
<td>Required</td>
<td>Dropship</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Barcode Integrity Agreement</td>
<td>Required</td>
<td>One Time</td>
</tr>
<tr>
<td>Corporate:</td>
<td>Barcode &amp; QR Vendor Contact List</td>
<td>Required</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Co-op Advertising</td>
<td>Upon Request</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Corporate Advertising</td>
<td>Upon Request</td>
<td>Maintain</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Vendor Ad Budget for the year</td>
<td>Upon Request</td>
<td>Maintain</td>
</tr>
<tr>
<td>Brands:</td>
<td>Private Label Agreement</td>
<td>Upon Request</td>
<td>One Time</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Extended Show dating</td>
<td>Upon Request</td>
<td>One Time</td>
</tr>
</tbody>
</table>
Vendor Agreement Requirements

As of 2010, Ace requires all vendors to comply with a new set of vendor agreements in order to continue to be a vendor. This applies to both warehouse and dropship suppliers.

Electric Funds Transfer (EFT)

All vendors must receive payments from Ace electronically in the form of Electronic Funds Transfers (EFT).

Vendors not supporting EFT will be assessed a non-compliance fee. See the Fines section in this document for details.

Taxpayer ID

IRS regulations require all taxpayers to provide correct taxpayer information including business name, type of business entity and taxpayer identification number. This information is necessary to properly process any payments made to you. Failure to provide a taxpayer identification number may require us to withhold 30 percent of payments as Backup Withholding on certain payments made to you.

If your company has not already done so, you must provide us with a valid Taxpayer Identification Number (TIN) for 1099 reporting where required.

Vendor Indemnification Agreement

Every vendor must sign and comply with the Vendor Indemnification Agreement. This agreement is provided in the new vendor agreement packet provided by your Ace buyer.

This document needs to be signed once by each supplier.
## Vendor Insurance

Vendors must comply with the minimum Acceptable Insurance Requirements as defined in the Insurance Agreement. This agreement is provided in the new vendor agreement packet provided by your Ace buyer. Details follow.

- **Commercial General Liability:**
  - Aggregate Limit: $2,000,000
  - Each Occurrence Limit: $1,000,000
  - Products & Completed Operations: $1,000,000
  - Personal & Advertising Injury: $1,000,000

- **Automobile Liability:**
  - (Includes Hired & Non-Owned Coverage)
    - Combined Single Limit: $1,000,000

- **Workers’ Compensation** & Employers Liability:
  - Statutory Limits: $500,000

- **Umbrella:**
  - (Follow Form Coverage) $2,000,000

**OTHER:**

Certificates for renewal policies must be issued 10 days prior to the renewal date.

**Please submit the Certificate of Insurance to:**

Ace Hardware Corporation
Attention: Insurance Department
2200 Kensington Court
Oak Brook, Illinois 60523-2100
Fax: 630-990-0297

**Miscellaneous**

Any and all taxes, fees, imports or stamps required by state, federal or municipal governments in the selling, transferring or transmitting of merchandise to Ace Hardware shall be paid and assumed by vendor.
Ethical Standards

The following is a summary of Ace Hardware's Business Conduct Policy relating to vendors.

Gifts
Ace Hardware staff will not accept gifts or services of any value whether delivered to work, home or some other place by an actual or potential supplier, competitor or manufacturer's representative. This includes travel accommodations, prizes and awards, meals, outings or samples.

Entertainment
Entertainment of Ace employees may sometimes be offered by actual or potential suppliers or competitors. Ace Hardware staff will not accept any entertainment offers of any type.

The only exceptions to the gift and entertainment policy are:

Business Travel
Where factory trips and complementary transportation are disclosed in advance and approved by the Merchandise Manager for the area. The trip is limited to two days duration and the purpose of the trip is entirely business.

Business Meals
Meals are only acceptable from vendors in conjunction with industry shows, industry functions, factory visits, Ace shows, or office visits.

Product Samples
Samples, which become the property of Ace Hardware to test or document, will be donated to charity.
Corporate Requirements

This section addresses general corporate business requirements for our vendors.

Vendor Relations

Questions related to policies defined in the document should be directed to the Vendor Relations e-mail address: Vendor.Relations@Acehardware.com

Ace Vendor Support Center

The Ace Vendor Support Center is your first line of help. The support team is knowledgeable of vendor concerns and is ready to provide answers or find answers for you in a timely manner.

Contact information is provided at the bottom of each page in this manual. Additional corporate contact information is available on Vendors.com > Contacts.

Vendors.com

Ace knows communication with our vendor partners is critical to our business relationship. Vendors.com is our communication portal for news, policy changes and business E-Tools.

Log-on at: http://www.acehardware-vendors.com

Vendors are expected to monitor this site daily for important news and changes in vendor policies. Due to timing of Vendor Manual updates and important policy changes, Vendors.com postings will be considered part of the Vendor Manual and take precedence over the Vendor Manual.

Ace reserves the right to change policies and create new requirements at any time. It is the responsibility of each vendor to monitor changes and adjust their business processes accordingly.
Access Vendors.com

Vendors are expected to maintain their employees’ access to Vendors.com and update Ace Hardware when any employee’s access should be removed. Ace holds the vendors responsible for access violations.

For a list of users with access to your vendor information, go to E-Tools within Vendors.com. Log in and view Tool Box>Vendor Account Information. To remove or maintain access to Vendors.com, please e-mail or contact the Ace Vendor Support Center.

E-Tools and Tool Box Applications

All vendors are required to gain access to Vendors.com E-Tools and Tool Box. These vendor portals provide applications to manage your business with Ace. Request for access can be made on Vendors.com.

<table>
<thead>
<tr>
<th>E-Tools Access</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ace Corporate Directory</td>
<td>Search Ace’s corporate personnel.</td>
</tr>
<tr>
<td>Retailer Store List</td>
<td>Search store contact database.</td>
</tr>
<tr>
<td>Quick Response Vendor Scorecard</td>
<td>Vendor’s monthly Quick Response rating.</td>
</tr>
<tr>
<td>Credit Authorization</td>
<td>Submit and review orders under review for store credit Approved or Rejected by the Credit Department.</td>
</tr>
<tr>
<td>Convention</td>
<td>Show information.</td>
</tr>
<tr>
<td>The Ace Brand Packaging Guidelines</td>
<td>Private label requirements.</td>
</tr>
<tr>
<td>Trade reference</td>
<td>Credit reference.</td>
</tr>
<tr>
<td>Ace Logos &amp; Identity Standards</td>
<td>Ace’s Identity guidelines.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tool Box Access</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Account Information</td>
<td>Shows user access to vendor’s portal.</td>
</tr>
<tr>
<td>Drop Ship Data Collection</td>
<td>Data collection for Drop Ship programs.</td>
</tr>
<tr>
<td>Vendor A/P Data</td>
<td>Summary and detailed views of all current open items as well as all items Images of all items, whether open or paid, can be viewed.</td>
</tr>
<tr>
<td>Drop Ship Authorization Form</td>
<td>On-line form.</td>
</tr>
<tr>
<td>New Item Start</td>
<td>Create new articles and contained assortments</td>
</tr>
<tr>
<td>Vendor Item Reference List (VIRL)</td>
<td>Ace’s Master Data and Pricing Report by SKU.</td>
</tr>
<tr>
<td>Check Remittance</td>
<td>This form supports checks sent directly to the lockbox. To ensure your check is correctly applied to your account in a timely manner.</td>
</tr>
</tbody>
</table>

If you have any questions regarding these applications, please contact the Ace Vendor Support Center.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

Check Vendors.com > Contacts for additional Ace Hardware contact information.

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Ace Identity Standards

While the Ace “brand” is far reaching, perhaps the most visible manifestation of the brand is the Ace logo itself. It is a recognizable “ambassador” of Ace and its placement on anything from signage and shirts to letterhead and packaging is a clear sign that this belongs to “Ace.” As such, Ace works to ensure that our logo is not used in a way that does not appropriately reflect our image. Wherever the Ace logo appears, we must ensure that it is used consistently so as not to dilute its powerful message.

With that in mind, the Ace requires adherence to Ace’s Identify standards, which dictate appropriate use of the Ace logo and other Ace trademarks. From the logo itself to interior and exterior signage to advertising and promotional uses, this guide offers recommendations on proper use.

The Ace Brand Packaging Guidelines are maintained in Vendors.com E-Tools. If you do not have access, please e-mail or contact the Ace Vendor Support Center.

Private and Control Label

The Ace Brand label is one of the top U.S. store brands, encompassing over 11,000 products produced by more than 250 vendors. This private label represents a key source of revenue for the Ace Hardware Corporation, generating almost $1 billion in annual sales.

In order to ensure the continued growth and success of Ace Brand, it is important that packaging for Ace Branded products be developed along specific guidelines. With such a large number of products and vendors, these guidelines will help maintain a distinct brand image, ensure consistency across the product range and protect the brand name.

The Ace Brand Packaging Guidelines outline the design requirements and specifications for Ace Brand packaging as well as highlight some exceptions to the established standards. These standards can be found at Vendors.com under Brands.

Control Label: Ace developed the following Control Labels to address different retail strategies:

Celebrations

Trendy or traditional, Celebrations and Celebrations Gold brands are Ace Hardware’s trim-a-tree and decorative lighting line, satisfying consumers’ desire for trend, style and quality. Celebrations and Celebrations Gold branded items are the choice among value-minded Ace shoppers who are looking for stylish, functional trim-a-tree products to decorate their homes inside and out.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

Check Vendors.com > Contacts for additional Ace Hardware contact information.

This is a compilation of Vendor materials as of September 26, 2011. Materials and policies are currently under review by Ace and this document is subject to change. Please visit this site periodically for updated materials.

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**Grill Mark**
The **Grill Mark** brand is Ace Hardware’s exclusive outdoor cooking tool and accessory line. The outdoor cook demands competitively priced products that will enhance their cooking experience and last from season to season and the **Grill Mark** brand satisfies. Savvy outdoor cooks recognize the quality and versatility of **Grill Mark** branded barbecue tools and accessories.

**Homeplus+**
**Homeplus+** is the value-brand option in the traditional tools, hardware and home improvement categories for the Ace shoppers seeking a more affordable alternative to national brands and Ace’s own Private and Control Label products.

**Living Accents**
**Living Accents** brand stands for competitively priced and stylish home décor items. This brand focuses on interior and garden décor items including home and patio furniture, fans and lighting. **Living Accents** will satisfy consumers’ desire for trend, style and quality. Ace shoppers seeking stylish, functional products to decorate their living areas turn to **Living Accents** branded items.

**OakBrook Collection**
Formal or trendy, stylish or purely functional, the **OakBrook Collection** is Ace Hardware’s answer to the national decorative plumbing brands. This brand focuses on kitchen faucets and accessories; lavatory faucets; shower heads and tub spouts; and decorative plumbing replacement and repair items. The **OakBrook Collection** is the choice among style conscious Ace shoppers seeking a more affordable alternative to the national decorative plumbing brands.

**Steel Grip**
Strength, durability and a low price – **Steel Grip** delivers. Ace Hardware’s value-priced hand tool brand, **Steel Grip** brings tools within reach of the light job / casual do-it-yourself consumer. **Steel Grip** branded hand tools are the choice among value-minded Ace shoppers who seek to complete casual DIY jobs.

Ace Hardware owns the specifications of the trade item regardless of where and by whom it is manufactured. Ace Hardware requires the use of the Global Trade Item Number (GTIN) on all packaging. The GS1 Company Prefix may not be sold, leased, or given, in whole or in part, for use by any other company.
EDI Implementation Guide

Ace Hardware is committed to Electronic Data Interchange (EDI) for business document exchange. EDI enables us and our trading partners to complete business transactions faster, with less expense and fewer errors.

Managing the data between our vendors and our ERP system in EDI standards is critical to doing business with Ace. Ace has supported EDI for over 20 years and does not accept non-compliance.

RSC Vendors EDI Documents

Ace requires all vendors receiving purchase orders from Ace Corporate must use the following EDI documents:

- 850 Purchase Orders
- 856 Advanced Ship Notice
- 810 Invoice Payment
- 812 Credit / Debit Adjustments

Vendors not in compliance will be assessed a non-compliance fee. See the Fines section in this document for details.

EDI Forms and Mapping Requirements

Vendors are expected to follow all requirements and mapping documents as defined in the EDI Implementation Mapping Guide.

All vendors are required to complete the EDI Agreement listed in the Required Documents section of this document.

Please review the EDI Implementation Mapping Guide found under the Learn More section within the Ace Vendor Manual area of Vendors.com.

EDI Agreement

All vendors are required to comply with the EDI agreement. This agreement will be provided in the new vendor agreement packet provided by your Buyer.

This document needs to be signed once by each supplier.
EDI Document Overview

- Electronic Purchase Orders (850) *REQUIRED
- Electronic Invoices (810) *REQUIRED
- Electronic Payments and Remittances (820)
- Advanced Shipping (856) *REQUIRED
- Stock Status (852)
- Scheduling/Forecasting (830)
- Credit/Debit Adjustments (812) *REQUIRED
- Text Message (864) *REQUIRED
- Detailed Acknowledgment 997 *REQUIRED

Electronic Purchase Orders (ANSI 850)

Provides a direct interface with your order processing system. Eliminates lost orders and improves order accuracy by eliminating manual entry problems.

Ace requires the AK1, AK2, AK5 and AK9 segments to be returned for the 850 PO that is sent to you (for more details and an example, see 850 / 997 Requirement).

Electronic Invoices (ANSI 810)

Transmitting invoices to Ace ensures timely processing and payment. EDI allows you to eliminate mail and payment delays because your invoices are no longer lost in transit or misdirected.

Electronic Payments and Remittances (ANSI 820)

The cash flow benefits to electronic payments are obvious. With payments via EFT, the exact date that funds are available in your bank account is guaranteed.

Ace’s ability to pay electronically is limited to those vendors transmitting electronic 810 invoice information.

Advanced Shipping (ANSI 856)

Advance Ship Notices are a required as part of Quick Response Program. Transmission of Advance Shipping Notices allows Ace to preprint receiving documents based on what is actually shipped. This allows us to place your product in a salable position faster and more efficiently as well as provides essential expediting information to our merchandising staff eliminating phone calls and freeing up your Customer Service department.

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Stock Status (ANSI 852)

This application provides you with daily, weekly or monthly on-hand, on-order and demand information for your products in our 14 retail support centers. This application is also useful for production planning within your organization.

Scheduling / Forecasting (ANSI 830)

Ace can provide information about the quantities we are projecting to sell from our retail support centers within a six or 12-month window. This information is available to you on either an annual or semi-annual basis.

Credit / Debit Adjustments (ANSI 812)

In the daily process of reconciling invoices to goods receipts or goods receipts to invoices, discrepancies normally exist. These discrepancies are recovered by charging back the vendor for the amount reported in discrepancy during reconciliation process. Ace is automating the process so that vendor is notified the same day when the chargeback is issued to the vendor’s account. Supporting documentation can be found in Vendors.com in the E-Tools Application.

TEXT Message (ANSI 864)

Ace’s trading partner sends the 810 invoices for goods purchase by Ace and for dropship orders placed by Ace retailers. Each incoming EDI invoice will be thoroughly checked for exceptions. If an exception is determined on the EDI 810 invoice, an EDI 864 message will be sent back to the vendor as a rejection of invoice. The vendor will have to correct the errors and resend the EDI 810 invoice to get it processed.
Ace Profile and Requirements

VALUE ADDED NETWORK (VAN) – IBM Sterling Commerce Network

EDIINT SOFTWARE – GXS / Inovis BizLink (AS2)

COMMUNICATIONS SOFTWARE - Connect:Enterprise RDX

TRANSLATION SOFTWARE - IBM DataInterchange

STANDARD SUPPORTED - ANSI X12

ANSI X12 VERSIONS SUPPORTED - 004010

ACE TEST QUALIFIER AND ID (Used for inbound test documents to Ace)
Qualifier ZZ
Sender/Receiver ID 7089906600

ACE PRODUCTION QUALIFIER AND ID (Authorization for use is required)
Qualifier 01
Sender/Receiver ID 006928311

FUNCTIONAL ACKNOWLEDGEMENT:
Detailed 997s are required for all 850 Ace purchase orders. The 997 should acknowledge the transaction level as well as the group level.

STANDARD DELIMITERS USED:
Delimiter Hex Symbol
Element 5F ¬
Segment 15 NL (new line)

DOCUMENTS SUPPORTED:
- 810 Invoice
- 856 Ship Notice
- 820 Payment Order/Remittance Advice
- 997 Functional Acknowledgments
- 824 Application Advice
- 204 Load Tender
- 830 Planning Schedule
- 990 Response to Load Tender
- 850 Purchase Order
- 214 Shipment Status
- 852 Stock Status
- 812 Credit/Debit Adjustment
- 864 Text Message
Ace Document Layout Map Key

<table>
<thead>
<tr>
<th>DATA ELEMENT</th>
<th>ELEMENT NUMBER</th>
<th>DATA ELEMENT NAME</th>
<th>ANSI REQ</th>
<th>ACE REQ</th>
<th>DATA TYPE</th>
<th>ELEMENT LENGTH</th>
<th>ACE REQUESTED FIELD CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATA ELEMENT</td>
<td></td>
<td>Position in segment where data element appears.</td>
<td></td>
<td></td>
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<tr>
<td>ELEMENT NUMBER</td>
<td></td>
<td>(DICTIONARY REFERENCE NUMBER) Every release of the ANSI Standard includes a dictionary containing detailed information about each segment and element. The element number refers to the location in the ANSI dictionary where the element listed can be found.</td>
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<tr>
<td>DATA ELEMENT NAME</td>
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<td>Name of the Element</td>
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<tr>
<td>ANSI REQUIREMENT</td>
<td></td>
<td>Requirement Designator:</td>
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<td>M = Mandatory, This element is required to appear within the segment.</td>
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<td></td>
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<td>X = Relational, The presence of this data element is dependent on the presence or absence of another data element(s) in the transaction set. In earlier versions, this was expressed as C for Conditional.</td>
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<td>O = Optional, The presence of this data element is at the option of the sending party or is based on the mutual agreement of the trading partners.</td>
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</tr>
<tr>
<td>ACE REQUIREMENT</td>
<td></td>
<td>Requirement Designator: (Only on maps for documents, Ace receives). See ANSI Requirement above. Ace requirement meaning is the same with the exception of X. X denotes special instructions which will be explained below the segment where the X as listed for the element requirement or under Ace Requested Field Contents. A &quot;-&quot; in this field denotes no Ace preference or requirement.</td>
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<tr>
<td>DATA TYPE</td>
<td></td>
<td>A data element can be one of six types:</td>
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<td>Nn = Numeric and decimal places. N symbolizes numeric, n indicates the decimal places to the right of a fixed implied decimal point.</td>
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</tr>
</tbody>
</table>

Contact the Ace Vendor Support Center at center@acehardware.com or 630-990-6593
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R = Decimal type is symbolized by R. The decimal point is optional for integer values, but required for fractional values.

ID = Identifier. Identifier type is symbolized by ID. This type of element must always contain a value from a predefined ANSI X12 list. Some use "ZZ" a mutually defined code between partners.

AN = String. Contents of string-type elements are a sequence of letters, digits, spaces and/or special characters.

DT = Date. Format is CCYYMMDD.

TM = Time. Format is HHMMSS.

**ELEMENT LENGTH**

The Minimum and maximum length allowed for the element.

**ACE REQUESTED FIELD CONTENTS**

This notes special Ace requirements for each element. It will also at times give you helpful comments to assist you in completing the element.

*Note: Ace document maps contain select EDI segments and elements. These maps include segments and data elements which are mandatory as interpreted from the ANSI standards and/or those required by Ace internally. The ANSI Commission's published standards are the complete and final word on any X12 document requirements. The purpose of an Ace document map is to assist you in implementing EDI with Ace. If there are any discrepancies, follow X12 standards.
Transportation

This section outlines shipping instructions for all freight shipments destined to Ace Hardware Corporation Retail Support Centers (RSC). Complying with our procedures will support our RSCs via the most economical means. In addition, the shipping procedures will allow Ace to be consistent with our service needs and requirements. Ace Hardware Corporate Traffic must authorize any deviation from these instructions.

In order to present a consistent procedure to all Ace Hardware suppliers, the following policies and procedures were developed. Our intent is to manage the transportation in order to satisfy our dealers' demands for our products and services.

Please contact the Corporate Traffic team for any policy questions.

Bill of Lading

All shipments to Ace Hardware’s RSCs require a Bill of Lading and the detailed Memo Bill of Lading is included in the shipment paperwork.

Memo Bill of Lading

This document summarizes and consolidates all purchase orders going to the same final destination (RSC). For most vendors, this document is automatically created by its Warehouse Mgmt System (WMS). When shipping direct to an RSC, this document acts as the legal contract allowing the carrier to transport goods.

Truckload Supplier - TL

Definition of Truckload Shipments — Suppliers/Vendors fulfilling Purchase Order requests from inventory that make up a shipment to the RSC of a complete trailer load by cube or weight (i.e., 750 Cube or 10,000 Lbs). Shipments may include one or more purchase orders.

Vendors must follow the TL Collect or Pre-Paid Shipment instructions defined in this document.
Less than Truckload – LTL

Definition of LTL Shipments — One supplier making one shipment to the RSC by cube or weight less than 750 Cube or between 200 lbs. and less than 10,000 lbs., which may include one or more purchase orders.

Vendors must use one Ace’s Preferred Carriers when shipping LTL. Please refer to the Preferred Carrier Guide under Forms on Vendors.com.

Vendors must follow the LTL Collect or Pre-Paid Shipment instructions defined in this document.

Preferred Carrier Routing

Please refer to the Ace Routing Guide and Preferred Carrier Freight found on Vendors.com under Forms and Contacts section for detailed routing instructions, which apply to all shipments to the Ace Retail Support Centers and Crossdock facilities.

Please be aware that Ace requires both PREPAID and COLLECT shipments be routed in accordance with our Routing Guide. We have worked hard to bring together this group of flexible and reliable Preferred Carriers that have proven to satisfy our transportation needs. We must rely on your company's support of this program to ensure that we maintain the most efficient throughput of your product. Your cooperation can also result in sales, service level and inventory turn increases.

Failure to follow these specific routings may cause receiving delays, untimely payment of invoices and excess transportation costs. Also, a per occurrence fine of $75 will be assessed and maintained without exception for non-compliance to this policy.

As you can see, Ace is very serious about our Preferred Carrier Program and we strongly encourage your company’s active participation. We welcome your comments and questions and continue to work closely with our vendor-partners and Preferred Carriers.
TL Pre-Paid Shipments

The following steps must be followed when shipping pre-paid truckload freight.

1. Upon the receipt of the RSC purchase order, the supplier will contact the Ace RSC receiving department for a receiving appointment.
2. The supplier will provide the RSC with the following:
   - Shipment weight
   - Number of pieces
   - Number of pallets
   - Purchase order number
   - First available delivery date (Production lead time + Transit Time to RSC = First Available)
3. The Ace RSC will provide a set appointment (date and hour) for the receipt of the merchandise.
4. Prior to loading the freight, the supplier will fax the RSC a copy of the shipping manifest with the appointment time and date identified.

Pre-Paid Freight Terms BOL

Vendors with pre-paid freight terms must invoice as pre-paid not Freight Collect. Any invoice submitted incorrectly will be deducted without prior notification. Additional processing fees and fines will apply according the Fine Policy.
Freight Collect Shipments

All Freight Collect vendor programs are required to enter purchase order shipment data into LeanLogistics, which is Ace Hardware Corporation’s Traffic Management System (TMS). All collect PO information is available in the TMS and must be updated in a timely manner:

The LeanLogistics TMS application can be accessed through Vendors.com TMS icon or by going to the website http://apps.leanlogistics.com. Request access through the Login Help Icon on Vendors.com or contact the Ace Vendor Support Center.

- “Ready to Ship” date information should be entered within 24 hours after the EDI 850 receipt date or 48 hours prior to the actual ship date for on-time pick up performance. Friday or national holiday PO EDI receipt dates must have the “RTS” entered by the next business day.
- Validate that the data in LEAN is accurate for the following fields. Provide the following information regarding the shipments.
  - Vendors Ship from Address
  - Haz Mat – if hazardous material
  - Order shipped complete.
  - Pieces
  - Weight
  - Cubic footage (by Retail Support Center and in total)
- If the Ship From address is wrong or not available, you must contact Ace Corporate Traffic – acelogistics@acehardware.com / 630-990-6649.
- E-mail notification of the LEAN Load Number and carrier acceptance of the load will be sent to the vendor confirming the load.
- The LEAN Load number is required on the Bill of Lading. If the load is a multi-purchase order load, please provide a Master Bill (Master Bills can be printed from the TMS). Attach the individual Bills of Lading to the Master Bill of Lading.
- Any load not shipped on the scheduled ship date must be reported to the corporate Traffic department immediately.
- If the load is scheduled after the “Requested Pick” date, an acknowledgement will be required confirming your booking.
- If the load is scheduled after the “Required Delivery” date, an acknowledgement will be required confirming your booking.
- All vendors must provide and maintain a list of ship locations to Ace Hardware. Failure will prevent scheduling of appointments at the RSC.
- Your company name, address, phone number, hours of operation for shipping purposes, and your name
- If there are ever problems with shipments not being picked up within our 24-hour guideline, contact the Freight Consolidation facility immediately.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

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Truckload (TL) and Less than Truckload (LTL)

The primary carrier for all shipments to our various Retail Support Center locations is our Ace private fleet. After preparing all applicable orders for shipment, please contact the appropriate regional dispatch for routing instructions.

Please provide the following information regarding the shipments.

1. Pieces (by Retail Support Center and in total)
2. Weight (by Retail Support Center and in total)
3. Cubic footage (by Retail Support Center and in total)
4. Purchase Order(s) (by Retail Support Center)
5. Your company name, address, phone number and your name
6. Your hours of operation for shipping purposes

The dispatch phone number should also appear on each Ace purchase order. If there are ever problems with shipments not being picked up within our 24-hour guideline, contact the proper Freight Consolidation facility for the shipment.

Small Packaging Guidelines

The following guidelines are to be followed for all small package carrier shipments (United Parcel Service (UPS) or FedEx Ground) to the Ace Hardware Retail Support Centers.

1) Total shipment must be less than 200 pounds and contain 15 cartons or less.
2) Any one carton cannot exceed a 130-inch girth and must not weigh more than 70 pounds.
3) Total weight of shipment is to be listed on the packing list.
4) The carton label information must include:
   - Ace Purchase Order Number to be applied on all cartons
   - The number of each carton related to the shipment, e.g., 1 of 5, 2 of 5 etc.
5) A packing list must be included for all shipments and placed on the outside of carton
   No. 1, preferably in a clear plastic pouch.
6) Each purchase order requires a separate packing list.
7) Retail packaging must be protected from damage and shipping labels to ensure retail sales
   are not impacted. A shipping carton must be used to prevent damage to the retail selling
   unit during shipment.

Vendors are responsible for any backorder shipments and, if instructed, to fill these orders separately vs. shipping with the next warehouse order. These backorders are to be shipped
PPD direct to the appropriate Ace RSC.
At no time should a vendor route an order UPS or FedEx Ground to any Ace Freight
Consolidation facility. All UPS or FedEx Ground shipments must ship directly to the appropriate

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Ace RSC, under the above listed qualifications. Deductions off invoice will be applied if these guidelines are not followed.

Collect Freight Ship Point Change

All permanent or temporary changes to ship locations require 60-day notification. The vendor is responsible for arranging and paying for transportation until the new rate analysis is complete and approved upon failure to report the change in advance.

Temporary changes in ship location will be the responsibility for the vendor to pay until normal shipping resumes. Ace maintains all negotiated freight rate discounts.

Report changes or issues immediately to your Ace Merchandising Buyer to avoid issues and fines.

Freight Collect Vendor Backorders

If the original PO ships incomplete, backorders must be consolidated and shipped prepaid - unless authorized by the buyer. Shipments must be shipped by Ace’s requested ship date.

If backorders are billed collect, once a PO is submitted for payment and freight is applied, any subsequent charges against the PO will be put in a variance account. The vendor will be charged for the additional collect billings.
Freight Consolidation Routing

To ensure all Ace loads are moved timely and without exceptions, the following items are required when shipping product through our Crossdocks and our RSCs/WHSEs.

Freight Consolidation Center – Ace Crossdock – is an intermediate in-house location between the Vendors and RSC’s/WHSE’s that have various roles: load creation, carrier dispatch, receiving, process/consolidation, shipping, and customer service. Our goal is to consolidate freight destined to the same location in an effort to gain operating efficiencies and lower Ace’s transportation costs. We have multiple centers servicing our vendors and RSCs/WHSEs.

For a list of these locations and contact information, please refer to Vendors.com > Contacts > Freight Consolidation Centers.

Master Bill of Lading

This is a document required for loads destined to an Ace crossdock which serves as the legal contract for all FOB Origin/Collect freight allowing the carrier to transport goods. This document, which must have the freight terms marked as collect on the bill, is given to the driver for his/her signature and a copy is retained by the vendor.

The Master BOL differs from the memo bill in that it provides summary level information (pieces, weight and pallet counts by RSC) for all items destined to the crossdock. It lists the vendor as the shipping/origin location and the crossdock as the final destination/consignee.

This document is available on Vendors.com > Forms > Freight Consolidation Centers > Master Bill of Lading.

Memo Bill of Lading

This document summarizes and consolidates all purchase orders going to the same final destination (RSC). For most vendors, this document is automatically created by its Warehouse Mgmt System (WMS). When shipping direct to an RSC, this document acts as the legal contract allowing the carrier to transport goods.

When shipping to an Ace crossdock, the memo bills are no longer the legal document; instead, unsigned copies are consolidated and sealed in an envelope. The sealed envelope is either attached to one of the pallets or handed to carrier for delivery to the Ace crossdock. The memo bills are then treated as internal documents and are forwarded to the final destination, along with the freight, by the crossdock.

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Placards

Placards are documents attached to the skid to identify the purchase order, skid count, and final destination of product in question. All shipments through Ace crossdocks must have a placard on the skids with the final destination/ship-to warehouse information.

The LeanLogistics system creates custom placards once the carrier accepts the load and the Lean Load number generate is sent via e-mail. If the vendor’s system is not equipped to produce placards, there are options within the TMS to create shipment specific placards.

The document must have the final destination listed

- Palletizing
- Must note any loose pieces
- Must Palletize by final destination
- Must adhere to Quick Response Guidelines

If you do not have a placard, one can be found on Vendors.com>Forms>Traffic.

A basic placard form is available on Vendors.com > Forms > Traffic

United Parcel Service (UPS) / FEDEX Ground Shipments

At no time should a vendor route an order UPS or FedEx ground to our consolidation facility. All UPS/FEDEX Ground loads should ship direct to the RSC.

Shipments must comply with the Small Package Shipping Instructions noted in this document.

Backordered Small Package Shipments

Prepaid Freight vendors must ship direct to the appropriate RSC. Vendors are responsible for backordered small package shipments.

Shipments must comply with the small package shipping instructions noted in this document.

Claims

The crossdock facilities receive and process product at the pallet level. There is not a detail check-in conducted at this facility. Non–concealed shortages and damages are acknowledged at the time of receipt; however, they are noted and forwarded to the final destination for processing.
Non-Authorized Deviation from Program

It is certainly not our intent to be punitive; however, any non-authorized deviation may result in adjustments to your account. The following is a list of the program deviations which are considered non-authorized:

- Failure to use LeanLogistics TMS to enter PO Ready to ship information.
- Failure to properly combine orders shipped on same day.
- Failure to indicate all applicable Ace Purchase Order numbers on Memo BOL.
- Failure to follow specific routing instructions.
- Failure to label individual shipments / pieces properly.
- Failure to provide individual shipment packing list.
- Failure to utilize parcel carriers for applicable shipments.
- Failure to route parcel shipments direct to applicable Retail Support Center.
- Failure to provide proper shipping location in TMS when entering PO detail.
- Routing prepaid shipments through this program without proper authorization.

If you have any questions, concerns, or suggestions concerning this program, please contact the Ace Corporate Traffic or the Freight Consolidation/Redistribution manager.

Failure to follow these specific routings may cause receiving delays, untimely payment of invoices and excessive transportation costs.
Quick Response

Ace Hardware developed the Quick Response program more than 20 years ago to define the required shipping standards to Ace’s RSCs. All vendors must follow these standards, become Quick Response Preferred or Certified, and maintain their status.

The Quick Response program helps expedite and monitor how shipments arrive into our RSCs. The Quick Response reporting system provides an automated and timely method of communicating your company’s shipment performance in Quick Response. We electronically evaluate 100 percent of your freight delivered to the 14 Ace RSCs. Daily compliance calculations are made for every QR vendor. In the event that freight is received with a QR issue, the primary contact person(s) for your company will receive a shipment-specific email message the day following the receipt of the order.

Additionally, your overall Quick Response compliance scorecard may be viewed on Vendors.com under E-Tools > Quick Response.

If you do not have access, you can please log-on at: http://www.acehardware-vendors.com. A user profile and security ID Request Form will need to be completed and submitted on-line for authorization to use the site.

Thirteen QR Criteria:

1. **Use a good quality, solid hardwood pallet**: Standard size (40"x48") preferred. A 4-way is preferred; however, a 2-way is acceptable. Softwood, broken, or poor quality pallets are never acceptable.

2. **Shipment is pre-sorted and segregated**: Keep the same SKU numbers together among pallets and within the pallet. Do not put the same item across two different pallets unless Ace has ordered more than one full pallet of the item. Do not put the same item on multiple layers of the pallet unless Ace has ordered more than one full layer of the item.

3. **Merchandise is shrink-wrapped**: All pallets must be shrink wrapped tightly and securely to prevent shifting during transportation. Depending on the nature of the product, it may be beneficial to cap the pallet as well to prevent pilferage.

4. **Pallets are marked/labeled "Do not break shrink wrap"**: This is done so the carriers know to leave the pallet intact. The label must be large enough to be seen easily. It is a good idea to mark/lable the pallet on at least two sides. We recommend using the Ace **Pallet Placard** to satisfy this criteria and criteria #6 in one step.

5. **Identify mixed cartons**: If Ace is has not ordered your product in case quantities, or if the product is small enough to pack multiple items in a single carton, simply mark the
outside of the carton as "MIXED" and list the manufacturer's numbers and quantities contained within the carton.

6. **Pallet contents are identified**: This step can be accomplished in one of two ways. Option 1 - Number all pallets #1, #2, #3, etc. Then create an extra column on the packing list to indicate on which pallet number each line item may be found. This is the preferred method. Option 2 - A placard may be attached to the outside of each pallet listing the quantity and manufacturer's number of the items on that pallet.

7. **Attach one copy of the packing list to freight**: Attach one copy of the packing list to one of the pallets, preferably to pallet #1 of the shipment.

8. **Quick response Compliance Form**: The vendor shipping location is to fill out all blanks in the "Vendor Portion" of the form making sure all 13 steps are in compliance prior to the shipment leaving your dock. Then, either place the form in an envelope with a second packing list (see #9) and attach to Bill of Lading or place the form inside a high visibility envelope and attach to pallet #1.

9. **Second packing list**: Vendor is required send EDI Advance Ship Notice (856) for each shipment. Attach a second copy of the packing list to the carrier delivery documents in interim timeframe until set up with Ace for ASN.

10. **Bill of Lading terminology**: "X PALLETS SAID TO CONTAIN X CARTONS." This terminology must be exact. There are no exceptions.

11. **Merchandise shipped on preferred carrier**: LTL shipments must deliver on an Ace Preferred LTL Carrier. Please see the Ace **Routing Guide** for further details. (Vendor fleet trucks and full truckload carriers are considered preferred.) There is a $75 per occurrence fine for non-compliance to this policy without exception.

12. **Pallets containing mixed SKU merchandise stacked to 60 inches or less**: This is a requirement to ensure the safety of all employees. There are no exceptions to this rule. (60 inches from floor to top of merchandise.)

13. **Pallets containing a single SKU stacked to 42 inches or less**: This is a requirement due to the size of the bins in the RSCs. There are no exceptions to this rule, unless the QR team for select promotional shipments gives special written approval. (42 inches from floor to top of merchandise.)

Promotional Shipment Quick Response

Special consideration will be made to the Quick Response criteria if the change is determined to be beneficial for execution during a Promotional period – for those shipments only. All proposals must be made in writing to the Quick Response team prior to the Purchase Orders being placed.

Areas to consider:

- High cube promo orders
- Red Hot buys
- Displays

Contact the Ace Vendor Support Center at **scenter@acehardware.com** or 630-990-6593

**Check Vendors.com > Contacts for additional Ace Hardware contact information.**

This is a compilation of Vendor materials as of September 26, 2011. Materials and policies are currently under review by Ace and this document is subject to change. Please visit this site periodically for updated materials.
Merchandising Standards

The purpose of this section is to provide an overview of the requirements determined by the Merchandising area.

Article Master Data Requirements

All products for sale and distribution through Ace’s RDCs or RSCs must be created through Ace’s New Item Start Application. Access to New Item Start is available through Vendors.com > E-tools > Tool Box - New Item Start.

Request access to E-Tool > Tool Box on vendors.com Login Help.

Vendor Production Changes

Ace expects our vendors to maintain open and continuous communication regarding any changes related to the negotiated program. The following are some common changes that vendors are responsible for communicating to Ace at least 60 days prior to their occurring:

1. ERP or new computers system implementation.
2. Change to shipping locations.
3. Changes in sourcing of product to overseas or a new overseas manufacturing.
4. Packaging design changes including: changes to card stock, packaging material, card and package configuration, card and packaging size, bar code labeling, shipping carton (labeling, design and construction), color and any change impact display at retail.
5. Number of eaches contained in the retail or wholesale selling units.

Report any changes immediately to your Ace Merchandising Buyer to avoid issues and fines.

Defective Goods Policy

Providing our retailers with an efficient method to handle defective merchandise is vital. Defective policy A is the mandatory method for handling claims on your product unless the nature of your product dictates special handling.

Policy A

- Dealer submits defective claims via ACENET, Ace’s retailer portal.
- Ace Hardware Corporation then issues credit for the defective item(s) along with instructions to destroy the item(s).
- Ace Hardware Corporation accumulates all dealer claims and debits the vendor on a monthly basis for defectives.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

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• Ace Hardware Corporation debits vendor $275.00 per year as compensation for processing all dealer claims against the vendor. This fee is subject to change without notice.

Policy A-1
• Same as (1) above.
• Same as (2) above.
• In lieu of a monthly debit, vendor allows Ace Hardware Corporation a percentage of purchases/sales, issued on a predetermined time basis, to cover the cost of all defective goods transactions. If the total value of all annual defective claims exceeds the amount allowed to Ace Hardware, vendor agrees to pay Ace the additional amount.

Policy B
• Dealer returns defective item(s) directly to the vendor or vendor-authorized service center at the dealer’s expense.
• Vendor issues credit to Ace Hardware Corporation with reference to the dealer’s store number on the credit.

Policy C
• Dealer sends a defective merchandise form to the vendor requesting return goods authorization.
• Vendor issues RGA with return instructions.
• Upon receipt of defective item(s), vendor issues credit to Ace Hardware Corporation with reference to the store number on the credit.

Guaranteed Sales
New items will only be added to our RSCs under a "guaranteed sale" basis. If after 12 months, a new item or groups of new items are not meeting sales expectation, this merchandise will be returned for a full credit.

Stock Balancing
With our strong commitment to service to our retailers on day to day items as well as promotional items, all Ace authorized vendors must provide a stock balancing program. In the few situations where an overstock arises, we would expect to return merchandise to balance our inventory levels.

PO Master Data Accuracy
The accuracy of product information is critical to Ace’s supply chain. Ace requires the vendor to report any master data, pricing or term discrepancies on any Ace Purchase Order. Ace expects the data on the PO (EDI-850 or hard copy) to match the ASN (ASN-856-Advanced Ship...
Price Changes

Notice) and Invoice (EDI-810 Invoice). Failure to comply creates inefficiencies in the invoice payment process and requires additional labor to reconcile. This may lead to a delay in the invoice payment or deductions.

Example: The quantity shipped and billed on the Invoice (EDI – 810) must be expressed as eaches in a multiple of the vendor’s shipping case pack quantity. If there is discrepancy between the ordered quantities on Ace’s PO and in the vendor’s shipping case pack, the inventory planner must be notified.

Ace PO: Ace#12345 Order: 10 Case pack: 10 each
Vendor: Ace#12345 Order: 10 Case pack: 7 each - Wrong

In this example, the vendor cannot ship 10 each because the vendor case pack is in multiples of 7 each. There is a master data issue between Ace and the vendor that needs to be corrected so Ace places orders in multiples of 7 not 10 each.

Report any changes immediately to your Ace Merchandising Buyer to avoid issues and fines.

Price Changes

Ace Hardware requires a full 90-day written notice on all price changes. Costs will be based upon order date, not shipment date. All price changes must be sent to the attention of the appropriate buyer in Ace’s Oak Brook, Illinois office.

- Price protection is required in all cases of decreasing prices.
- Ace has built a strong reputation on providing our dealers with the lowest up-front cost. We feel strongly that our vendors must support us by helping us maintain that market profile.

Seasonal categories such as Lawn and Garden require holding pricing throughout the season. Price changes will be considered but will be approved on a case-by-case basis.

Report any changes immediately to your Ace Merchandising Buyer to avoid issues and fines.

New Item Start Audit

Ace considers master data integrity and compliance to the GS1 US Packaging Measurement Guidelines critical to an efficient supply chain. As a result, Ace performs an audit of the initial PO from the vendor and compares the actual receipt to the submitted “New Item Start” data entry. Ace will verify three pieces of data in the audit:

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593
Check Vendors.com > Contacts for additional Ace Hardware contact information.

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1. **Barcodes:** Each quantity level the item is packaged (each/inner/master/pallet),
2. **Measurement:** Data at each level the item is packaged (each/inner/master/pallet) and
3. **Weight:** Each quantity level (each/inner/master/pallet).

For measurements and weights, Ace will allow a 4 percent variance; however, barcode data must match the original submitted data exactly. Fines will be administered for each of these areas if data submitted falls outside of the stated variances.

Advance communication - prior to the initial shipment arriving at the RSC - will be accepted and avoids any potential monetary fines if the new data is valid.

Report all errors to the Vendor Compliance Team.

**Vendor Rebate - Vistex**

Historically, Ace has relied on our vendor partners to calculate rebates and allowances (also known as “extraneous income”) owed to Ace based on the agreement terms. The vendors would then initiate payment in various forms (credit memos, checks, and vendor-approved chargeback). This process was very cumbersome and manual in nature and in need of standardization and automation. Ace has implemented a rebate management system called Vistex (SAP bolt-on application) to systematically track, calculate, accrue and settle vendor rebates against your Ace accounts payable.

Once a Vistex-approved contract has been executed between a buyer and vendor, the contract terms will be entered into the system and the rebate will be calculated based on invoices received during the contract period. The rebate due will be automatically charged against your Ace A/P account 30 days after the contract payment period (monthly, quarterly, annually). Some of the benefits of a Vistex eligible contract include:

- Eliminating the need for Ace vendors to manually calculate and pay rebates due to Ace
- Reducing risk of duplicate payments
- Minimizing risk and exposure to Ace post-audits
- Detailed reporting on Vendors.com to support the A/P deductions

**Bar Code Requirements**

Ace Hardware requires all Ace suppliers to adhere to standard bar code requirements for all trade items shipped to any Ace RSC. The requirements in this document support the GS1 and GS1 US global system standards. These bar code standards provide for the unique, unambiguous numbering and bar coding of trade items.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

*Check Vendors.com > Contacts for additional Ace Hardware contact information.*

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A high-quality printed bar code consisting of accurately encoded numeric data ensures that your product reaches Ace Hardware’s retailers and their customers in the most expeditious manner.

Ace Hardware RSCs have scanning processes and equipment that are used on a supplier’s trade item bar codes, from the lowest Consumer Packaged Goods (CPG) to the highest level shipping packaging. Our operations are capable of scanning all packaging levels of any trade item, for inventory control and retail order fulfillment. In some instances, the highest contained unit or packaged level may be considered a pallet. In these product lines, such as softener salts, pet foods, lawn care products, etc., the pallets must be identified and bar coded.

It is imperative, to avoid costly delays and added expense in handling your products, that you familiarize yourself with these requirements and that all packaging levels of the trade item are properly bar coded.

Barcode Relabeling

The vendor is responsible for the integrity of the barcode and associated data. If any Ace RSC is required to generate barcode labels for the following reasons, a fine will be assessed against the vendor:

- Unscannable barcode
- Inaccurate numerical data that associates the barcode to another item
- Packaging level hierarchy does not have a barcode to be scanned

Vendors not in compliance will be assessed a non-compliance fee. See the Fines section in this document for fine details.

Learn More: Please view more information in the Ace Vendor Manual page on Vendors.com in Learn More > Barcodes.

Vendor Hazardous Goods Declaration Form

Ace Hardware Corporation manages the way in which we transport hazardous materials to ensure compliance with all applicable hazardous materials regulations, especially those that relate to international shipments.

Vendors are required to maintain documentation with Ace Hardware using the Hazardous Goods Product Information Request Form, found on Vendors.com under Forms/Documents.

This form requests specific shipping information about the products that Ace Hardware Corporation purchases from your company. This information is required for domestic ground,
vessel and commercial air transportation. The requested information will be entered into a central database maintained by Infotrac, Inc.

Please maintain a Hazardous Goods Product Information Request Form for each of your hazardous products. Be certain to complete a separate form for each UPC (package type, size or volume). The most recent version of MSDS for each product is also required. If your company offers access to your MSDS on the Internet, please provide the URL. It is imperative that both your stock number and the associated Ace Hardware SKU are annotated on the MSDS and the request form is attached to the appropriate MSDS to ensure accurate classification for each product.

The Hazardous Goods Product Information Request Form(s) and applicable MSDSs should be sent directly to Infotrac. In order to ensure a continued business relationship, we urge you to give this important matter your prompt attention. If you have questions or require additional assistance, contact Infotrac Immediately.

When using the New Item Start application found in E-Tools, this information must be entered for each new product created.

Disposal of Non-Stock Merchandise

Non-stock merchandise is classified as product that is not permanently stocked in the RDC or RSC but is distributed through the RSCs and RDC for retail sale (Displays and Pallet Alley). If non-stock product is valued less than $150, it will be disposed of at Ace’s discretion. The product will not be returned due to the high cost associated with labor, packing, and shipment.

The value is determined by what was ordered on the PO itself, which may not be the actual value of the product received.

Disposal of Closeout Items

Periodically, Ace assesses inventory that has been closed-out or determined to be obsolete. Items that reach a value of less than $200 in a particular warehouse location will be deducted and sent to surplus.

Due to the high cost associated with labor, packing and shipments, it is Ace’s opinion this program is more economical to your company than an actual product return. By eliminating this inventory, new products and vendor programs can be added without overburdening the capacity of the warehouses.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

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Receiving Exceptions

Prior approval for any product substitution must be obtained from the Ace buyer or replenishment planner before shipment of the PO. The PO data must be updated to reflect the change and the ASN- 856 Advanced Ship Notice and Invoice - EDI 810 - must account for the substitute SKU data for proper payment.

Product received – other than what was ordered on a PO – is classified a “Receiving Exception” and cannot be processed in the invoice payment. Failure to comply creates inefficiencies in the invoice payment process and requires additional labor to reconcile. This may lead to a delay in the invoice payment or deductions.

Discrepancies must be reported to your Replenishment planner.

Over shipments

Prior shipment approval is required from the Replenishment planner if the quantity shipped is greater than original PO line. The PO data must be updated to reflect the change and the Advanced Ship Notice (ASN-856) and Invoice (EDI 810) must account for the change for proper payment.

Ace reserves the right (without authorization from the vendor and without limiting its rights to seek further recourse) to one or more of the following:

1. Accepting any product shipped in excess of the PO quantity at no charge and the cost of goods deducted from the invoice.
2. Assessing a minimum surcharge on all over shipments in the amount set forth in the Vendor Manual,
3. Returning any or all over shipments at vendor’s expense, including incoming, outgoing freight, and handling charges where applicable.

PO changes must be reported to your Replenishment planner.

ASN Prior to Receipt of PO

All Vendors with Ace use the Advanced Ship Notice (EDI 856) document. The ASN is required prior to the receipt of a PO at the Ace RSC. Failure to send the ASN document in time for the PO to be received will result in inefficient PO processing. A monetary fine will be assessed if ASN is not sent.

Backorder Shipment/Partial Shipments

Vendors are expected to maintain the required on-hand inventory levels to ensure all store and RSC POs ship complete and on time in accordance with the designated ship date and arrival date. All POs must be shipped 100 percent complete on or before Ace’s requested ship date.

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While Ace accepts backorder, there is a cost to managing these non-standard receipts and Ace may seek compensation.

Follow these procedures:
- Do not cancel back orders without approval.
- Do not delay orders to meet the 100 percent first fill rate.
- Consolidate backorders to be most efficient and timely.
- Small package carriers are permissible if the established guidelines are followed. (See the Small Package Guidelines in Appendix D.)
- All shipping issues must be reported immediately to the Replenishment planner.
- Only send the invoice for goods after the goods ship. Do not invoice for backorders until the backorders ship.
- All authorized backorders and partials will arrive on a prepaid basis. Vendor shall be responsible for all transportation charges regardless of standard Freight Collect terms.
- Orders are required to ship by the “Expected Ship Date” but may ship before this date.
- Multiple backorders for a given Ace RSC can be shipped LTL on one pallet and must have a packing list for each of the respected purchase orders. The back ordered items are to be segregated per purchase order number on the pallet.

**Issues must be reported to your Replenishment planner.**
Accounts Payable

Ace values our vendor partners and works to ensure prompt processing and payment of your invoices. The following section explains our Accounts Payable system.

Payment Guidelines

The following guidelines have been established as departmental policy to assure prompt, accurate processing of invoices.

1. Ace pays by invoice only, not from statements.
2. **Invoices and credits must state the following information:**
   a. Remit to address
   b. Complete ship to address including zip code. Drop Ship invoice should include Ace store number, name and complete address.
   c. Ace retailer’s purchase order number
   d. Ace Credit Authorization Number
   e. Payment terms
   f. Invoice number and invoice date
   g. Vendor number
   h. Credit memos should include the reason for the credit, the original invoice and Ace PO numbers (if available) and the full amount of credit due to the Ace store
3. All warehouse and dropship invoices for merchandise for resale must be transmitted via EDI. All store credit memos must be sent via EDI. Do not send warehouse credit memos via EDI.
4. Contact the EDI / EFT recruiter at eft@acehardware.com for more information.
5. To prevent duplicate processing, do not send Ace your internal credit memos, which offset our charge-backs.
6. Issues concerning pricing, Unit of Measure, and case packs may affect the timeliness of the payment of an invoice.
7. “Ace Show” invoices must be stated as such and additional dating must be clearly indicated on the invoice.
8. Please direct changes in terms to the appropriate Ace buyer.
9. If any payment discrepancies are noted (POs, remittances, etc.), please contact Ace promptly at apdept@acehardware.com or 630-990-6593.
10. Payment via Electronic Funds Transfer (EFT) is required. EFT payments are generated daily but may also have a specific settlement time.
11. EFT remittance detail is sent via the EDI 820RA document and is also available in Vendor A/P Data on Vendors.com.

NOTE: RETAILER PURCHASE ORDERS, ACE CREDIT AUTHORIZATION NUMBERS AND PROOF OF DELIVERY( S) MUST BE RETAINED AS EVIDENCE OF COMPLIANCE. THIS IS ESPECIALLY TRUE IN CASES WHERE THE SHIP TO ADDRESS IS OTHER THAN AN ACE HARDWARE LOCATION.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

Check Vendors.com > Contacts for additional Ace Hardware contact information.

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Dropship Store Numbering

Vendors supporting dropship business with the Ace stores must use the proper information on the invoice EDI 810 transmission - all dropship payments are made through EDI. The store number used on the invoice should be formatted as the four- or five- digit numeric store number. Do not include leading zeros or an alpha character on the end.

Invoice Due Dates

Note that the “description” of the due date used in the EDI invoice is not a calculated field, and is not used in determining the due date or terms offered for a particular invoice. Any description used must match the terms provided in the numerical EDI field.

To learn more on how to become EDI compliant, please see the EDI Implementation Guide or contact the Ace Vendor Care Center for more details.

Terms

Your standard terms that were negotiated with the Ace Merchandising Department will be used unless the terms printed on the invoice or Purchase order are better. Ace will use the best terms available when paying the invoice.

Ace Show Datings

At each Ace convention, extended dating programs are offered to Ace retailers. Extended dating programs must be agreed to and a show dating form completed, reviewed, approved by Merchandising and correctly processed to the system prior to the show dates.

Promotional Allowances

Promotional Allowances or additional charges on warehouse invoices must be included in the price of the product at a line level and not included as an additional line on the invoice. Failure to comply will cause delayed payments.
EDI Invoice Processing

Ace requires all vendors support EDI Invoice processing. To establish your company as an EDI vendor, please contact the EDI / EFT recruiter at eft@acehardware.com.

EDI invoicing requires the vendor to control the proper transmission and review of this data. This involves following all mapping requirements, including show codes and extended terms and verification of acknowledgments. Any invoice transmission problems must be communicated to the EDI Invoice Processing Dept.

An EDI 864 is sent for any invoice that is rejected by the Ace EDI system. These invoices will not be paid until the error(s) is corrected and the invoice is retransmitted successfully.

- EDI 864 error messages can also be found in Vendor A/P Data on the Ace website, www.acehardware-vendors.com

Please also note that only one payment term per vendor number is allowed.

EFT/ERA Transmission

Vendors who are sending invoices through EDI must participate in the Electronic Funds and Electronic Remittance programs. To establish your company as an EFT vendor, please contact the EDI / EFT recruiter at eft@acehardware.com

Anticipation Deals

Bill to write info

- Anticipation rates can vary based on corporate rates.

On-Line Credit Approval

The on-line Credit Authorization system should be used by Ace vendor / partners to obtain authorization for drop ship orders prior to shipment. In order to use this system you must have a log-on to Vendors.com.

If you do not have a log-on, are not a member, please visit the homepage at www.acehardware-vendors.com. Click on “Request ID”, fill out the form and submit. Our support center will email you IDs and passwords.

If your company is already a member, you can begin to use the system by following the instructions below:

- Go to Vendors.com.
- At the Welcome Screen, click on “E-Tools Login” on the top of the red bar.
• Click “Credit Authorization” on the left side of the E-Tools menu bar, which will bring you to the “Drop Ship Credit Authorization System.”
• Once at the screen, begin to input the required information.

Dropship Invoice Processing Service Charge

All paper invoices submitted to Ace will incur a processing fee for vendors who are EDI 810 enabled (Ace Approved EDI vendor) but fail to send EDI Invoices.

Vendors not in compliance will be assessed a non-compliance fee. See the Fines section in this document for fine details.

Warehouse Purchase Order

Ace Hardware utilizes warehouse Purchase Orders for goods purchased by Ace Hardware Corporation.
Ace Hardware will not accept liability for payment without a properly authorized Ace purchase order form.

“Unit pack”, “price per item”, or “dating” discrepancies should be brought to the attention of the appropriate Ace buyer.

To assure prompt, accurate payment of your invoices, invoice for each shipment and/or purchase order separately.
Appendix A. Barcode Guide

Introduction

Ace Hardware requires all Ace suppliers to adhere to standard bar code requirements for all trade items shipped to any Ace RSC. The requirements in this document support the GS1 and GS1 US global system standards. These bar code standards provide for the unique, unambiguous numbering and bar coding of trade items.

A high-quality printed bar code consisting of accurately encoded numeric data ensures that your product reaches Ace Hardware’s retailers and their customers in the most expeditious manner.

Ace Hardware RSCs have scanning processes and equipment that are used on a supplier’s trade item bar codes, from the lowest Consumer Packaged Goods (CPG) to the highest level shipping packaging. Our operations are capable of scanning all packaging levels of any trade item, for inventory control and retail order fulfillment. In some instances, the highest contained unit or packaged level may be considered a pallet. In these product lines, such as softener salts, pet foods, lawn care products, etc., the pallets must be identified and bar coded.

It is imperative, to avoid costly delays and added expense in handling your products, that you familiarize yourself with these requirements and that all packaging levels of the trade item are properly bar coded.

Global Trade Item Number (GTIN) Allocation Rules

The numeric data encoded in bar codes is the vital link in identifying any trade item. A relatively new term, GTIN is used when communicating the numerical information encoded. Every item will have a unique GTIN-8, GTIN-12 or GTIN-13 to identify the CPG, and uniquely different GTIN-14 for any non-retail shipping cartons/pallet. Understanding the GTIN allocation rules, in accordance with the GS1 system standards, provides for the common language for all trading partners within the entire supply chain.

GTIN allocation is entirely autonomous of the database it is electronically stored in. The keys to efficient movement of product through the supply chain are accurately assigning valid GTINs and good communications with your trading partners.

GTINs have a standardized structure that, when encoded in a bar code, will uniquely identify the product and its brand owner. The fundamental parts of any Consumer Packaged Goods (CPG) GTIN are: a) registered company prefix, b) a product item reference number, and c) a calculated check digit. A shipping container has the additional component of a Packaging Level Indicator digit at the beginning, which will be unique at all levels of packaging.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593

Check Vendors.com > Contacts for additional Ace Hardware contact information.
GTIN assignments will follow one of the recommended logical hierarchies, as recommended in the GS1 Allocation Rules. Building of the Non-Retail GTIN-14 consists of adding to two digits the far left of the GTIN-12 with a Packaging Identifier digit, followed by a digit of “0”. Packaging Indicator digits of “1” through “8” may be used. Leading packaging indicator digits of “0” and “9” have some additional consideration and rules that dictate how to use these properly.

An example of the most common practiced GTIN assignment hierarchy is as depicted below:

**GTIN ALLOCATION EXAMPLE**

![Diagram of GTIN allocation example]

- **GTIN-12** = 082901000013  
  - RETAIL CONSUMER TRADE ITEM

- **GTIN-14** = 10082901000010  
  - First Packaging Group Level - Inner Package -

- **GTIN-14** = 20082901000017  
  - Second Packaging Group Level - Master Carton -

**Bar Code Symbologies**

Ace Hardware requires all trade items to be properly bar coded in the global standard symbology, in accordance with recommended GS1 systems standards. The standard utilizes the machine readable Data Carriers (symbols) illustrated below, as the means to encode the GTIN (data).
Only one symbology type should be utilized and applied. Any non-retail shipping carton(s) bar code labeling will not use or include the retail consumer bar code. The appropriate symbology is used for the intended scanning of the trade item or packaging for the specific purposes as outlined.

1. The Data Carrier for Retail Point of Sale uses the **EAN/UPC Symbology Family** of bar codes.

2. The Data Carrier for the Non-retail Supply Chain (Distribution) use, not intended to pass through the Point-of-Sale, is the **ITF-14 Symbology**. The **GS1-128** 14-digit symbol may be used if properly structured as explained below.

**EAN/UPC Symbology Family**

EAN/UPC symbology is specifically used for retail point-of-sale (POS). The EAN/UPC symbology components consist of a Left and Right Quiet Zones and respective Guard Patterns, depending on the symbol type. All EAN/UPC symbols use the mathematical algorithm known as a Modulo 10 to compute the last digit (check character) in the data.

---

**Universal Product Code**

<table>
<thead>
<tr>
<th>U.P.C.-A</th>
<th>U.P.C.-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Barcode Example" /></td>
<td><img src="image" alt="Barcode Example" /></td>
</tr>
</tbody>
</table>

**European Article Number**

<table>
<thead>
<tr>
<th>E.A.N.-13</th>
<th>E.A.N.-8</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Barcode Example" /></td>
<td><img src="image" alt="Barcode Example" /></td>
</tr>
</tbody>
</table>

**Note**-These examples are for illustration purposes only- Actual Standard sizes is discussed below.
ITF-14 Symbology

ITF-14 barcodes are used to uniquely identify logistics units in the value chain.

1. ITF-14 is the GS1 System implementation of an Interleaved 2 of 5 bar code for standard logistic units such as cartons, cases, and pallets. Trade items marked with ITF-14 symbols are not intended to pass through retail point-of-sale (POS).

2. At Ace Hardware, the preferred symbology on non-retail packaging is the Interleaved Two of Five (ITF-14). This symbology is better suited for the distribution scanning environment and printed on the various types of packaging materials used in the supply chain.

3. The ITF-14 symbology consists of a Start and Stop Character, Left and Right Quiet Zones and Bearer Bars. The ITF-14 also uses the mathematical algorithm known as a Modulo 10 to compute the last digit in the data (check character).

![Interleaved Two of Five](image)

10082901000010

**Note**-These examples are for illustration purposes only- Actual Standard sizes is discussed below.
GS1-128 Symbology

The GS1-128 is an acceptable symbology, if properly used in accordance with the GS1 system standards, for standard logistic units such as cartons, cases, and pallets.

1. The GS1-128 14-digit bar code is a subset of the Code 128 Bar Code Symbology. This extremely flexible symbology encodes Element Strings using Application Identifiers. The GS1-128 is not for direct printing on corrugated fiberboard. Its use is exclusively licensed and governed by the GS1.

Note-These examples are for illustration purposes only- Actual Standard sizes is discussed below.

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Bar Code Sizes and Characteristics

The GS1 and GS1 US have published guidelines to address proper sizes, for all the various symbol types. It is crucial for Ace suppliers to understand this extremely vital bar coding characteristic. A bar code that is too small, too large, or any other way altered from the standard nominal value in height or width, will not perform efficiently or will cause the code not to be read at all. If there is any question regarding the proper size, height or width, contact the GS1 US or any certified solution provider, for more specific and technical guidance or assistance.

1. Avoid truncated symbols. Truncation of a bar code symbol is the reduction of the height of a bar code symbol relative to its length. Truncation is not recommended because it destroys the ability of a symbol to be scanned omnidirectionally at the point-of-sale.

![Image of truncated bar code symbols]

2. A Bar Code size is more precisely defined using the term “X-dimension” (Magnification Factor). In the past, the term "magnification factor" was extensively used to specify the size of a bar code. This technique relied upon setting a nominal size (100 percent) that was directly related to a given X-dimension.
   a. To facilitate efficient scanning, all bar codes shall be printed at an X-dimension between 0.25 mm (0.00984 in.) and 0.495 mm (0.0195 in.) and be a minimum of 13 mm (0.5 in.) in height. The recommended value for data carriers on trade items to Ace Hardware is to be as close to a 100% magnification value as possible (X-Dimension = 0.33mm).
   b. The minimum space between the top of the digits and the bottom of the bars (dark bars) shall be 0.5X.

3. All symbols include a Left and Right Hand Quiet Zone. The quiet zone is the clear space that precedes the first vertical bar and follows the last vertical bar. The space was previously referred to as “Clear Area” or “Light Margin.” The amount of Quiet Zone required is relative to the X-Dimension established in creation of the symbol.

4. The GS1 US publications explains the actual physical dimensions for all symbols, at 100% minimum values and any graduations above or below this nominal value, in more technical detail, Ace Hardware recommends the EAN/UPC symbols be sized between 80% to 120 % magnification values, whenever possible.

Contact the Ace Vendor Support Center at scenter@acehardware.com or 630-990-6593
Check Vendors.com > Contacts for additional Ace Hardware contact information.

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For EAN-13, UPC-A and UPC-E the width at nominal value is 17/16 Inch Including Left and Right Quiet Zones

X-Dimension at nominal size is 0.33 mm [0.013 in]

For EAN-13, UPC-A and UPC-E the height of bars at nominal dimension is: 22.85 mm [0.899

5. The ITF-14 symbol’s magnification value is between 80% and 100% magnification.

Including the Left and Right Hand Quiet Zones = 6

Approx. 1 1/8 Inch

Bearer Bars

10082901900013

SCC-14 ITF Open Bearer Bars
Encoded: 10082901900013
Company: Ace Hardware

For printing methods that do not require printing plates, the Bearer Bar should be a minimum of twice the width of a narrow bar (dark bar) and need only appear at the top and bottom of the symbol, butting directly against the top and bottom of the symbol bars (dark bars). The Bearer Bar may extend above and below the Quiet Zones. However, it is not mandatory to print the vertical sections of the Bearer Bar.

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Bar Code Quality

Bar code quality is an important element to our success. We define the bar code quality as a conformance to the GS1 system specifications. The essential quality requirements are characterized as, but not limited, to these fundamental characteristics or attributes.

1. Bar Codes symbol printed quality
   a. Print the symbol using the highest-level resolution and darkest contrast possible.
   b. Laser or Flexographic printed bar codes are the most efficient for labels.
   c. Direct Printed on corrugate using plates is acceptable if the highest ink contrast to substrate material is maintained and voids/spots are extremely minimized.
   d. **INK JET** direct imprinted bar codes on corrugate are not acceptable.

2. Bar Code symbol ink colors
   a. Black bars on white background are the most efficient and recommended
   b. Dark blue or dark green is acceptable with the vertical bars ink contrast at the highest levels. Red IS NOT an acceptable color.

3. Bar Code Quiet Zones
   a. The Quiet Zones to the right and left of the bar code symbol are compulsory.
   b. The EAN/UPC minimum width of the left and right Quiet Zone is 7X.
   c. The ITF-14 minimum width of the left and right Quiet Zone is 10X.

4. Bar Code Placement: The placement or physical location of the bar code greatly affects efficient scanning if improperly located. Again, the GS1 US has published a very extensive document that covers almost all possible configurations of the consumer trade items and packaging. Bar codes should always be examined and tested in their final packaging for any product, inserts, or labeling infringements, which might impair scanning the code.
   a. Preferred Placement – The preferred EAN/UPC bar code symbol placement is on the lower right quadrant of the back, respecting the proper Quiet Zone areas around the bar code symbol and the edge rule.
   b. The undesirable alternative placement for an EAN/UPC bar code symbol is the lower right quadrant of a side of the container other than the back.
   c. The standard recommended ITF-14 bar code on master cartons of non-retail containers is two symbols, on the lower right on adjacent sides. Due to the widely various sizes of inner cartons and packaging, this rule may not be feasible and in those instances where two are not possible, one is acceptable.
d. Edge Rule - When possible, the ITF-14 bar code symbol must not be closer than 8 mm (0.3 in.) from the nearest edge of the package/container or farther up than 100 mm (4 inch) from the bottom.

Bar Code Placement on Shipping Cartons Examples

e. The EAN/UPC bar code symbols on individual retail trade items inside a clear wrapped or banded multipack must be obscure or hidden so they are not confused with the outer multipack ITF-14 bar code symbol, which must be different.

f. Symbols on rounded surfaces should be oriented in a vertical direction, rather than horizontal.

Bar Code Testing

The Ace bar code team employs calibrated, bar code verifiers to measure any bar code’s printed quality using the GS1 US recommended verification standards and procedures.

1. Bar codes should always be tested in the final packaging to identify any infringements.

2. For the EAN/UPC family of symbols, Ace expects the print quality to be at or greater than the ANSI/ISO established level of grade “C” or higher. The ITF-14 symbology printed using direct thermal transfer or flexographic printed methods; Ace expects the bar code symbols to achieve a graded quality of grade “C” or better. The established acceptable quality for direct imprinted corrugate is a “D” grade or better.
Stratix Xaminer® Elite Bar Code Verifier

This portable equipment is not a scanner. It is a bar code measurement tool used to test linear bar codes against the nine adopted ANSI/ISO specifications for bar code symbols.

Common Errors and Unscannable Bar Codes

Listed below are the common bar code mistakes, which are controllable and avoidable.

Packaging Infringements of straps, acceptable stickers, tape, etc.  
Wrinkled or Bad Placement

Ink Jet printed bar code is unreadable  
The most common error seen  
Poor Print Quality/Print Head Burn-out

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Solution Providers and Education

The first and foremost authoritative source of information on bar coding product and services is the GS1 US. They offer the guidance, instructions, and assistance to ensure your bar codes are produced to support a global economy. Listed below are two valuable programs GS1 US offers.

1. **Data Driver®** is an easy-to-use online tool that allows you to quickly and accurately create, manage, and print U.P.C. barcodes. Data Driver is the only tool that allows you to create and encode Global Trade Item Numbers® (GTINs®), the unique identification system behind the U.P.C. (Universal Product Code) Barcode for items, as well as the GS1-128 and the ITF-14 Barcode for cartons, cases and pallets. [http://www.gs1us.org/solutions_services/d-h/data_driver](http://www.gs1us.org/solutions_services/d-h/data_driver)

2. **Partner Connections®** make the most of your GS1 Company Prefix. With the Partner Connections program you receive your GS1 Company Prefix – the number you need to create your U.P.C. barcodes and other unique identifiers such as the Global Location Number (GLN) and Serial Shipping Container Code (SSCC). [http://www.gs1us.org/barcodes_and_ecom/member_services/partner_connections_benefits](http://www.gs1us.org/barcodes_and_ecom/member_services/partner_connections_benefits)

3. **GS1 US Bar Code and eCom Solution Partner** is a hardware or software provider or consultant that had their products certified or services to be in compliant to the GS1 System standards. These partners offer a variety of solutions that are tested, proven and ready for use by your company. Products and services include barcode software, barcode printers, barcode verifiers, and professional solutions. There are many to choose and those listed below are companies familiar with Ace Hardware operations.
   - **The Stratix Corporation** [www.stratixcorp.com](http://www.stratixcorp.com)
   - **Barcode Graphics** [www.barcode-us.com](http://www.barcode-us.com)

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