



VENDOR REQUIREMENTS MANUAL

Dear Vendor:

It is important to both our companies that you read and completely understand the terms and conditions of transacting business with Tractor Supply Company and our various affiliates, including Tractor Supply Co. of Texas, LP, Tractor Supply Co. of Michigan, LLC and Del's Farm Supply, LLC. Please read this letter, the Vendor Agreement (the "VA") and our entire Vendor Requirements Manual ("VRM") before executing the VA and the related forms. Your signature acknowledges that you have read and agree to all terms and conditions of these documents.

At Tractor Supply Company, we are committed to *"being the most dependable retailer of basic maintenance products to farm, ranch and rural customers"*. Accomplishing this goal becomes a reality through the relationships we develop with our Vendors. We intend to continue forming strong relationships with our Vendor Community that are productive, long-lasting and mutually profitable.

As a Vendor to Tractor Supply Company, we expect that you will undertake the following:

- Provide a complete assortment of basic and ancillary merchandise, to allow our customers to complete their project(s);
- Support Tractor Supply Company's commitment to providing quality products to our customers;
- Provide leadership in product introduction and innovation;
- Ensure that Tractor Supply Company can maintain our low price commitment to our customers;
- Share mutually beneficial information regarding each other's business to drive sales;
- Include Tractor Supply Company in all stages of new product development, enabling us to continue to be *"first to market"*.

I'd like to raise another issue with you: Sustainability. This notion has long implied that corporate revenues, markets and brands, as well as the corporation itself, can last over time. It would consider the profitability of Tractor Supply Company while balancing the social, political and economic impact of business decisions. Sustainability addresses two fundamental characteristics of today's business landscape:

1. Everything is directly connected to everything else, and
2. The self-interest of any given business is directly tied in one way or another to the global common interests of every government, corporation and person.


A company focused solely on a green strategy may not necessarily be able to maintain long-term business solvency. However, most long-term sustainable business strategies should include a good solid assortment of green opportunities and initiatives. This could not be more true than in a company like Tractor Supply where the lifestyle it supports – "Out Here" – is dependent on sustainable actions. It is incumbent on Tractor Supply Company to embrace these concepts and become a "Steward of the Out Here Lifestyle."

Our Stewardship Initiative is well underway. It was clear to us at the outset that this journey would only be meaningful if our Vendors joined us on it. Over the coming months and years we will discuss with you, and incorporate into this Vendor Requirements Manual, the many means by which Tractor Supply Company will remain a strong Steward of the "Out Here" Lifestyle.

We expect that our relationship will result in sales and profit growth for your organization and Tractor Supply Company. Again, please take the necessary time to read and understand this document and return the forms in a timely fashion. Please share this information with the appropriate personnel within your organization.

When sharing this or any other Tractor Supply Company information, it is expected that you will treat our information and data with the same level of confidentiality that you would treat your own. You can certainly expect the same from us.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory A. Sandfort". The signature is fluid and cursive, with the first name "Gregory" and last name "Sandfort" clearly distinguishable.

Gregory A. Sandfort
President and Chief Executive Officer

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I. Introduction

A. Confidential and Proprietary Information

The Vendor Requirements Manual contains confidential and proprietary information of Tractor Supply Company. Your signature on the Vendor Agreement is your confirmation that you will treat and protect all of the information contained herein as confidential and not disclose anything contained herein to anyone outside of your organization or anyone within your organization who does not have a need to know.

B. Applicability

It is specifically understood and agreed that any reference to 'stores' and to any of your obligations throughout the Vendor Requirements Manual, are intended to apply, wherever appropriate in context, to any and all of our channels of merchandising including but not limited to 'bricks & mortar' stores, E-Commerce, catalog, special orders and any other type of business now or in the future existing.

C. History of Tractor Supply Company

In 1938, Charles E. Schmidt Sr. of Chicago, Illinois established a mail order tractor parts business, Tractor Supply Company.

By 1939, it had grown into a successful retail store in Minot, North Dakota. Today, we are one of the largest retail chains in America which serves full and part-time farmers and ranchers, hobby farmers, rural homeowners and contractors.

Whether you're caring for a backyard, or a "back 40", we have the products and services to help get the job done. Both homeowners and farmers can find what they need at Tractor Supply Company, including feed, fencing, mowers, tools, work clothing and much, much more.

Today, Tractor Supply Company is the largest retail farm and ranch store chain in the United States. The company operates more than 950 retail stores in 44 states, employs more than 12,000 team members and is headquartered in Brentwood, Tennessee. Its stock is traded on the NASDAQ exchange under the symbol "TSCO." Tractor Supply Company is a leading edge retailer with revenues over \$3 billion.

Tractor Supply Company stores are primarily located in rural areas and the outlying suburbs of major cities. The typical Tractor Supply Company store has 15,000-24,000 square feet of inside selling space with a similar amount of outside space used to display agricultural fencing, livestock equipment, horse stalls, three-point equipment and other merchandise necessary to support the "Out Here" lifestyle that our customers live.

Stores supply the unique products to support their customers' rural lifestyle, from welders and generators to animal care products and men and women's work wear. You can also find pet supplies, animal feed, power tools, riding mowers, lawn and garden products and more. Each store team includes a welder, a farmer and a horse owner who collectively provide an exceptional depth of knowledge and resources.

Tractor Supply Company is committed to understanding and fulfilling the needs of those who enjoy the rural lifestyle: folks who frequently describe themselves as hobby farmers and hobby ranchers. It is estimated that the "hobby" or "pleasure" farmer consumer segment spends more than \$5.5 billion annually on farm supplies. Today less than 10 percent of the company's customers classify themselves as full-time farmers or ranchers. In fact, Tractor Supply Company's largest customer segment does not farm at all. They are more aptly described as rural or suburban homeowners, or "self-reliants." When asked, customers often describe Tractor Supply Company as "a store you can trust."

Tractor Supply Company is continuing to grow with new stores and improved product offerings. The Tractor Supply Company mission and values motivate and inspire team members and give the organization a unified focus for the future.

D. Corporate Information

1. Corporate Structure

Tractor Supply Company conducts the activities of its Merchandising Department through the operation of its subsidiary, Tractor Supply Company of Texas, LP. Throughout the Vendor Requirements Manual, any reference to “Tractor Supply Company” or “TSC”, shall include: Tractor Supply Company, a Delaware corporation; Tractor Supply Co. of Texas, LP, a Texas limited partnership; Tractor Supply Co. of Michigan, LLC, a Michigan limited liability company; Tractor Supply GC Trust, a Maryland business trust; Del’s Farm Supply, LLC, a Delaware limited liability company; “Del’s Feed & Farm Supply”; their affiliates (whether now or in the future existing), successors and assigns.

2. Multi-Channel Retailing

As Tractor Supply Company has moved from its origins as a catalog retailer in the 1930’s through the growth of many hundreds of ‘bricks & mortar’ locations, we now embark on multi-channel means of bringing your products to our customers, including via our E-Commerce System.

E. Mission and Values

At the foundation of Tractor Supply Company’s business and its relationship with its team members and stakeholders are Tractor Supply Company’s Mission and Values, as outlined below - we expect our Vendors to understand and uphold same.

TSC TRACTOR SUPPLY CO. MISSION

To work hard, have fun and make money by providing legendary service and great products at everyday low prices.

OUR BUSINESS:

We are committed to be the most dependable supplier of basic maintenance products to farm, ranch and rural customers.

OUR PEOPLE:

We value honesty, integrity, mutual respect and teamwork above all else.

We are an open company where everyone has the information and tools to grow and excel.

We encourage risk taking, celebrate initiative and reward success.

OUR STAKEHOLDERS:

We are a growth company.

We consistently grow sales and profits by continuous improvement throughout the company.

TSC TRACTOR SUPPLY CO. VALUES

ETHICS

Do the "right thing" and always encourage others to do the right, honest and ethical things.

RESPECT

Treat others with the same personal and professional consideration we expect for ourselves.

BALANCE

Manage your time for both business and personal success.

WINNING ATTITUDE

Have a "can-do" attitude. Be positive, upbeat, and focused. We are winners!

COMMUNICATION

Share information, ask questions, listen effectively, speak thoughtfully, and let ideas live.

DEVELOPMENT

Learn from each other. Teach, coach, and listen. Create an environment where everyone can be a "star".

TEAMWORK

Value different viewpoints. Execute the agreed-upon plans. Together, everyone achieves more!

CHANGE

Accept it. Embrace it. Initiate it. Do everything better, faster, and cheaper.

INITIATIVE

Seek opportunities. Use good judgement. Take intelligent risks. Champion ideas.

ACCOUNTABILITY

Know your responsibilities. Live up to your commitments.

TSC TRACTOR SUPPLY CO. POSITIONING

Tractor Supply Company's unique collection of rural lifestyle products and seasoned advice enables you to pursue life on your own terms.

HOW WE SET OURSELVES APART

★ **DIFFERENTIATED PRODUCTS** ★

Tractor Supply carries a unique assortment of products clearly relevant to the lifestyle of our customers.

★ **SEASONED ADVICE** ★

Tractor Supply sets itself apart with knowledgeable and friendly Team Members who offer advice about how to use the products we sell.

★ **PASSION FOR A LIFESTYLE** ★

Our customers are passionate about their lifestyle – the animals they care for and the land they own. By understanding and sharing this passion, Tractor Supply relates to our customers in a way few businesses can.

TSC TRACTOR SUPPLY CO. STEWARDSHIP

Tractor Supply believes a healthy environment, properly managed resources and vibrant communities are keys to a secure and prosperous future.

★ **THE LIFESTYLE** ★

We are dedicated to ensuring that the ability to live out here on one's own terms is available to future generations.

★ **THE ENVIRONMENT** ★

We continuously work to improve our environmental impact by reducing resource consumption and waste, increasing efficiency and providing alternatives to customers and team members wherever appropriate.

★ **THE BUSINESS** ★

We view sustainability to be a process of continuous improvement, offering opportunities to compliment our business values.

II. Vendor Selection and Setup

A. Domestic Vendor Selection

1. Product Quote

While Tractor Supply Company strives to maintain its relationships with its incumbent Vendors, Buyers reserve the right to open a category or program up for bid to the incumbent Vendor(s) or any number of potential Vendors. Buyers will award the business to the Vendor(s) based on overall proposal, price and performance of product. Ultimately, domestic Vendors shall provide a Domestic Quote Sheet for the products that it will offer to Tractor Supply Company. The Domestic Quote Sheet can be found in the Vendor Center – Document Library. All documents found in this manual noted by underlined and italicized font, can be found in the Vendor Center – Document Library located at the following website:

<http://www.tractorsupply.com/content/abouttsc/aboutusvendorcenter>

2. Open Buying Days

Vendors wishing to become suppliers of Tractor Supply Company may utilize open buying days to have an audience with a Buyer. Open buying days are held three times a year in Franklin, Tennessee. Dates and event details will be posted on Tractor Supply Company's website, *www.tractorsupply.com*.

B. Import Vendor Selection

Each product considered for purchase from Tractor Supply Company will require an Import Quote Sheet (Import Quote Sheet Instructions are available in the Vendor Center – Document Library) along with a color picture of the product and a picture of the manufacturer's product identification (Model # and/or UPC code). Each product will also require a Merchandise Material/Cost Breakdown Form. The Import Quote Sheet is a critical component in beginning the import process at Tractor Supply Company. It is used to assist in writing the Import Purchase Order and Letter of Credit, determining landed cost, and mode of transportation. In addition to the Import Quote Sheet, manufacturers of textile products will be required to include a completed Clothing Description Form. This form is used to help determine the proper US Customs classification for the textile product. All documents must be submitted complete and in English. Current freight rates, necessary to complete the Import Quote Sheet, may be obtained by contacting the Strategic Sourcing Department via the email address identified on the Contact List.

For Vendors dealing in electrical products, all electrical products must have a valid UL, ETL, and/or CSA certification mark.

C. Vendor Setup Schedule

Upon executing the Vendor Agreement, the Vendor Setup Schedule must be completed in its entirety and returned to the Buyer responsible for your category of products, as identified on the Contact List, before any other business transactions can be made and/or purchasing can begin. Please make sure that you fill in all blanks, check boxes, initial boxes and provide all required signatures. Do not leave any information blank as this will delay our ability to set you up as a Tractor Supply Company's Vendor.

Vendors cannot ship from multiple ship locations under the same Vendor Number.

It is the Vendor's responsibility to notify their Buying Team if they change or add ship locations. Failure to communicate ship location changes will result in a vendor compliance penalty.

While it is important that all information requested on the Import Quote Sheet be provided and be correct, Tractor Supply Company must have complete and accurate information related to the name and location of the manufacturing facility producing at least 50% of the final product. If a change occurs on the manufacturing facility

after the issuance of the *Import Purchase Order*, then a new *Import Quote Sheet* must be provided to the Global Sourcing Department at Tractor Supply Company in order to ensure compliance with the requirements defined below. Additionally, this information is used by Tractor Supply Company to satisfy the US Customs requirements for C-TPAT Certification.

Factories producing toys must have a valid CARE Certification from the International Council of Toy Industries or are in the process of applying for the CARE certification. Proof of certification or process application must be submitted together with the *Import Quote Sheet*.

The only way to make changes to the Vendor Setup Schedule is as followed:

- Use a blank Vendor Setup Schedule or Vendor Payment Schedule and fill out the sections that are changing, and complete all signature/initial requirements or a Buyer approved addendum specific to the section to be changed;
- Submit all changes to the Buyer for approval;
- If approved, a signed copy of the approved changes will be forward to the Vendor.

Changes to Vendor Setup Schedule must be signed by an officer of the Vendor’s company and sent to the Tractor Supply Company Buyer responsible for the category of product relevant to Vendor. The appropriate Tractor Supply Company Buyer and Divisional Merchandising Manager must approve and sign any changes before they are implemented.

D. Product Selection Worksheet

From time to time, Vendors may receive a Product Selection Worksheet from a Buyer. The Product Selection Worksheet will provide the Vendor with forecasted quantities on event related items. The quantities included in any Product Selection Worksheet are subject to change and Buyer will not be committed to undertake any obligation to Vendor until after the issuance of a Purchase Order.

E. Notices

Any notice required or permitted to be given under the Vendor Agreement or this Vendor Requirements Manual shall be given in accordance with the following:

Except for notices pertaining to the daily conduct of business, such as submission of price quotes and changes in pricing, which may be submitted to the relevant TSC Buyer as identified on the Contact List in the Vendor Center – Document Library, all notices shall be given in writing and shall be deemed to have been properly served when given by any of the following methods:

<u>METHODS OF GIVING NOTICE:</u>	<u>RECEIPT DEEMED TO BE:</u>
Certified mail, return receipt requested	Date of delivery or rejection, or date notice is deemed unclaimed by carrier.
Facsimile	Date on proof of transmission
Hand-delivered	Date of personal delivery
Nationally recognized courier	Date of delivery or rejection, or date notice is deemed unclaimed by carrier.

If to TSC: to “Office of the General Counsel” as identified on the Contact List in the Vendor Center – Document Library.

If to Vendor: to Buyer’s Vendor Contact as identified on the Vendor Set up Schedule at the “mailing address” and facsimile number identified under Vendor Corporate Information on the Vendor Set Up Schedule.

or such other place or places as either party may designate in writing in accordance with this provision.

III. Vendor Standards

A. Vendor Insurance Coverage Requirements

1. Types of Coverage

a. Products Liability – Required at all times

- Minimum of \$1,000,000 (one million dollars) each occurrence, \$2,000,000 product aggregate or such higher limit as may be required for the products identified on the Insurance Limits Schedule;
- For imported products, coverage territory must include the United States of America (such that coverage will respond in the United States to claims arising from insured's exported products) and be shown on the Insurance Certificate.

b. Coverage Requirements for Vendor to be on Tractor Supply Company Premises – The following coverage's are required in any event when Vendor, its contractors and/or their agents enter any premises owned or controlled by Tractor Supply Company including its Distribution Centers, retail facilities and Store Support Center.

- **Commercial General Liability** – on an occurrence form, including contractual liability, personal and bodily injury, and property damage insurance with combined single limit in an amount sufficient to protect Vendor and Tractor Supply Company, but in no event will such insurance be in an amount less than a combined single limit of \$2,000,000 per occurrence and an aggregate limit of \$5,000,000;
- **Worker's Compensation** – statutory limits.

2. Vendor Instructions

- Vendor shall provide its agent/broker with the insurance requirements outlined in its Vendor Agreement along with the sample Certificate of Insurance and the Insurance Limits Schedule;
- Vendor shall require its agent/broker to prepare a Certificate of Insurance that meets Tractor Supply Company's Vendor insurance requirements and fax it to your Tractor Supply Company's Buyer's Merchandise Administrator, as identified on the Contact List;
- The Certificate of Insurance will be reviewed for compliance with Tractor Supply Company's insurance requirements. If the certificate is not approved, a detailed list of the deficiencies will be returned to the Vendor and the agent/broker. Vendor shall provide Tractor Supply Company with a revised Certificate of Insurance until the insurance requirements are met and approved by Tractor Supply Company.

3. Insurance Renewal Certificates

Whether or not Vendor receives a reminder from Tractor Supply Company, it is the Vendor's responsibility to send Tractor Supply Company a renewal certificate before expiration to: Attention Risk Management Administration at the Tractor Supply Company Store Support Center address identified in the Contact List. Any question regarding Tractor Supply Company requirements or clarification of deficiencies should be referred to Tractor Supply Company, Attention: Risk Management Administrator at Tractor Supply Company Store Support Center telephone number identified in the Contact List.

B. Vendor Code of Conduct and Ethical Business Standards

1. Our Buying Practices

Our Company's continuing success depends in part on strong Vendors capable of providing Tractor Supply Company with quality merchandise and services. Vendors will be selected on the basis of the best interest of Tractor Supply Company. Vendor selection will never be based on the personal interest of any team member.

Tractor Supply Company team members who make buying decisions must be well informed about the Vendors they select. We will deal with only those Vendors who share our commitment to the highest ethical business standards and who have a proven record of supplying high quality products or services that are safe and comply with the law. When purchasing goods not produced in the United States, the production facilities, and business and labor practices must comply with all local Laws, and the merchandise offered to Tractor Supply Company must comply with all applicable local and United States Laws.

2. Travel and Entertainment

All Tractor Supply Company team members must travel in accordance with Tractor Supply Company policy. We may not accept travel on source or Vendor aircraft unless this travel is specifically and for the sole purpose of doing Tractor Supply Company business. Vendor paid travel requires prior written approval of the Chief Merchandising Officer or a Divisional Merchandising Manager.

3. Meetings and Seminars

Tractor Supply Company team members may attend Vendor-sponsored meetings, seminars or events if there is a business reason, with the prior written approval of the Chief Merchandising Officer or a Divisional Merchandise Manager. Tractor Supply Company will pay for the transportation and lodging for its team members. Tractor Supply Company team members may accept host meals and entertainment connected with the event only if offered to all participants.

4. Gifts and Benefits

No Tractor Supply Company team member may accept any improper (as defined below) benefit, monetary or otherwise, from an organization that is (i) a Vendor to Tractor Supply Company, (ii) that seeks to do business with Tractor Supply Company, or (iii) that is a Tractor Supply Company competitor. Vendors may not influence any other businesses improperly by offering gifts or benefits not readily available to all Tractor Supply Company business partners. Gifts exchanged or offered are improper if the retail value exceeds \$50.00. All gifts exceeding these guidelines will be returned with a note explaining Tractor Supply Company's policy.

Vehicles, tools, equipment, other merchandise or the free use of such items from an individual or organization doing business, or that seeks to do business with Tractor Supply Company is clearly improper.

Tractor Supply Company asks that you do not send any holiday gifts, cards, baskets, food or any other holiday related item.

5. Labor Practices

Tractor Supply Company has a strict policy prohibiting the use of forced or child labor in the manufacturing of the merchandise that it purchases. Tractor Supply Company seeks Vendors who share Tractor Supply Company's commitment to the promotion of best practices and continuous improvements in:

- Occupational health and safety, compensation, hours of work and benefits;
- Environmental impact;
- Management practices that recognize the dignity of the individual, the rights of free association and collective bargaining, and the right to a workplace free of harassment, abuse or corporal punishment;
- Fair employment practices where decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on the ability of an individual to do the job.

Tractor Supply Company's Vendors and their contractors shall comply with the Fair Labor Standards Act, the Occupational Safety and Health Act, and all other applicable Laws for merchandise produced in the United States. Tractor Supply Company's Vendors and their contractors shall comply with the laws of the country where merchandise is produced, pertaining to these subjects, when the merchandise is manufactured outside the United States. At a minimum Tractor Supply Company's Vendors and their contractors must meet the following standards of conduct:

- **Forced Labor**: Vendors and their contractors do not use any forced labor – prison, indentures, bonded or otherwise, and do not permit the use of corporal punishment;
- **Child Labor**: Vendors and their contractors do not employ any person below the age of 16, or do not employ any person under the legal minimum age where local standards are higher;
- **Human Slavery / Human Trafficking**: Vendors and their contractors are not involved in human slavery or human trafficking;
- **Compensation**: Vendors and their contractors pay at least the legally required minimum wage;
- **Benefits**: Vendors and their contractors comply with all provisions for legally mandated benefits, including but not limited to housing, meals, transportation and other allowances, health care, child care, sick leave, emergency leave, pregnancy leave, vacation, religious, bereavement and holiday leave; and contributions for social security, life, health, worker's compensation;
- **Hours of Work/Overtime**: Vendors and their contractors comply with legally mandated work hours and use overtime only when employees are fully compensated according to local law and informs the employee at the time of hiring if mandatory overtime is a condition of employment;
- **Health and Safety**: Vendors and their contractors have written health and safety guidelines;
- **Environment**: Vendors and their contractors comply with applicable country environmental regulations;
- **Equal opportunity**: Vendors and their contractors provide equal employment opportunities for workers based on their ability rather than on the basis of personal characteristics or religious or other beliefs;
- **Applicable Laws**: Vendors and their contractors comply with the applicable laws and regulations of all governmental authorities having jurisdiction over their facilities, operations, transportation and/or products.

Tractor Supply Company reserves the right, but shall not be obligated, to visit and/or audit factories, manufacturing merchandise it sells to ensure compliance with the above standards. Failure to meet the above standards may result in the suspension or termination of Tractor Supply Company's business with the Vendor.

6. California Transparency Act

Tractor Supply Company requires full compliance with the United States' California Transparency Act as set forth in Vendor Center – Document Library.

7. FCPA Provision

Tractor Supply Company requires full compliance with the United States' Foreign Corrupt Practices Act ("FCPA") and all other anti bribery legislation and foreign anti bribery laws, including all relevant applicable laws, by all of its employees, subsidiaries, consultants, agents, vendors and other partners worldwide. Vendor is responsible for reporting any possible violations of any anti bribery law to TSC immediately. Such reporting may be directly to the General Counsel and/or Vice President of Internal Audit or anonymously through TSC's ethics hotline at 1-877-888-0002 or www.reportlineweb.com/TSC. Additionally, Vendor is required to abide by Tractor Supply Company's Foreign Corrupt Practices Act Policy as set forth in Vendor Center – Document Library. This includes Vendor's obligation to truthfully execute the Foreign Corrupt Practices Certification as set forth in the Vendor Center – Document Library. In the event that TSC requests Vendor to execute such certification and Vendor refuses or fails to do so within thirty days of TSC's request, TSC may at its option: (a) withhold any and all payments due to Vendor under the Vendor Agreement until such time as Vendor has executed and submitted such Foreign Corrupt Practices Certification; (b) terminate any outstanding Purchase Order(s); and/or (c) terminate the Vendor Agreement effective upon the date set forth in the termination notice.

C. Vendor Funding

1. New Store Discount

When Tractor Supply Company opens new stores, it offers excellent growth opportunity to all Tractor Supply Company Vendors. As such, Vendors participate in offsetting the merchandising cost associated with new stores by providing a discount on all merchandise ordered to each new store.

- The New Store Discount applies to all merchandise ordered to the new store up to the date of the new store's soft opening and two weeks following;
- "Merchandise Ordered" means 1) any merchandise shipped directly to the new store from the Vendor on a Tractor Supply Company Purchase Order and/or 2) any merchandise shipped to the new store by a Tractor Supply Company Distribution Center or other Tractor Supply Company existing store location;
- Tractor Supply Company requires that Vendors ship new store merchandise prepaid direct to the store and may request the Vendor to break case packs;
- The New Store Discount amount is calculated by multiplying the Purchase Order total cost, DC Stock Transfer total cost, or Store-to-Store Transfer cost by the New Store Discount percent;
- New Store Discounts are invoiced quarterly; If Tractor Supply Company does not receive payment within 30 days of the invoice date, Tractor Supply Company will debit the Vendor for the invoice amount;
- Vendors shall not apply New Store Discounts to the line item cost on an invoice or as a summary allowance on an invoice. All New Store Discounts are invoiced quarterly by Tractor Supply Company.

2. Relocated Store Discounts

- The Relocated Store Discount applies to all merchandise that is on hand at the store the day the new location soft opens;
- All merchandise on hand, regardless of the length of time it has been on hand, will be considered;
- The Relocated Store Discount amount is calculated by multiplying the store's on hand merchandise by the current cost and then by the discount percent;

- Relocated Store Discounts are invoiced quarterly with the New Store Discounts. If Tractor Supply Company does not receive payment within 30 days of the invoice date, Tractor Supply Company will debit the Vendor for the invoice amount;
- Vendors shall not apply Relocated Store Discounts to the line item cost on an invoice or as a summary allowance on an invoice. All Relocated Store Discounts are invoiced quarterly by Tractor Supply Company.

3. Volume Rebate Program

Tractor Supply Company encourages all Vendors to develop viable Volume Rebate Programs with our Company. As Tractor Supply Company grows, we become an increasingly more important customer to you, and you become a more important Vendor to us. With this in mind, we expect all Vendors to structure an appropriate Volume Rebate Program to encourage further growth of business between the Vendor and Tractor Supply Company. We view Volume Rebate programs as a “profit sharing plan”. These programs, properly developed, allow Tractor Supply Company and the Vendor to share in the profit generated by incremental volume. Tractor Supply Company assumes that all earned volume rebate percentages are applicable retroactive to dollar one and are paid based on the highest tier achieved in gross purchases for all products.

The Volume Rebate is calculated based on net receipt dollars and is continual until cancelled or amended and will be applicable to all Vendor purchases (including all Buyers and Vendor numbers). Any exceptions to this policy must be specifically addressed on the Vendor Setup Schedule for approval by a Tractor Supply Company Buyer and Divisional Merchandising Manager.

4. Vendor Support Funds

In an effort to support Tractor Supply Company’s marketing efforts, Tractor Supply Company expects all Vendors to provide Vendor Support Funds at an appropriate level. These Vendor Support Funds are used to promote both the Vendor’s products and Tractor Supply Company in a cohesive marketing effort. A Tractor Supply Company Buyer will assist you in determining an appropriate support level.

Vendor Support Funds are calculated based upon monthly gross receipts less buybacks and returns. These are applicable to all vendor receipts (including all buyers and vendor numbers). Any exceptions to this policy must be specifically addressed on the actual agreement for approval by a Tractor Supply Company Buyer and Divisional Merchandising Manager.

D. Manufacturing Agreement and Vendor Program Agreement Product Support Rider

In connection with any private label product manufactured or provided by Vendor pursuant to that certain Vendor Agreement with Tractor Supply Co. of Texas, L.P. (“TSC” as such term is defined in the Vendor Agreement), Vendor agrees to utilize the services of a 3rd party product support provider as pre-selected by TSC. The parties agree that the terms of this Product Support Rider shall remain in effect for the life of the particular product warranty based upon end-user purchase date or for three years after TSC receives its final delivery of private label products from Vendor, whichever date is the later to occur. Vendor agrees to comply with the following requirements so that such 3rd party provider may provide product support to TSC and TSCs’ end-user customers at no charge to such end-user including:

1. Provide dedicated contact for TSC product support management team and 3rd party support provider customer service representatives.
2. Complete 3rd party provider Product Setup sheet (s).

3. Supply 3rd party provider with the following key components:
 - a. Two (2) completed product samples in finalized packaging
 - b. Copies of all information inserts including but not limited to: instructions, hang tags, and on product tags
4. TSC shall pay direct to 3rd party provider the fees associated with such product support pursuant to a separate agreement between TSC and the 3rd party provider.
5. Vendor shall provide to TSC or to the 3rd party provider.
 - a. Provide replacement parts and product at no cost to TSC and/or 3rd party support provider
 - b. To pay to 3rd party provider all customs clearance costs.
 - c. To pay all freight charges for parts shipments are the sole responsibility of the Vendor. All shipments must be door to door delivery, freight prepaid.
6. Vendor's indemnification under the Vendor Agreement shall extend to cover the 3rd party provider to the extent that any claim against the 3rd party provider would have been covered under the Vendor Agreement had the claim been made against TSC.
7. Agree to abide by the following product parts inventory shipment and replenishment requirements for the life of the product warranty. Warranty activation is based upon end-user purchase date or for three years after TSC receives its final delivery of products from Vendor, whichever date is the latest to occur.
 - Ship initial quantity as predetermined by 3rd party provider and TSC to required provider location.
 - As deemed necessary by 3rd party provider, Vendor shall ship replenishment parts inventory.
 - Comply with shipping/marking requirements of 3rd party provider. Failure to do so will result in additional fees, which shall be charged back to Vendor by TSC.

E. Vendor Communication

Communication is a key to any successful relationship. Tractor Supply Company strongly encourages open communication to help grow both Tractor Supply Company's as well as the Vendor's business.

1. Tractor Supply Company Contact Information

Contact information for Tractor Supply Company is provided in the Contact List. All Tractor Supply Company team members have private extensions with voice mail and email.

2. Tractor Supply Out Here Hotline

If you have concerns about unethical behavior you may contact us through our secure, confidential hotline at 1-877-888-0002 or via secure website at www.reportlineweb.com/TSC.

3. Vendor Contact Information

In addition to the contact information required in the Vendor Setup Schedule, Tractor Supply Company request Vendors provide collect or toll free telephone and facsimile numbers for customer services. This will allow Tractor Supply Company stores the ability to easily reach the Vendors during normal working hours.

4. Vendor Compliance Email

All Vendors must set up an appropriate email address that can receive compliance reports and debit memos. Vendors are required to set up the following email address: *TSCcompliance@vendorname.com*.

Once this email account is set up in your IT system, please notify TSC Compliance via email to: *TSCcompliance@tractorsupply.com*.

5. TSC Compliance Schedule

A copy of the TSC Compliance Schedule can be found on the Compliance Web Portal under the Information and Documents Quick Links: <https://www.tradingpartnerinsight.com/tsco/Login.aspx>

6. Consumer Literature

Vendor shall advise the Buyer of any brochures/customer literature available for Vendor's products, which Vendor shall provide, at no charge, to Tractor Supply Company in the quantities requested by Tractor Supply Company.

7. Product Knowledge (PK) Training

Tractor Supply Company strives to differentiate itself from other retailers by having team members who are extremely knowledgeable in the products they sell. Each Vendor is given the opportunity of having its product(s) featured in a training module or project brochure. We strongly encourage Vendors to provide product knowledge training. The dollars dedicated to the production of training materials are negotiated separately from other merchandise and marketing funds.

Many Vendors have created good, solid, training aids that are beneficial to the education of our team members, and we desire to take advantage of that expertise. However, no training tapes, books or other aids should be sent directly to the stores. All training materials are subject to review by Tractor Supply Company which allows us to better support the overall education of our team members regarding your product.

Vendor product knowledge plays a critical role in training the Tractor Supply Company team members who service the customers. Any Vendor interested in supporting Tractor Supply Company's product knowledge-training program should contact the Coordinator of Training and Education at the telephone number for the Tractor Supply Company Store Support Center identified in the [Contact List](#).

F. Perishable Goods

In the event that goods delivered are perishable, it is understood and agreed that Vendor shall be obligated to replace stale or spoiled goods unless delivered to TSC sufficiently in advance, as determined by TSC in its reasonable judgment, of the expiration date marked on the goods. TSC shall not offer for sale any perishable good after the expiration date marked on the goods.

G. PO Change Request Policy

1. Quantity and Date Changes

Vendors have five business days, from the PO create date, to contact their Inventory Analyst to request a change to a quantity or date on the purchase order via email. For Direct Import Vendors changes should be requested through the Strategic Sourcing Department via email at imports@tractorsupply.com. If notification is received within five business days, the Inventory Analyst will adjust the purchase order to reflect the quantity the Vendor will ship or the correct delivery date. Vendors are allowed only one purchase order change per purchase order.

If Tractor Supply Company determines that a Vendor is excessively requesting purchase order changes that Vendor will no longer be permitted to submit changes.

2. Price Changes

Vendors have five business days, from the PO create date, to contact their Buying Team if there is a price discrepancy on the purchase order. The Buying Team will work with the vendor to resolve any valid price discrepancies. Notification of a price discrepancy does not guarantee that the price will be changed on the PO.

If there has been no notification within five business days of a pricing conflict, the price to be paid for goods by TSC shall be the price identified on the Purchase Order.

IV. Product Set-Up

A. Product Set-Up Introduction

The integrity of Tractor Supply Company's system and the quality of the information Tractor Supply Company receives from their Vendors is dependent on accurate data. All new SKU information must be complete and accurate. Incomplete information will be returned, delaying any potential orders. All new SKU costs must be the net line item cost as described under the section labeled "Cost".

In preparing a presentation of new products, Vendors must have complete product information including UPC's, dimensions, weight and volume for the selling unit, tray, inner pack, case pack, and pallet, cost, Vendor part #, description, hazardous material information, lead time, restricted sales states and an actual bar code from the product. No new SKU will be set up without complete information.

In preparing an item quote, Vendors should submit quotes based on different purchasing terms (i.e. FOB origin vs. FOB destination) and freight options. Tractor Supply Company Buyers and our Logistics Department will evaluate all options when considering your program.

1. Measuring Procedures for Selling Units

- Always record dimensions in this order: depth, width and height in inches;
- Depth is the front to back dimension of the product; width is the horizontal dimension and height is the vertical dimension;
- Always enter the largest dimension of depth, width and height; the deepest, widest and tallest points, of how the product will be shipped, reflect true product displacement;
- Always give the precise weight for a selling unit in pounds;
- Always use undamaged product packages; packages that are bent or crushed will yield inaccurate dimensions;
- Orientation is critical. Most products can be displayed on the shelf in more than one direction. As a general rule, the product face that is meant for consumer exposure is the primary or front orientation. After the dimensions are defined, the product can be rotated on the plan-o-gram to maximize both appearance and space.

2. Measuring Procedures for Inner Case Pack

- Always record dimensions in this order: length, width and height in inches;
- The longest dimension of the package is considered the length;
- Always enter the largest dimension of length, width and height;
- Always give the precise weight for inner case packs in pounds;
- Always use undamaged packages; packages that are bent or crushed will yield inaccurate dimensions.

3. Measuring Procedures for Master Case Pack

- Always record dimensions in this order: length, width and height in inches;
- The longest dimension of the package is considered the length;
- Always enter the largest dimension of length, width and height;
- Always give the precise weight for master case packs in pounds;

- Always use undamaged packages; packages that are bent or crushed will yield inaccurate dimensions.

4. Measuring Procedures for Pallet

- Always record dimensions in this order: length, width and height in inches;
- The longest dimension of the package is considered the length;
- Always enter the largest dimension of length, width and height;
- Always give the precise weight for master case packs in pounds;
- Always use undamaged packages; packages that are bent or crushed will yield inaccurate dimensions;
- Always measure a ship ready full pallet for final pallet dimensions.

5. Cost

All SKU costs are net. Tractor Supply Company will send a net cost on all line items of its Purchase Orders. These line item net costs will include all allowances and charges except for agreed upon discounts. All costs are at the Tractor Supply Company selling unit level.

6. Samples

Tractor Supply Company requires all Vendors to supply samples of the products that are to be offered for sale in Tractor Supply Company's stores. The samples may be used for any reason, including but not limited to: product evaluation; product comparison to determine feasibility for purchase; field testing; advertising; and, US Customs classification.

(a) Product Samples

Vendor shall deliver to Tractor Supply Company (ATTN: BUYER, at the Store Support Center address on the Contacts List), at Vendor's expense, the following:

- (i) Domestic Vendors: a minimum of one (1) selling unit for each sample requested by Tractor Supply Company unless specified otherwise by the Tractor Supply Company Buyer. Tractor Supply Company reserves the right to require full case packs. Actual product samples of chemicals or paint should not be delivered. An empty product container should be submitted as the sample, as long as it is the exact container that is proposed to be placed on a Tractor Supply Company shelf in the store.
- (ii) Import Vendors: one (1) sample unit for artwork review; two (2) sample units for order inspections; and, the specified number of units for Vendor's product as required by Tractor Supply Company.

All merchandise samples, whether given to Tractor Supply Company or purchased by Tractor Supply Company, are the legal property of Tractor Supply Company. It is the Vendor's responsibility to contact the Tractor Supply Company Buyer if the samples are to be returned. The Vendor and Buyer will work out the details of the return; however, the burden of packing, associated freight expenses, and/or pickup of the sample are the responsibility of the Vendor.

(b) Field Testing

Test merchandise can be offered to Tractor Supply Company for "*field testing*" with the prior approval of the Buyer. All "*field tests*" of test merchandise require a "*start*" and "*end*" date, a predetermined test criteria and tracking results. The test product may be placed in a small group of stores for a trial sale run. All test programs must ship prepaid direct to store. After the specified time period the results

will be reviewed by the Buyer to determine if the product will be added as store merchandise. All product not sold in the field testing will be sent back to the Vendor, the Vendor will be responsible for all freight to the store and from the store for field testing.

7. Quality Assurance

(a) Lab Testing

Tractor Supply Company reserves the right to test all products it purchases from Vendors. Any lab testing required by Tractor Supply Company must be performed by one of Tractor Supply Company's approved lab testing firms (Intertek or UL). Each firm is responsible for certain product categories. The category list as well as the Test Request Forms (TRFs) and testing firm contacts can be found in the Document Library of the Vendor Center. All fields of a TRF annotated by an asterisk (*) are mandatory. Vendor is responsible for lab testing charges. Lab reports for replenished items are valid for one year. Lab reports for non-replenished items are valid for one season. If there is a change with the manufacturing facility, raw materials, and/or manufacturing process, a new lab test report is required.

All domestic items must have a General Certificate of Conformity as required by CPSIA for product shipped to Tractor Supply Company.

All import items must be tested as required by US Safety guidelines and regulations. Samples shall be submitted in final packaging in the quantity dictated by the test protocol. Transit testing is also required as part of a complete test report. See Section IX. for packaging requirements. Tractor Supply Company's Quality Assurance Analyst (see Contact List) must receive documentation evidencing a valid, passing lab test prior to shipment of the Purchase Order.

(b) Factory Audits and Order Inspections

Quality Control Services (QCS) is Tractor Supply Company's Quality Assurance Consultant for Social Accountability, Security Audits and Order Inspections in China.

Intertek, (ITS), is Tractor Supply Company's Quality Assurance Consultant for Social Accountability, Security Audits and Order Inspections outside China.

When required to have an audit or inspection performed, you will be contacted directly by QCS with an inspection date. If the date needs to be changed, you can log onto the QCS website and make the change. You will need to do so three days before the scheduled date to avoid penalty. You can review sample *Social Accountability Report* and *C-TPAT Security Audit Report* as well as the *Vendor Self Assessment Questionnaire* in the Vendor Center – Document Library. Also included for review is the required *Social Accountability Audits - Document List*.

If one of the situations above occurs, note that shipment will not take place until a new appointment is made.

8. Special Order Process

Tractor Supply Company offers its customers the opportunity to order from Vendor's merchandise not offered for sale by Tractor Supply Company as part of its normal inventory and which do not carry Tractor Supply Company SKU numbers. The selection of special order merchandise, all price lists, catalogs, and consumer literature shall be approved in advance by a Tractor Supply Company Buyer. Items with a Tractor Supply Company SKU number may not be added to a Tractor Supply Company store's Special Order.

In addition, Tractor Supply Company requires that all manufacturer price lists reflect the cost for each SKU to ensure the proper processing of special order purchases. If any changes have been made to the cost, this must be given to the Tractor Supply Company Buyer at the time the Special Order is being placed.

While a Special Order is issued by a customer or store (not a Tractor Supply Company Buyer) Special Order Purchase Orders should be treated as any other Purchase Order and failure to comply with the Purchase Order will result in non-payment of these unauthorized goods.

9. Materials Safety Data Sheet

Federal and state regulations require manufacturers and distributors of hazardous materials to provide Material Safety Data Sheets (MSDS) to retailers who sell their products. Vendors are required to provide an original MSDS, where required, on each product Tractor Supply Company buys. Complete MSDS sheets must be part of the accompanying documentation submitted for new SKU set-up. Once the SKU Setup Schedule is approved, a complete MSDS for the new SKU must then be sent to Tractor Supply Company's central MSDS depository identified in the Contact List, along with any updated versions of the MSDS since Tractor Supply Company has carried the product. Be sure to include the Tractor Supply Company SKU # on each MSDS forwarded so that it may be properly matched to our products.

Tractor Supply Company's MSDS Depository has contractually defined authority by Tractor Supply Company to maintain and have readily accessible copies of Material Safety Data Sheets for each hazardous material that Tractor Supply Company sells and maintains in its workplace. After initial set up, do not forward these to our stores, distribution centers, or Store Support Center.

B. Article Description Standards.

The following guidelines have been established to help maintain the integrity of the Article Master. Use these standards when creating or maintaining item descriptions for articles

- When creating new articles or maintaining old articles use all **UPPERCASE LETTERS** for the item description.
- All descriptions must contain a common name. Descriptions may start with either the item's brand name or common name and include enough description to make the item unique from the other items. Descriptions may consist up to 30 characters. However, keep in mind that only the first 20 characters are used in the register for the receipt descriptions.

Brand Name Example: **PENSKE 10W40 MOTOR OIL**

Common Name Example: **MOTOR OIL 10W40**

- Place additional descriptive information immediately after common name. Separate all descriptive terms using one space.

Example: **SPRAY PAINT BLACK**

- Use the manufacturer's name in the description field unless other terminology can describe the product adequately.

Example: **COLEMAN LANTERN**

- Only use manufacture's part number in the description field when it is necessary to identify the product. This description can be placed before or after the common name.

Example: **FRAM PH8A OIL FILTER**

- Do not use special characters; commas, semi-colons, dashes or asterisks in the description field. Slashes (/) may be used only when identifying numbers that are not whole numbers or when identifying clothing sizes.

Example: **J B WELD** (not J-B Weld)

Example: **BOLTS 3/8X6**

Example: **MACHINE SCREW 10-24X1 1/4**

Example: **JEAN LDS 12/14 RLX FIT WR63**

- When dealing with sizing use fractions, not decimals, when identifying numbers that are not whole numbers. No spaces should exist between size dimensions.

Example: **BOLTS 3/8X6**

Exception: Use decimals, not fractions when identifying tire & engine sizes.

Example: **TIRE 4.8X4**

Example: **RIDER 16.5HP**

Exception: Use decimals, not fractions, with shoe half sizes.

Example: **BOOT 7.5W**

- Any item containing a **rated engine** must include the item's horsepower (HP) in the description.

Example: **AIR COMPRESSOR 6.5HP**

- Abbreviation usage must be cleared with the Tractor Supply Company Buyer working with Vendor.

V. EDI

A. EDI Introduction

Tractor Supply Company is committed to Electronic Data Interchange (EDI), the computer-to-computer transfer of business documents between trading partners. Ultimately, it is Tractor Supply Company's objective to establish programs for transmitting all documents of commerce and other information electronically to work toward a paperless relationship with our Vendors.

Vendors are required to adhere to Tractor Supply Company's EDI policy, including the receipt of electronic Purchase Orders and return of electronic acknowledgments for those Purchase Orders on a timely basis. There will be an initial testing period, after which Vendors are expected to be EDI compliant for Purchases Orders and Invoices within 60 days. After the testing period, any electronic document will be the official document, superseding any faxed or hard copies.

EDI guidelines are available by sending an email to the EDI Coordinator and any inquiries regarding EDI requirements or testing should be directed to the Tractor Supply Company EDI Manager using the contact information provided in on the Contact List.

Tractor Supply Company's EDI program follows guidelines adopted by the retail industry (VICS) and adheres to the standards approved by the American National Standards Institute (ASC X12), which are widely used throughout North America. To exchange documents in a mutually agreed upon format, Vendors must adhere to the same standards.

For information on the standards, you may contact:

Data Interchange Standards Association, Inc.
1800 Diagonal Road, Suite 355
Alexandria, Virginia 22314-2852
Telephone (703) 548-7005

B. Tractor Supply Company EDI Information

Interchange ID Qualifier: 08

Interchange ID: 6120930000

Network/VAN: Commerce Network ANSI X.12 Version: 004010

Documents: 850 Purchase Order (w/997 Functional Acknowledgement) *Required

810 Merchandise Invoice (w/997 Functional Acknowledgement) *Required

855 Purchase Order Acknowledgement (w/997 Functional Acknowledgement) *Used by Selected Vendors Only:

852 Product Activity Data *Used by Selected Vendors Only

VI. Product Labeling

A. Bar Codes Introduction

Tractor Supply Company is committed to accurate Point of Sale (POS) register scanning. All products sold to Tractor Supply Company must have a UPC-A, UPC-E, SCC-14 or EAN bar code as specified by then current GS1 standards. All Tractor Supply Company store POS registers are equipped with barcode scanners. A UPC, SCC or EAN uniquely identifies each individual item. It makes the check out process quicker for the customer and the retail price look-up more accurate.

The benefits of the UPC, SCC or EAN are dependent on the bar code's ability to be scanned. Items that do not scan increase costs and hinder our ability to quickly and efficiently check out our customers. In order to maximize scanning, our Vendors must maintain the quality, integrity and scan capability of all UPC and EAN bar codes on all products sold to Tractor Supply Company.

All Vendors are required to obtain UPC, SCC or EAN numbers for all products sold to Tractor Supply Company except Private Label products. Vendor UPC, SCC or EAN numbers must accompany all product information submitted for new SKU setup. Vendors must supply product(s) to Tractor Supply Company with UPC Bar Code labels attached. Tractor Supply Company will not apply Bar Code labels to any Vendor items.

Import Vendors: If you are unable to provide a UPC code, Tractor Supply Company can generate one for you (see import quote sheet instructions regarding the UPC code).

B. Tractor Supply Company Barcode Policy

- The Vendor is responsible for an ACCURATE and SCANNABLE barcode on packaging;
- You may be required to submit labels and/or marked products for test scanning. This is to ensure that both your company and Tractor Supply Company use bar codes of acceptable quality;
- Test your UPC codes before shipping products. Barcodes that do not scan will be subject to return at the Vendor's cost and a Vendor charge back to compensate store labor costs to correct the problem;
- All UPC codes must be provided to your Tractor Supply Company Buyer as part of the SKU Setup Schedule. A 90 day advance notice of all UPC code number changes is required;
- Any problems with the quality, integrity, or application of a bar code must be reported immediately to a Tractor Supply Company Buyer;
- Any changes to an existing product's bar code must be communicated to a Tractor Supply Company Buyer 90 days prior to change.

C. UPC Guidelines

- Each unique item must have a separate UPC; this includes variations on color, size, and package quantities;
- A new UPC number must be assigned for new products or when an existing product has significantly changed;
- A different UPC must be assigned for products that are sold individually as well as in multipacks. Multipacks of different quantities must also have a unique UPC code. For example, a can of orange soda, a six pack of orange soda, and a case of orange soda must all have different UPCs;
- Promotional packaging of products must also have unique UPC codes. For example, if a manufacturer runs a promotion where two quarts of oil are bound together and sold as buy one get one free, the two pack must have a UPC different than the individual quart of oil;

- UPC numbers must be assigned to items sold by the foot and the pound. These items will be bar coded and added to our Counter Scan Book for use by our cashiers.

D. GS1 Guidelines

GS1 standards are summarized here for your information; however, Vendors must comply with the current GS1 standards.

1. Labeling

Though the manufacturer may label their product by either incorporating the UPC code into the design of the packaging or by using preprinted labels, the preferred approach is to add the UPC code to the graphic design of the product's packaging. Preprinted labels require manual application by the Vendor and create more opportunities for problems to occur. Tractor Supply Company will not apply UPC bar code labels to any Vendor items. Be sure that any product that is typically displayed or stored outside is tagged with UPC labels that can withstand extreme weather conditions.

2. Bar Code Density

In order to ensure effective and reliable scanning, use bar codes with the lowest possible density. Wider bars and spaces are easier to interpret and less likely to have voids and specks of dirt which hinder a bar codes ability to scan.

3. Contrast

Because the UPC symbol must be read by optical scanning equipment, it is very important that it is printed properly. Tractor Supply Company requires that all bar codes be printed using black ink. Bar codes printed in other colors, especially red and purple, cannot be scanned by Tractor Supply Company laser scanners.

4. Position

As a general rule, placement of the symbol on the bottom of the product is most desirable. However, geometry of a container might make the determination of "bottom" questionable and therefore certain exceptions to the bottom-marking rule. If you have any questions regarding the position of the bar code, contact the Tractor Supply Company Buyer.

5. Bar Code Size

GS1 standards indicate that all bar code magnifications should be based on the nominal (100%) size of 1.469" x 1.020". The size can be reduced to 80% (1.175" x .816") or increased up to 200% (2.938" x 2.040"). No reduction in symbol height below that specified by GS1 is permitted.

6. Quiet Zone

An adequate quiet zone is imperative to accurate scanning. The quiet zone is the space around the bar code that helps the scanner determine the beginning and end of the bar code.

The graphics on the packaging should not interfere with the quiet zone. As a general rule the quiet zone should be at least twice the size of the largest space within the bar code. The quiet zone on a nominal size bar code should be 0.117".

7. Human Readable

All bar codes must have human readable characters that include a number system character and check digit. The cashier will use the human readable characters when scanning problems occur.

8. Verification

A significant number of bar code problems are due to the lack of an adequate verification process. The verification process involves the Vendor scanning the bar code to ensure that it is accurate and can be scanned prior to a mass production of the labels and/or shipment of the goods.

9. Film Master

A film master is an extremely accurate photographic representation of a bar code used to make printing plates. The printing plate is used to print the barcode directly onto the products packaging.

E. Children Product Safety Labels

Per the Consumer Product Safety Improvement Act enacted in 2008, all children's products and packaging must include a tracking label as of August 14, 2009. The purpose of the tracking label is to enable the manufacturer, retailers and the ultimate consumer to ascertain location and date of production of the product. Tractor Supply Company has identified a tracking label format that is required for these products. The format is as follows:

- Factory ID (Number provided by TSC) – Two Digit Production Month – Two Digit Production Year
 - Example: 391-09-09

For more information on the tracking label requirement, please visit www.cpsc.gov

VII. Marketing

Tractor Supply Company and Del's Feed & Farm Supply advertising materials are important to supporting our brand positioning. Because of this it is important that advertising materials supplied by our Vendors meet specific criteria. This includes both photography and product support copy. Vendors must adhere to the following guidelines.

A. Photography

Vendor shall provide photographs, at its cost and in compliance with this section. Digital files must be provided on a MAC compatible DVD or CD or available for Tractor Supply Company to download from an FTP site (address, user name, password and file name must be provided). Files provided on a DVD or CD should be sent to the Advertising Production Manager at the address identified on the Contact List.

1. Digital files must meet the following criteria:

- Photography must be high resolution at least 5 inches in the smallest dimension at 300 dpi (dots per inch) or 300 ppi (pixels per inch). Do not resample images to larger pixel dimensions to increase image resolution;
- Files must be in an EPS, Tiff or JPEG format. Tractor Supply Company cannot use Microsoft Word documents, Microsoft Excel documents, PowerPoint files or PDFs with pictures embedded in them;
- Files must use CMYK or RGB Color modes only;

- Silhouette images must be sent with the path name “Path 1”;
- Digital camera shots - RGB Jpegs saved with high or maximum quality JPEG compression;
- Tractor Supply Company can accept stuffed or archived files in Zipit, DropStuff or Stuffit.

2. Additional photography direction:

- Products displayed on cards or backboards need to be shot straight on;
- Packaging such as dog food, bird seed, grass seed and flexible bags should be shot straight on with no wrinkles, no glare and filled with the product or filling. Laying the bag flat and shooting from overhead gives the bag a full look and the contents do not settle to the bottom of the bag;
- Products such as mowers, chainsaws, log splitters, UTVs, etc., need to be shot at multiple angles including:
 - Complete side shot left;
 - Complete side shot right;
 - 3/4 view left;
 - 3/4 view right (showing the front and sides of the products);
 - Front shot;
 - Rear shot;
 - Close up images of special features should be provided.
- All products must be photographed without backgrounds. The images will be used as silhouettes;
- Lifestyle photography (product shown in a typical setting) is also desired. Any existing lifestyle photography should be provided and additional lifestyle photography may be required, depending on advertising needs.

3. Photography Identification

Each photo provided needs to be identified with the correct Tractor Supply Company SKU number.

For multiple angles, use the following for naming each file, where the numerical digits represent the SKU number:

0000000_F.eps front view	0000000_AL.eps left angle view
0000000_B.eps back view	0000000_AR.eps right angle view
0000000_L.eps left view	0000000_S.eps special feature
0000000_R.eps right view	0000000_S2.eps special feature

If the required photographs are not available Vendor may utilize one of the Tractor Supply Company’s approved photographers whose contact information is available on the Contact List.

B. Logo Artwork

Tractor Supply Company sometimes utilizes brand or manufacturer logos adjacent to product photography in advertising materials. Brand and / or manufacturer logos are required for all products as vector art files.

Both color and black & white logos are required.

C. Copy Requirements

Copy describing the product, along with bullet point feature and benefit copy must be provided for each item.

D. Use of the Tractor Supply Company Logo

Use of the Tractor Supply Company logo on vendor product, packaging or advertising materials must be approved by Director of Mass Marketing, found in the Contact List. Once approved, logo graphic standards must be adhered to. Access to graphic standards and logo artwork will be provided once use of the logo is approved.

VIII. Merchandise Presentation

A. Plan-o-grams / Fixtures / Promotional Fixtures / Resets

1. Plan-o-Grams

Tractor Supply Company's expansion goals cross geographical areas and markets where tailored assortments are critical. This is especially important in an effort to maintain plan-o-grams for all areas of the store. Tractor Supply Company uses JDA / Intactix Space Planning space management software and maintains a 7,600 square foot plan-o-gram display room to aid you in the set-up and plan-o-gramming of your products. To make an appointment to set-up your product samples in the Tractor Supply Company plan-o-gram display room, contact Tractor Supply Company's Merchandise Presentation Department at the telephone number provided on the *Contact List*.

If you are considering space management software, Tractor Supply Company urges the Vendors to consider using JDA/Intactix Space Planning. Tractor Supply Company's Store Planning Manager will be happy to answer questions or assist you – his/her contact information is contained on the Contact List. If your company uses JDA/Intactix Space Planning technology and wish to propose a plan-o-gram for Tractor Supply Company usage, submit your plan-o-gram proposal in .PSA file format via email to the Store Planning Manager or the respective Space Planner for your product category. The Tractor Supply Company SKU number must be used to identify items in the plan-o-gram.

If you are a Vendor or a Vendor service representative that services our stores, note that all plan-o-grams must be set in the stores in accordance with the company published plan-o-gram. Any desired changes must first be approved by the Space Planner, Visual Specialist, and the Tractor Supply Company Buyer. Any recommended variation must be sent to the Space Planner by way of picture or diagram and have prior approval before implementation.

All Vendors must submit a jpg picture of their product exactly how it will be visible on the shelf. The size of the picture may vary; however keep it under 100 kb for portability reasons. Send the files by way of CD-ROM or DVD ROM to ATTN: Store Planning – Images at the Tractor Supply Company Store Support Center, the address of which is on the *Contact List*.

2. Fixtures

When appropriate, Tractor Supply Company uses fixtures and displays to generate sales. It is important to know these definitions:

- Displays are merchandise samples or representations of merchandise used to sell a product;
- Fixtures are the structures in which displays are housed;
- All Vendor supplied fixtures must be approved by the Store Planning Manager.

It is Tractor Supply Company's policy not to pay for Vendor's prescribed displays. Any new fixtures going into the store must have Store Planning's prior approval.

A fixture sample along with a jpg picture, description (which shall include the use and location of where it will be placed), and the model number must be submitted to Store Planning prior to execution. The image may be emailed to the Store Planning Manager and the sample must be mailed to: ATTN Store Planning – Fixture Sample at the Tractor Supply Company Store Support Center, the address of which is on the *Contact List*.

3. Promotional Fixtures

There are other acceptable fixtures used to display and promote your products. As with all fixtures, the Store Planning Manager must approve all Vendor supplied fixtures.

The following is a list of our preferred Vendors. If you are in need of any of these fixtures for your program, you may contact the persons listed. They will provide you with a considerable cost savings when purchasing displays for your Tractor Supply Company program.

Aisle Violators - Shelf Top Sign Holder.

Clip Strips - Tractor Supply Company uses a metal clip strip with a welded plate for our scan label. All clip strips must be able to accommodate our label. Clip strips must match what Tractor Supply Company uses.

Power Panels / Wing Racks / Fast Track - Any products purchased for display on an end cap wing rack must be merchandised using the standard Tractor Supply Company power panel.

Special Order Catalog Racks - If your product line lends itself to a Special Order Program, with your Tractor Supply Company Buyer's approval, you may have your catalog presented on a catalog rack within your presentation. Catalog Racks are only available by emailing Tractor Supply Company's Store Planning department.

4. Resets

Change is a core value at Tractor Supply Company. It is one of Tractor Supply Company's goals to improve our product assortment to meet the ever-changing needs of our core customer. Through this process, you may be asked by the Tractor Supply Company Buyer to submit a proposal to update and improve the products you offer to Tractor Supply Company.

The cost of implementing new programs in the stores is expensive. In preparing your proposal, be sure to include your P.O.P plans and/or Fixture plans to the Store Planning Manager, along with your plans to support the installation of your program. Support can be in the form of a Vendor set up team to complete the reset of your product, or financial support to allow our stores to dedicate our team members to reset your program.

B. Merchandise Packaging / Point of Purchase Guidelines

1. Purpose

To establish clear Packaging and P.O.P. guidelines to maintain consistent and sustainable programs for all Tractor Supply Company stores, improve the method in which we talk to our customers, and improve your product's presentation and sales.

2. Private Label Packaging

All printing of private label packaging must be completed by a certified printer. The certified printer listing can be viewed (PDF) in the Vendor Center – Document Library. If you have a preferred printer that you would like to pursue our certification process, contact the imports department for pricing and the documented procedure.

3. Product Identification

It is the Vendor's responsibility to ensure each sell unit has the proper labeling as required by the Fair Product Label Act and Uniform Commercial Code. This includes, but is not limited to, the country of origin and manufacturer's identification markings.

Selected Tractor Supply Company purchases will require the items to be pre-ticketed or pre-priced. The Tractor Supply Company Buyer will provide Vendor with information required for pre-ticketing or pre-pricing when required.

Placement of the price labels should be front, top left corner. SKU# and price should appear on the label, and total box size would determine label size. The background should be white with black print.

4. Distributor and Country of Origin Statement

This identifies Tractor Supply Company as the distributor of record for the merchandise, as well as identifies the country in which the merchandise was manufactured. If the item is a branded product, then the Vendor name can be used as the distributor of record for the merchandise, as well as identifying the country which the merchandise was manufactured.

The Country of Origin line must be the same size as the largest font used for the distributor information.

Distributed By:
TRACTOR SUPPLY COMPANY
200 POWELL PLACE
BRENTWOOD, TN 37027
MADE IN U.S.A.

Match the punctuation and the capitalization of the words in the statement shown above. The statement may be left unjustified, centered, right justified or on one line with bullets.

5. Non-Apparel Packaging Guidelines

Your packaging should be the final element in the overall signing process.

- Your product should be in 4-color, easy to read packaging;
- Plain brown or white boxes are not acceptable. Work with your Tractor Supply Company Buyer to ensure that your packaging meets Tractor Supply Company guidelines;
- Graphics should list selling points, "step up" and "add on" sales;
- Boxed goods should be attractive, minimum cube, and stackable;
- Carded product should hang straight with lightweight goods. Packaging should be attractive, durable, space conserving and informational;
- Packaging should be geared towards our target customer, focusing on features that fit the needs of our customer;
- All environmental claims made on your packaging must be substantiated with proper documentation, before your product is sold in our stores;
- Merchandise that will be displayed or stored outside must be protected from the weather and have durable, non-fading full information labels;
- On all selling units, the UPC bar code must be placed in accordance with the UPC Guidelines;
- All packaging (including any changes to pre-approved packaging) is subject to Tractor Supply Company approval, which is required at least eight weeks before store execution.

6. Signing Guidelines

- Your merchandising, packaging, and display should tell the customer everything they need to make a decision;
- Keep your P.O.P. simple;
- Make it brief and basic;
- Make it easy to read;
- Make it eye-catching;
- Use clear common language (avoid industry terms);
- Focus your P.O.P. to our target customer;
- Your P.O.P. should be easy to install and maintain;
- You are expected to take ownership of all aspects of your signing program, including design, development, production and maintenance.

7. Designing P.O.P.

- When designing your P.O.P. keep in mind that P.O.P. material should compliment your product, not over power it;
- Your P.O.P. should suggest the appropriate add-on items (along with Tractor Supply Company SKU numbers) that will help the customer complete their “project”;
- Design your P.O.P. on material that will last for an acceptable period of time before replacement is needed;
- Be prepared to support future replacement signs as needed;
- The type and size of your P.O.P. requires the approval of your Tractor Supply Company Buyer and the Merchandise Presentation Department;
- Acceptable types of P.O.P. are outlined below in Section 5. “P.O.P. Styles”;
- Prior to reprinting any P.O.P. elements, review the current P.O.P. with your Tractor Supply Company Buyer. This will ensure that all your P.O.P. is current with your existing product offering;
- Submit proposed P.O.P. to the Store Planning Manager in jpg format that has the following information attached to it: POP number, Plan-o-gram, description, and placement.

8. P.O.P. Styles

Tractor Supply Company requires that you standardize the appearance of your P.O.P. in the store and across the chain. Discuss your fixture needs with Merchandise Presentation to best feature your P.O.P. The following styles of P.O.P. are part of Tractor Supply Company’s standard P.O.P.s:

Aisle Violators: Some areas or products will benefit with the use of aisle violators, however, use in our stores requires the approval of Merchandise Presentation Department. There are 2 acceptable fixtures used for Aisle Violators, one framed, one using “grippers”. Discuss your needs with the Merchandise Presentation Department.

C Channels: Tractor Supply Company uses a standard 3 inch channel in areas where we use wide span or multifunction racking. In these areas, your P.O.P. must be designed to fit this channel. Samples of this channel are available from the Merchandise Presentation Department.

Fact Tags: All large, freestanding items or display pieces require a fact tag. Fact tags should focus on the features and benefits and allow space for the pricing scan label. To maintain consistency in our stores, unless approved by your Tractor Supply Company Buyer, all fact tags should be designed using the standard Tractor Supply Company fact tag template provided by your Buyer. A replacement program should also be in place to support your P.O.P. program. If your product is going to be merchandised outside, your fact tags must be made of a weatherproof material.

Gondola Headers: As gondola space is limited, the use of headers in pegboard space requires the approval of Merchandise Presentation Department. If approved, headers should be designed to attach to the pegboard using “push buttons” into the peg holes, not tape.

Banners: The use of hanging banners, either inside or outside, requires the approval of the Merchandise Presentation Department.

Standard Signing: Our stores use standard 7x11 sign holders for the promotion of large items or mini-pallets. 5x7 cards are used for products bought for end cap promotions.

9. Use of Logos

(a) Vendor Logo: Tractor Supply Company sells products, not companies. While brand recognition could be an important factor in the customer making a buying decision, your logo should not occupy more than 10% of the total sign. Any variation from this requires Tractor Supply Company approval.

(b) Tractor Supply Company Logo: The use of the Tractor Supply Company logo is strictly prohibited without the approval of the Tractor Supply Company Director of Mass Marketing. If the use of the Tractor Supply Company logo has been approved, ask your Tractor Supply Company Buyer for a copy of the Tractor Supply Company Graphics Standard Manual.

C. Apparel Guidelines

Tractor Supply Company requires all apparel to have uniform presentation tools, i.e. hangers and tickets.

1. Hanger Requirements

Tractor Supply Company mandates use of a specific hanger, the order form for which may be found in the Vendor Center – Document Library under Hanger Order Form. Exceptions may be granted by only the Tractor Supply Company Buyer and only in writing. Requests for exceptions must be submitted in writing. Vendors will be subject to a chargeback for failure to comply.

2. Ticket Requirements

Vendors are required to order, at its cost and expense, all price tickets from Tractor Supply Company’s Apparel Ticket Supplier for any delivery. Standardized tickets make a consistent statement on the floor and allow our team members to mark seasonal goods down more quickly and accurately.

This ticket requirement applies to:

- Shirts;
- Outerwear;

- Hanging Jeans;
- Shorts.

Non shelf labeled accessories such as purses, spring straw hats, belts, socks and gloves are excluded from ticket requirements unless otherwise instructed by the Buyer.

The Tractor Supply Company's Apparel *Ticket Supplier Order Form* may be found in the Vendor Center – Document Library. Please note that all information requested on the form must be supplied for an order to be filled:

- The tickets will be color coded according to the season and year that you provide;
- We will print the season code as we do in the product description on our SKU Setup Schedule.
- Seasons correspond as follows:
 - Jan-March: Spring;
 - April-June: Summer;
 - July-September: Fall;
 - October-December: Winter;
 - Non Seasonal (Replenished Items).

For general information and sales consultations, contact Tractor Supply Company's Apparel Ticket Supplier directly at the information provided on the *Contact List*.

D. New Store Merchandise Procedures

1. New Store Policy and Terms

Tractor Supply Company has specific opening procedures and guidelines for new stores. Tractor Supply Company defines a new store order as any order placed prior to store's Soft Opening Date to support a new, remodeled or relocated store opening. Review the guidelines in this section and adhere to ship dates as requested. Early shipments to new stores will be refused and the Vendor will be charged back any cost incurred by Tractor Supply Company in connection with early shipments.

2. Vendor Merchandise Set

Timing is critical in Tractor Supply Company's new store process. All merchandise that is set by Vendors should arrive the week fixtures are being set (ship on requested ship dates). This allows the store team members time to process the merchandise. The Vendors should then expect to have their representative in the store the following week to set the merchandise on the counter following the established plan-o-gram. Make sure that the personnel in charge of setting the store contacts the New Store Manager in advance of arrival so as not to delay this process.

3. Vendor Training

In-store training must be scheduled three weeks prior to the date merchandise arrives. All training should be scheduled through the New Store Manager. Most of the training should occur or be completed two weeks prior to the Soft Opening Date. Additional training may be requested for a later date.

4. Point-of-Purchase, Displays, Racks, and Catalogs

All P.O.P. (Point – Of – Purchase) catalogs, displays and racks must be shipped Tractor Supply Company's Store Opening Contractor whose contact information is included on the Contact List. The Vendor supplied

P.O.P. catalogs, displays and racks will be delivered to the new stores by the Store Opening Contractor along with other fixtures. To assist the store personnel in identifying Vendor's items, Tractor Supply Company asks that the Vendor clearly identify these cartons with large brightly colored labels indicating the Vendor and use of the display.

5. Grand Opening Attendance

Select Vendors will be requested to attend and work our new store Grand Openings and Grand Re-Openings.

E. Vendor's Display and Other Equipment

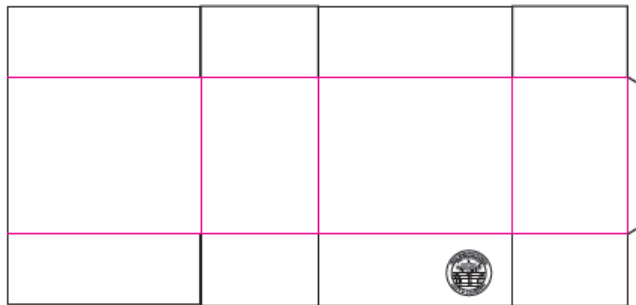
Vendor may provide a display or other equipment for TSC's retail locations at no cost to TSC and at TSC's sole discretion as to size and placement. In the event Vendor provides such display or other equipment, TSC agrees that only Vendor's goods shall be placed in such display or other equipment. Unless otherwise provided herein, Vendor shall retain ownership of the display and/or other equipment and may retrieve such equipment at any time upon providing at least ninety (90) days notice to TSC.

IX. Pre-Shipment / Packaging Requirements

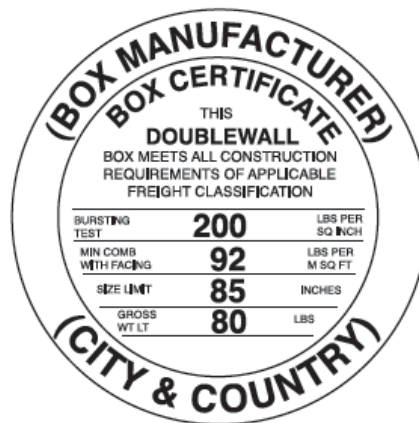
A. Carton Packaging Requirements

1. Merchandise Shipping in Master Cartons

- Merchandise packaging that is encapsulated inside a master shipping carton of more than 1 unit per master shall be placed in an RSC (Regular Slotted Container);
- Minimum Performance of Master Carton is 200# Mullen (Burst);
- Minimum B/C, or B/A Doublewall corrugated (5 ply);
- Packaging Style RSC (Regular Slotted Container) see illustration below;



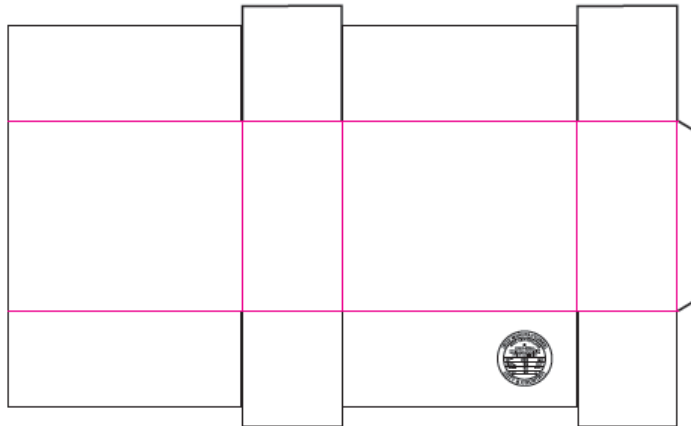
- Flute Direction (Corrugation) shall be parallel to the carton depth (height). Variances must be approved by TSC Product Development;
- Manufactures' mark to be printed on bottom of carton, certifying packaging meets minimum performance specification. See illustration below;



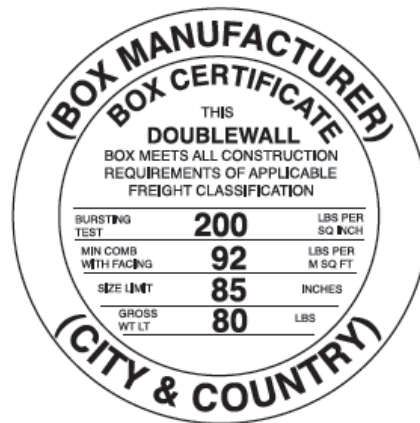
- Manufacturer's joints to be glued on lighter weight items, and stitched on heavier items when applicable;
- Top and Bottom of carton shall be taped with 3 mil polyester tape on all exposed seams;
- Packaging cannot use straps or bands as method of securing carton;
- All packaging changes must be pre-approved by Tractor Supply Company.

2. Merchandise Shipping in Retail Packaging

- Merchandise that ships and is sold in the same packaging (no master carton) requires additional design and performance consideration;
- Minimum Performance of Master Carton is 200# Mullen (Burst);
- Minimum B/C, or B/A Doublewall corrugated (5 ply);
- Packaging Style to be FOL (Full Overlapping Flaps) see illustration below;



- Flute Direction (Corrugation) shall be parallel to the carton depth (height). Variances must be approved by TSC Product Development;
- Manufactures' mark to be printed on bottom of carton, certifying packaging meets minimum performance specification. See illustration below;



- Manufactures joints to be stapled;
- Bottom of Carton to be stapled at flap;
- Top Flap to be glued, or securely taped with 3 mil polyester tape on all seams;
- Packaging cannot use straps or bands as method of securing carton;

- Litho Boxes require a minimum 300 gsm CCNB top sheet with 80 brightness;
- Flute visibility has a negative impact at shelf and should be minimized by increasing GSM of face sheet when possible;
- Inner pack of fragile merchandise will require space between carton ID and product. A good medium for this application is EPS, as it will absorb impacts well, protect product and reduce exterior carton deformation from impact and handling within the supply chain;
- Graphic Labels shall be flood coated with water based UV to protect printed images;
- All packaging changes must be pre-approved by Tractor Supply Company.

3. Product Specific Packaging Guidelines

Certain Tractor Supply Company products require specific packaging guidelines. Please see below list of products that have individual requirement specifications:

- Gas Installed Products;
- Electric Portable Products;
- Heating Accessories Products;
- Cast Iron Cookware Products.

4. E-Commerce Apparel Packaging Guidelines

- Each selling unit needs to be folded in its own poly bag with the following printed outside of the bag:
 - UPC number and barcode for the product;
 - Tractor Supply Company SKU number;
 - Vendor style number;
 - Warning label printed on the bag that reads the following: **Warning: To avoid danger of suffocation, keep away from babies and children. Do not use in cribs, beds or playpens. This bag is not a toy.**
- The hang tag on the garment should have the following:
 - UPC number and barcode for the product;
 - Vendor style number;
 - Size;
 - Color identification.
- The garments should **not** be on hangers.

5. Inner Case Packs

- Inner Case Pack quantities must be packaged together in shippable cartons within the Master Case Pack Carton;
- Seal the Inner Case Packs securely with polypropylene film or packaging specifically designed for the product;

- The Inner Case Packs must be in packaging that assures merchandise will not be damaged or blemished; glass-on-glass contact must be avoided;
- Carton items must have separators within the carton to prevent the units from impacting and breaking one another;
- All packaging changes must be pre-approved by Tractor Supply Company.

B. Carton Labeling Requirements

1. Domestic Master Case Pack Carton Labeling

All cartons must have Vendor name, origin address and Tractor Supply Company's ship to address on the outside of the carton. Each carton must also be clearly marked with:

- Store Number or DC Number;
- Purchase Order number;
- Carton number (Example: 1 of 4, 2 of 4, etc.) by Purchase Order;
- Vendor part #;
- Tractor Supply Company SKU #;
- Description;
- Expiration / Shelf Life dates, if applicable;
- Lot numbers, if applicable;
- Number of inner case pack count;
- Number of selling units count.

DC Stock Items Packing guidelines:

- Items with different SKU numbers may NOT be mixed in a Master Case Pack;
- Shipments for more than one Purchase Orders may NOT be mixed in a Master Case Pack;
- Shipments for more than one Purchase Orders may NOT be mixed on a pallet.

2. Domestic Inner Case Pack Labeling

Mark at least one side of the carton with the following information:

- Vendor Item Number;
- Tractor Supply Company SKU # (from the Tractor Supply Company Purchase Order);
- Case Pack (number of units in a shippable inner pack carton);
- Purchase Order Number;
- Item Description (from the Tractor Supply Company Purchase Order).

3. Import Master Case Pack Carton Labeling

Mark at least one end of the carton with the following information:

- Vendor Name;
- Purchase Order Number (taken from Tractor Supply Company Purchase Order);
- Destination (destination of Purchase Order);
- Tractor Supply Company SKU Number (taken from Tractor Supply Company Purchase Order);
- Case Pack (number of units in a master carton);
- Carton Number (Box 1 of 2);
- Gross Weight (the weight of the carton including item, packing material and carton);
- Cubic Feet (the cube of the carton);
- Country of Origin (Country where the item was manufactured);

Mark at least one side of the carton with the following information:

- Purchase Order Number;
- Carton Number;
- Country of Origin (Country where the item was manufactured).

4. Import Inner Case Pack Labeling

Mark at least one side of the carton with the following information:

- Vendor Item Number;
- Tractor Supply Company SKU # (from the Tractor Supply Company Purchase Order);
- Case Pack (number of units in a shippable inner pack carton);
- Purchase Order Number;
- Item Description (from the Tractor Supply Company Purchase Order).

5. Store Display Carton as Shipping Carton Labeling

See below requirements for product store display cartons that will also act as shipping carton:

- The label must be **3"x 4"** in size with **14 pt. font**;
- The label should be placed in the least obtrusive location and cannot cover artwork/graphics or product information;
- The label must contain the following items:
 - Purchase Order Number (taken from Tractor Supply Company Purchase Order);
 - Destination (destination of Purchase Order);

- Tractor Supply Company SKU Number (taken from Tractor Supply Company Purchase Order);
- Carton Number (Box 1 of 2);
- Gross Weight (the weight of the carton including item, packing material and carton);
- Cubic Feet (the cube of the carton);
- Country of Origin (Country where the item was manufactured);
- **The Label must NOT contain the Manufacturer/Vendor name.**

6. Fragile Marking

Cartons containing merchandise manufactured from or containing “breakable” materials must be marked FRAGILE. The size of this information will vary upon the carton size; however, it should be the most prominent (biggest) graphic on the carton.

Examples of what merchandise to use the FRAGILE markings on include, but are not limited to those items manufactured with: Glass - Ceramic - Porcelain – Polyresin – Stoneware

C. Pallet Requirements

All domestic shipments must be shipped on pallets per Tractor Supply Company’s pallet requirements. If better cube utilization can be achieved by placing product on slip sheets, Vendor must get prior approval in writing from the DC Analyst.

Product that is palletized shall be sorted by Purchase Order number (if the same destination) and then by SKU number. Multiple destinations are not allowed to be mixed on a pallet. All of one SKU on a particular Purchase Order should be on the same pallet, if possible. Should the quantity of a particular SKU be less than that of a full pallet, all of that SKU should be grouped (layered) on the same pallet. Pallets should then be loaded together so that all of a Purchase Order is together and then all items with the same SKU are together. If Purchase Orders are combined on a pallet, each Purchase Orders should be separated by a slip sheet or cardboard divider.

As a policy, Tractor Supply Company will not pay pallet charges. Do not list these charges on the invoice as a separate line item. Any pallet charges shared by Tractor Supply Company and Vendors must be built into the cost of the goods. Tractor Supply Company does not participate in pallet exchange or CHEP programs.

In order to maximize cube utilization and/or to prevent damage to product, alternative methods of stacking (i.e. floor loading, mini-pallets, over sized pallets) may be used, with the prior approval of the DC Analyst, found in the Contact List.

1. Pallet Specifications

- Acceptable Pallet Dimensions are: Length 48” x Width 40”, 4 -way entry;
- Materials: Group III and/or IV hardwood, clean sawn;
- Deck Boards (7 required):
 - Outer boards (2) = 5-3/4 inches;
 - Inner boards (5)= 3-3/4 inches;
 - Deck boards: flush with outside runners;

- Space between boards: 3 inches (max).
- Bottom Boards (5 required):
 - Outer boards (2, chambered) = 5-3/4 inches wide;
 - Inner boards (3) = 3-3/4 inches wide;
- Thickness (deck and bottom boards): minimum of 5/8 inch;
- Runners (3 per pallet): 3-5/8 inches tall, 1-1/2 inches wide, and 48 inches long, notched in two places for 4-way entry.

2. Product Loading Specifications

- All product must be within the size confines of the pallet;
- Pallet overhang cannot be more than 3 inches on any side of the pallet for bagged commodities;
- Pallets must be wrapped sufficiently to prevent product shifting and damage;
- For international shipments, if the carton (or bundle) weighs more than 75 lbs, product should be palletized or loaded on a slip sheet. Loading method must be approved by our Packaging and Rounding team. Please submit request via email at: LogisticsPackagingandRounding@tractorsupply.com;
- Clear shrink wrap must be used to wrap pallets.

It is the Vendors responsibility to securely load all pallets into trailers/containers to prevent shifting and damage during transit.

3. Alternate Pallet Request

Alternate pallet type request must be approved in writing by a Tractor Supply Company Logistics Analyst. Alternate pallet proposals should be requested via email at: logisticspackagingandrounding@tractorsupply.com

Each request must include the following information:

- Alternate pallet dimensions;
- Alternate pallet weight;
- Type of material;
- Number of fork lift entries (2-way, 4-way etc.);
- Quantity of Tractor Supply Company SKU/selling unit per pallet;
- Cube variance between standard and alternate pallet in selling unit quantities;
- Alternate pallet dimension with product loaded on pallet;
- Alternate pallet weight with product loaded on pallet;
- Documentation verifying alternate pallet has been quality tested for durability to support and protect product when stacked;
- Sample pallets may be requested for Tractor Supply Company internal quality testing;
- **Two pictures, one of the alternate pallets itself and one with product loaded on pallet.**

D. Loading Policy

Proper loading of trailers is necessary in order to minimize shipment damage and effectiveness in which shipments can be received. It is the Vendor's responsibility to ensure that the load is secure.

The Vendor must either stack down or block and brace the load appropriately. Always load heavy freight on bottom with light freight on top to prevent crushing and load instability.

When loading product on a trailer that will not be filled to capacity, stack down the product on the rear of the trailer to resemble stair steps. This should minimize product from falling while the trailer is in motion, thus reducing the chance of damage.

It is the Vendors responsibility to securely load all pallets into trailers/containers to prevent shifting and damage during transit. Loads should be secured so they will not shift or reposition in transit. Voids should be filled with bracing between pallets with air-filled padding bags. Load bars, rope tie downs, floor braces and straps should be used to keep the load from moving and add stability.

Tractor Supply Company monitors both shipment and product quality. Any shipment that does not follow Tractor Supply Company's shipment requirements may result in a quality hold at the receiving facility. Major shipment quality issues require the Vendor or an affiliate to come onsite for corrective action. Minor shipment quality issues may result in Vendor penalties. Penalties include but are not limited to re-work, third party labor, supervision and floor space fees for trouble product.

E. Packing List Requirements

To ensure the efficient receipt of your shipment, all shipments must include a Packing List and have the Purchase Order number clearly marked on the outside of the boxes. Line items on the packing list must be in the same order as on the Purchase Order.

Two packing lists must be supplied. One packing list shall to be given to driver and the other must be placed on the first pallet that will be unloaded off the trailer/container. The Packing List must be visible and be enclosed in an envelope marked "Packing List".

Vendor packing slip information must match actual product shipped.

The Packing Lists must include the following information:

- Purchase Order Number (with release number on blanket Purchase Orders);
- SKU Number (our item numbers are cross-referenced on our Purchase Orders);
- Vendor Part Number;
- Quantity Ordered;
- Quantity Shipped;
- Lot numbers, if applicable;
- Expiration dates, if applicable;
- Vendor contact information.

F. Inbound Infestation

All inbound loads are subject to inspection for unsanitary infestation that violates U.S. Food and Drug Administration (FDA) standards upon arrival at a Tractor Supply Company location. Any load determined to have infestation violations present will be sent back to the origin at the Vendor's cost and will include administration charge backs.

Infestation violations include but are not limited to:

- Live rodent/vermin or bird infestation;
- Dead rodent/vermin or bird infestation;
- Rodent or bird nesting material;
- Evidence of animal excreta;
- Product packaging with characteristics of urine stains;
- Evidence of gnawed product packaging.

These violations can create a public health concern to our consumers and employees. Any Vendor found violating FDA regulations on inbound loads will be required to put a corrective action plan in place. This will include changes in their property, physical equipment, and any necessary changes to bring product handling operations into conformance with FDA sanitary requirements.

G. Cross Dock Shipments

Cross dock (mark for store shipments) shall be defined as any merchandise that is shipped into the DC with the intention that it will not be received into DC stock, but rather processed directly into the designated store freight lane for shipment to the store as soon as delivery is possible. Each store will have its own purchase order number.

The requirements that must be followed by Vendors that ship via the cross dock method at any time are outlined below:

- **Stores must be grouped together on a pallet;**
- The Vendor should clearly mark each pallet with a placard consisting of; the individual Store number, Purchase Order Number, and pallet number (i.e. 1 of 2, 2 of 2) on two sides of the pallet. This information should be large enough to be visible from a distance of 5 feet, to alleviate the need for the equipment operators from dismounting their equipment to read the information on each pallet;
- For all cross dock shipments, Tractor Supply Company's cross dock GS1-128 label must be used on each carton. See the following page for the cross dock GS1-128 label diagram. The Purchase Order Number must be printed and bar coded on the form;
- A packing list must be attached to the lead carton for the PO per Tractor Supply Company's packing list requirements;
- An attachment must be included with the Bill of Lading identifying the Tractor Supply Company store which is the shipments final destination, its corresponding Purchase Order Number and the number of cartons per store. The word "CROSSDOCK" should be clearly marked on the Bill of Lading;
- If multiple Purchase Orders are on the same shipment and going to the same destination, the Vendor must place them on one master Bill of Lading;
- All Special Order Purchase Orders must be clearly identified on the Bill of Lading and Packing Slip, especially if shipped with a regular stock order.

1. Cross Dock GS1-128 Diagram

All cross dock shipments must contain the following GS1-128 shipping label. See next page for instructions on how to create the GS1-128 label.

From: ZONE A Ship From Name and Address	To: ZONE B Store Name and Address
ZONE C	ZONE D
PO Number: ZONE E PO Number (Readable and Scan Eligible)	
ZONE F	
ZONE G Unit Number of Total Units	Store: ZONE H Store Number
ZONE I SSCC-18 Serial Shipping Container Code (Readable and Scan Eligible)	

Uniform Code Council Label Zone Format, with SSCC-18

Shaded Zones – Contain required content
 Unshaded Zones – May contain optional content

Required Content by Label Zone

- Zone A – “From:” literal / Complete vendor name and address
- Zone B – “To:” literal / Complete store ship-to name and address
- Zone E – “PO Number:” literal / Purchase Order number in a readable format and bar code
- Zone G – “Case/Pallet of Total Case(s)/Pallet(s) Per Store” literal / Example: 1 of 3, 2 of 3, 3 of 3
- Zone H – “Store:” literal / Store Number
- Zone I – 18 digit Serial Shipping Container Code in a readable format and bar code

The “ZONE X” references in the label above are for reference in this document only and are not to be printed on the actual labels.

2. Cross Dock GS1-128 Example

SHIP FROM: ABC International 4410 Mt. Zion road Gary, IN 46401	SHIP TO: Tractor Supply Store #1130 1325 South Broadway Minot, ND 58702
PO Number: 1007784155 	
1 of 1	STORE: 1130
SSCC - 18: (00) 0 00 12575 100700812 1 	

H. Master Display SKU Label

Master display SKU's are TSC item numbers that contain multiple component SKU's. The display SKU will represent a specified number of the components. The order will flow through the supply chain as the display SKU and then break into components once it is received at the store. Vendors are notified through Inventory Management and their purchase orders when they have been selected to ship master display SKU's.

Master display SKU's must meet all standard TSC labeling requirements as well as have the following label on the master carton:



Label Requirements

- Must be **Fluorescent Orange**
- Must contain the following verbiage: **MASTER SKU CARTON**
- Must contain **TSC Master Display SKU Number**
- Must contain the following verbiage: **DO NOT OPEN CARTON AT DC**
- The size of the label must be **5" x 7"**

I. Seasonal and Special Event Labeling Requirements

Tractor Supply Company requires event codes and seasonal symbol labels to be used when shipping seasonal or special event merchandise.

1. Event Code

The event code corresponds to specific Tractor Supply Company scheduled merchandise events. You must include the appropriate event code text on the bottom of the seasonal symbol label located on the Master Case Pack Carton.






The event code must appear on the label in:

Arial 36 pt. bold font

2. Seasonal Symbols

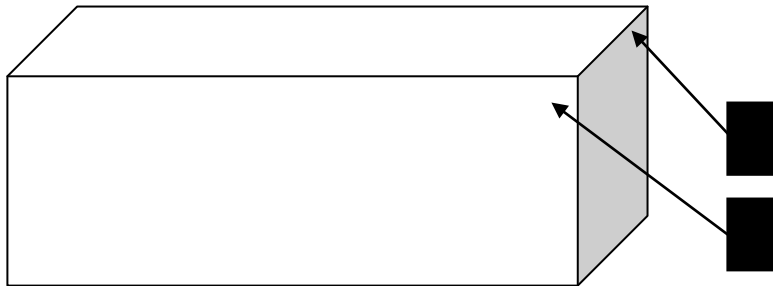
The seasonal symbols identify the type of product contained inside the carton. This allows Tractor Supply Company's stores and distribution center to quickly and efficiently identify time sensitive product as it arrives. Tractor Supply Company approved Special Event and Seasonal Symbols are as follows and may be found in free clip art on Microsoft Office Online.

 1. SUMMER	 2. FALL	 3. WINTER	 4. SPRING
 5. TOOL	 6. HARVEST	 7. GIFT	 8. CHRISTMAS

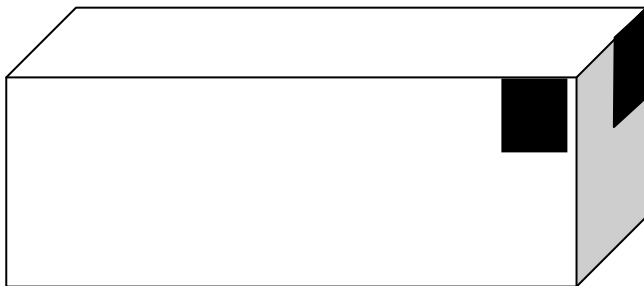
 <p>9. HEATING</p>	 <p>10. CIRCULAR</p>	 <p>11. TOY</p>	 <p>12. PROMO TABLE</p>
 <p>13. ANIMAL</p>			

3. Seasonal and Special Event Label Placement

Place labels on the upper-right hand corner of two adjacent sides of each seasonal merchandise Master Case Pack Carton. The size of the label must be 5" x 7".



1. Place two identical seasonal and special event labels in the upper-right hand corner on two adjacent sides of the carton.



2. All labels must be legible and complete. See sample on next page.

4. Seasonal and Special Event Label Example



X. Domestic Transportation

A. Shipping

Vendor shipments must abide by the ship window dates, indicated on Tractor Supply Company Purchase Orders. See below details by vendor freight terms:

Collect Vendors:	“Ship Not Before” and “Ship No Later”
Prepaid Vendors:	“Do Not Deliver Before” and “Do Not Deliver After”

Vendors will not be penalized for late shipments as long as the Purchase Order is marked ready to ship (TMS planned departure date indicating when the goods are available for pick up) for collect vendors or delivered for prepaid vendors between these two dates.

No Purchase Order should be shipped or delivered before or after the requested ship window without authorization. All late shipments must be communicated to your Inventory Analyst.

Any items received after the cancellation date may be rejected by the Stores or DCs. Product may be sent back to the Vendor at Vendor’s cost, plus cost of the inbound freight.

B. Routing Instructions

1. Prepaid FOB Destination

For all Prepaid FOB Destination Purchase Orders, the Vendor may use the carrier of its choice. Vendors do not have to send notification to Tractor Supply Company for routing instructions if they are a Prepaid FOB Destination Vendor. All Prepaid FOB Destination Purchase Orders must be delivered within the requested ship window. All Prepaid FOB Destination Purchase Orders must have freight included in the Cost of the Product per unit. Tractor Supply Company does not allow any separate line items for charges or Freight on Invoice. For Prepaid FOB Destination Vendors, where Tractor Supply Company does not meet the minimum order amount for prepaid freight on an order it is the Vendor’s responsibility to notify its Inventory Analyst before the order is shipped that they have not met the minimum order amount, to allow them the opportunity to modify the Purchase Order. In the event that the Purchase Order is not modified and the minimum order amount for prepaid freight remains unmet, the order defaults to FOB Origin terms where the Vendor must notify the Transportation Planner for routing and follow the Collect FOB Origin Instructions below. A single Purchase Order cannot be shipped across multiple trailers for domestic shipments.

2. 3rd Party Collect FOB Origin

Tractor Supply Company requires all shipments that are not Parcel (Small Package) eligible be routed through Tractor Supply Company’s transportation department. Tractor Supply Company has chosen preferred transportation providers to facilitate its transportation needs and will pay freight directly to those providers. Tractor Supply Company does not support merchandise purchased as prepaid and add, also known as freight on invoice. Any and all freight on invoice charges will be charged back to the Vendor. Additionally, any order or shipment not eligible for small package will be subject to chargeback if the Vendor does not notify the transportation department for routing or uses an unauthorized carrier.

Freight on Invoice is not permitted under any circumstance and will result in a chargeback to the Vendor.

A Vendor shall not ship multiple LTL or parcel Purchase Orders within a five (5) business day period to the same destination, all Purchase Orders must ship together. A single Purchase Order cannot be shipped across

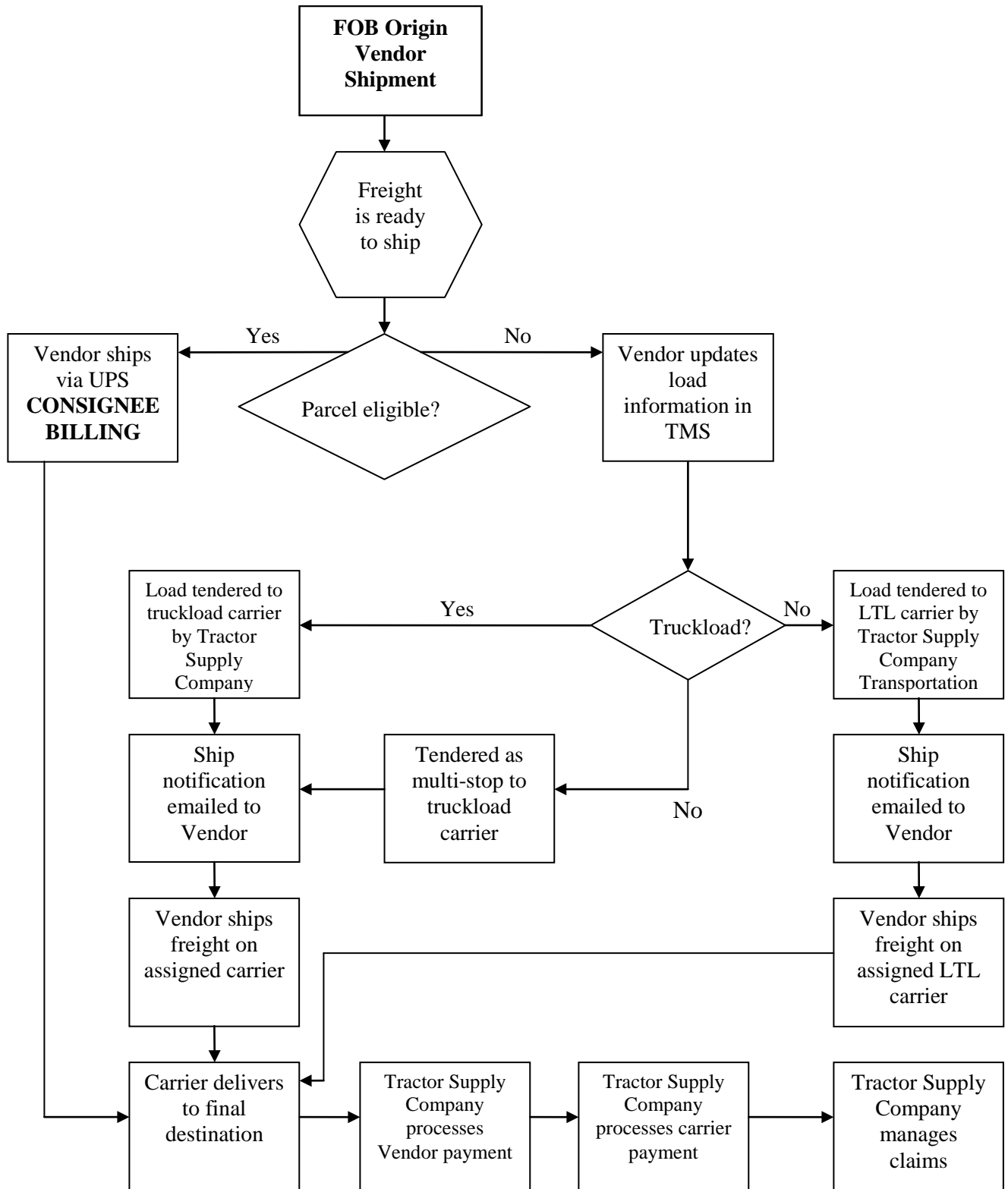
multiple trailers for domestic shipments. Any extra cost for split shipments will be charged back to the Vendor.

Tractor Supply Company requires a notification three days prior to an FOB origin order being ready for pick-up if Tractor Supply Company is responsible for the transportation. Tractor Supply Company will pick up on that date or within 3 business days. Notification shall be via the Tractor Supply Company Transportation Management System (TMS), see *Sterling TMS Instructions* in the Vendor Center – Document Library for TMS instructions. Send order, ready date, origin, weight and cube information at least 3 days prior to Tractor Supply Company. If you have not been trained on Tractor Supply Company’s Transportation Management System, contact the Transportation Department per the information provided on the Contact List.

3. Routing Chart

Origin State	Destination State	Shipment is: 150 pounds or less and 14 packages or fewer and fits in a standard UPS corrugated box not exceeding standard UPS dimensions	Shipment is: More than 150 pounds, more than 14 packages, or larger than standard UPS dimensions
From: Any State	To: Any State	UPS Consignee Billing 800-742-5877 (800-PICK UPS), for further instructions, see section D	Use Tractor Supply Company TMS (www.nistevo.net) or contact your Tractor Supply Company Transportation planner responsible for the state in which the shipment will originate

4. FOB Origin Vendor Flow Chart



C. Transportation Management System

Tractor Supply Company's TMS is a web-based Transportation Management System. Tractor Supply Company plans, executes, tracks and settles shipments through this system. The web address for Tractor Supply Company's TMS is www.nistevo.net.

All Vendors must issue notification via the Tractor Supply Company Transportation Management System (TMS), see [Sterling TMS Instructions](#) in the Vendor Center – Document Library for instructions.

D. UPS Consignee Billing – FOB Origin Vendor

1. Standard Guidelines for Consignee Billing for UPS Small Package Shipments (Parcel)

When Tractor Supply Company is responsible for paying the freight charges, Tractor Supply Company requires all Vendors shipping UPS small package (parcel) to use UPS's "Consignee Billing Program". This is for shipments less than 150 lbs, fits in a standard UPS corrugated box that does not exceed standard weights and dimensions. Never add any UPS charges to your invoices. Consignee billing does not require the use of Tractor Supply Company's account number which will not be given to any Vendor. Other UPS shipment(s) not shipped to a Tractor Supply Company facility; call the Tractor Supply Company Transportation Department for instructions.

Consignee billing is a contractual service between two UPS account holders. If either party is not an account holder, they will need to establish a Daily Pickup or Occasional Ground account prior to using the UPS Consignee Billing program. Services charges for accounts are supplied upon request by the UPS Consignee Billing department. The consignee is required to send the shipper a routing letter, which indicates they are a contracted location and gives authorization to the shipper to use this service. The routing letter may be in the form of a purchase order, fax, or email. Upon receipt of this information, the shipper must contact UPS Consignee Billing at 1-800-354-7527 to get set up for this program.

After the shipper's account number has been contracted, the shipper must determine what method of package recording they will use. If the shipper is currently set up, or interested in being set up, with UPS Online Shipping Software, detailed instructions will be provided on how to record the package as Consignee Billing. For immediate shipping needs, instructions can be supplied for shipping via the Internet if this is available to the shipper. All pickup requests must be scheduled one business day in advance.

Consignee billing does not require the use of the consignee's UPS account number. The charges are billed to the contracted address of the customer. For this reason, it is important that the shipper verify the destination address with the Consignee Billing department.

The address label must match the UPS Billing system exactly (i.e. punctuation, spaces, abbreviations), including the Company Name line. However, the Attention Line does not have to be exact. If the address label does not match the billing system, a charge back will result from UPS to the shipper for the entire freight charges plus an additional \$10 fee per package.

2. How to Setup and Ship UPS Consignee Billing

(a) Using Worldship

- Choose Tools from the menu bar at the top of the screen, and then select Address Book Editor;
- Click on the pull down arrow next to Company or Name;
- Choose the appropriate customer from your database or type in a new customer;

- Click on the Consignee Billed option at the bottom of this screen;
- Select Modify Address, or Add New Address, then Close;
- Record and label the Consignee Billing package as any other package.

If you have any technical problems while processing this, contact UPS Technical Support at 1-888-553-1118.

If you have any questions about these instructions, contact UPS Consignee Billing at 1-800-354-7527.

(b) Using UPS.com

- Go to www.ups.com and log in with your User ID and password. If you are new to our site, click on Register at the top right of the screen. If you are already registered, skip to Step 7;
- Once you have logged in, click on My UPS at the top right corner of your screen;
- The screen that appears is separated into four groups. The first one on the left side is Manage My UPS. Inside this box is Account Summary – click on Account Summary;
- On this new screen titled Account Summary, you will see a blue link; add a UPS Account, click on Add a UPS Account;
- Enter your account information in the provided spaces and click on Add;
- If you entered your information correctly, your next screen should read, Account Added;
- Now at the top right of your screen you will see the Address Book button, click on Address Book;
- When this page loads, click on Add Address;
- Enter the “ship to” address exactly as our UPS Consignee Billing department provided it to you. Keep in mind, the company name and body of the address must be exactly as it appears in the UPS database. If the address is not entered exactly, it may result in your account being charged for the shipping as well as a \$10 unauthorized Consignee Billing charge back;
- At the bottom of this page, click on the box indicating Consignee Billable, then click on Save;
- You are now at the beginning screen of your Address Book;
- Now click on the Shipping Tab at the top left corner of your screen. Choose the Create a Shipment link that appears in the tab;
- On this page choose the address you just added from the drop down menu that says Select One;
- You will see a message appear across the top of this screen, “Your payment method has been set to UPS Consignee Billing”. This means everything you’ve done so far is correct;
- Fill out this entire page with your package information;
- Click on Ship Now and follow the prompts from there.

If you have any technical problems while processing this, contact UPS Technical Support at 1-877-289-6418.

If you have any questions about these instructions, contact UPS Consignee Billing at 1-800-354-7527.

3. UPS Package Requirements

Each package must meet UPS weight and size restrictions as follows:

- Maximum weight of 150 pounds per package;

- Maximum combined length and girth of 130 inches;
- Maximum length of 108 inches - Note: any package exceeding 60 inches but not exceeding 108 inches in length will incur a special handling charge that will be the Vendors responsibility.

Product that is not suitable for transportation via UPS includes:

- Fragile products;
- Any package that normally ships on a pallet;
- Any article, pail, or container not fully encased in an appropriate shipping container;
- Any other service than “Ground Commercial”.

4. UPS Labeling Requirements

All labels must comply with the labeling requirements of Tractor Supply Company.

All Purchase Orders must be entered in the system in reference field 1. The Purchase Order number must appear in reference field 1 without a prefix, just the 10 digit numerical Purchase Order number. Labels without the Purchase Order number in reference field 1 will be subject to Vendor chargeback.

EXAMPLE: 1008574525

Additionally, all cartons need to be sequentially numbered, i.e. “1 of 2”, “2 of 2”, etc.

5. UPS Billing Terms

When you ship a UPS Ground package, that terms are FOB Origin, using UPS automation (World Ship), you will see four payment options:

- Prepaid – sender pays shipping charges.
- Freight Collect – recipient pays shipping charges.
- Third Party Billing – a third party pays shipping charges.
- Consignee Billing – Tractor Supply Company pays shipping charges. **USE THIS OPTION ONLY!**

Tractor Supply Company is set up for Consignee Billing only for FOB Origin orders. Any other option selected will result in you (not Tractor Supply Company) receiving a bill from UPS.

Tractor Supply Company will not reimburse the Vendor when an incorrect billing option is used.

6. Air Freight Approval

Tractor Supply Company requires all FOB Origin small package / parcel deliveries to go UPS Ground Commercial. Any Vendor who ships their products via an air carrier, be it UPS Next Day Air, Next Day Air Saver, 2-Day Air, or 3-Day Select will be responsible for all associated freight charges. Buyers and retail Store Managers are not authorized to approve air shipments under any circumstances and Vendors who ship their products via an air carrier on instructions from a Buyer or retail Store Manager will still be responsible for all air freight charges.

E. Vendor Arranged Delivery Information

All Prepaid FOB Destination shipments, including Special Orders, are accepted at our receiving docks by appointment only. If your truck or a common carrier is making a delivery, advise your driver or carrier that they

must request a DC delivery appointment at least 48 hours before the expected delivery time. Unscheduled deliveries will not be accepted. Tractor Supply Company will not be responsible for re-delivery or detention charges that may result. Tractor Supply Company reserves the right to send back unscheduled or late arrival trucks at the Vendor's expense. Delivery appointments can be made by emailing the DCs at the email address identified in the Contact List.

When calling for an appointment, have the following information available:

- Vendor name;
- Purchase order number(s);
- Number of cartons or pallets;
- Freight carrier and PRO #.

Tractor Supply Company stores accept deliveries Monday through Friday, between the hours of 8:00 am and 5:00 pm. All deliveries to a Tractor Supply Company store require a 24-hour advance notice. Vendor must speak with a Tractor Supply Company store manager, assistant manager or receiver to schedule delivery. A Tractor Supply Company store and DC listing is included in the Vendor Center – Document Library section of this manual. Shipments arriving late for their appointment times or without proper notification will be subject to refusal and chargeback's.

F. Bill of Lading Instructions

It is the Vendor's responsibility to provide a proper bill of lading with every shipment. Shipments must be described in accordance with the item of the governing National Motor Freight Classification (NMFC) for accurate freight rating. It is the Vendor's responsibility to provide the correct NMFC number (including sub item number if applicable), NMFC description and freight classification for the items that are being shipped.

Bill of Lading Required Fields:

- Pickup date of the shipment;
- Distribution Center number or store number;
- Purchase Order Number;
- Complete shipping address
- Complete delivery address;
- For FOB Origin freight, within the body of the Bill of Lading, note freight bill must be sent to the Tractor Supply Company Store Support Center ATTN: Freight Payables;
- NMFC freight class for each commodity being shipped;
- Count of pallets to be shipped on the trailer;
- Number of cases and description of each line item;
- Total weight for each line item described;
- If the commodity you are shipping is considered Hazardous Materials, mark an "X" under the HM section of the Bill of Lading. Any shipment containing hazardous materials must be prepared according to the requirements set forth in the Code of Federal Regulations Title 49, or then current regulations for transportation;
- All shipments shipped on the same day and consigned to the same destination must be combined onto one Master Bill of Lading. If multiple Purchase Orders are on one shipment, the Bill of Lading must

show each Purchase Order Number and the pallet/box count per Purchase Order. Failure to comply will result in Vendor chargeback;

- If routed via LTL carrier, the selected LTL carrier will assign the carrier pro number at the time of pick-up. The applicable carrier pro number should also appear in the body of the Bill of Lading;
- An authorized shipper representative must sign the bill of lading and write the corresponding trailer number;
- The driver's signature with number of pallets or non-palletized cartons ;
- Seal number for truckload shipments after loading is complete;
- "Shipper Load & Count" or "Said to Contain" terms – this will indicate the merchandise was counted, palletized and wrapped by the Vendor prior to loading on the trailer and the carrier did not verify the individual pallet carton counts at the time of pick up;
- Shipper cannot automatically indicate "Driver Count" or a similar notation on the bill of lading, requiring the driver to count the freight;
- All Vendor shipments received are subject to count and inspection;
- Retain a copy of the Bill of Lading for your files after the driver signs.

XI. International Shipping

A. Pest Control Policy

The US Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) regulations require that all regulated wood packing material be appropriately treated and marked under an official program developed and overseen by the National Plant Protection Organization (NPPO) in the country of export. The regulations require that wood packing material used in international trade must be treated in one of the approved methods.

Approved fumigation methods are:

Heat treatment to a minimum core temperature of 56 degrees Celsius for a minimum of 30 minutes

OR

Fumigation with methyl bromide

It is the Vendor's responsibility to make sure all Pest Control Guidelines are met as defined by US Customs and Federal Guidelines, including those identified above.

Each commercial invoice must either state, **“This shipment does not contain any form of wood packing material”** or have a Certificate of Fumigation. Shipments made of imported products as described above without the proper documentation will be refused and payment will not be released.

A copy of the Certificate of Fumigation must also be forwarded to Tractor Supply Company's US Custom's Broker with proper shipping documents.

B. Shipping Instructions

Vendors in the Direct Import Program must renew their Vendor Agreement each year. Shipment approvals (SAMs) will not be given until this requirement is met. Import vendors must be sure to renew their vendor agreement 30 days before expiration to avoid shipment delays.

Tractor Supply Company will determine the most appropriate means to transport the products it purchases. The shipment of merchandise may include, but is not limited to, the use of a consolidator, shipping direct with a steamship carrier, combination of consolidator and direct with the steamship line, and/or routing containers to various locations.

Tractor Supply Company has chosen Expeditors International of Washington, Inc. as its freight forwarder and consolidator. All bookings for Tractor Supply Company must be made through Expeditors' on-line booking tool. For a listing of current Expeditor contacts see Expeditors Contact Information on www.cleartrack.com under Admin > Customer Documents in the "Miscellaneous" document type. Booking must occur a minimum of 14 days prior to the Ship Not After Date noted on the Tractor Supply Company Purchase Order report.

The consignee on the Bill of Lading should always be:

**Tractor Supply Co. of Texas, L.P.
200 Powell Place
Brentwood, Tennessee 37027**

Notify Party is: **Carmichael International Service**
Attn: Imports
2930 Winchester Rd. Suite 601
Memphis, TN 38118
901-767-7806-P 901-767-9093-F

All shipments booked with Expeditors will use the brokerage services of Carmichael International Service. Expeditors will coordinate the collection of documents at origin and forward them on to Carmichael International.

Vendor is also responsible for providing necessary paperwork to the designated Freight Forwarder no less than 1 day prior to CY closing. Expeditor will provide this date at time of booking.

Required paper work in order for merchandise to ship:

- Commercial invoice;
- Packing list;
- Beneficiary Certificate;
- Certificate of Fumigation (if necessary);
- Vendor Verification Worksheet;
- Trademark License Agreement;
- Interim Footwear Invoice;
- GSP Criteria Worksheet;
- Trademark or Copyright Release Letter (if applicable).

If documents are not provided to the Freight Forwarder at least 1 day prior to CY closing, then the cargo will not be permitted to load onto the vessel and depart origin.

Products where Tractor Supply Company is the importer of record, Vendor must use the appropriate TSC RN number. Tractor Supply Company product covered by the Textile, Wool, and Fur Acts and with terms of sale FOB foreign port must use the TSC RN number 129746. This applies to the following product lines; SHIRTS, JEANS, SHORTS, PILLOWS, BLANKETS, PLUSH ANIMALS, and HATS. For additional information regarding RN numbers please see [https://rn.ftc.gov/pls/textilern/wrnquery\\$.startup](https://rn.ftc.gov/pls/textilern/wrnquery$.startup).

Though Tractor Supply Company requires a Commercial Invoice and Packing List per Purchase Order, the Freight Forwarder will bundle Purchase Orders to the same destination onto a single FCR.

The Vendor is fully responsible for any charges that are incurred because of non-compliance to these requirements (i.e. storage, penalties, additional drays, etc.)

No documents – No Shipping.

Container Guidelines

Size	Minimum Cube	Maximum Weight
20' Dry Container	26 CBM	16,783 KG
40' Dry Container	56 CBM	19,958 KG
40' HC Dry Container	67 CBM	19,958 KG
45' Dry Container	75 CBM	19,958 KG

1. CY (FCL) Container Loading Guidelines

CONTAINER LOAD ABILITY REQUIREMENTS

- 20' – RESTRICTED – will not be approved without extraordinary circumstance
- 45' – RESTRICTED – will not be approved without extraordinary circumstance

Container Load Ability Requirements

Size	Cube	OR	Weight
20'	26 CBM		16,783 KG
40'	56 CBM		19,958 KG
40' HC	67 CBM		19,958 KG
45'	75 CBM		19,958 KG

CFS –Less than container load

CBM	Weight	Rule
52 CBM or less	18959 kilos or less	CFS pos must drop into the CFS within the ship window

CY – Full Container Load

CBM	Weight	Rule
53 CBM or more	18960 kilos or more	All CY shipments must sail within the ship window

CONTAINER LOADING INSTRUCTIONS

- Book shipments in 40' HC containers when quantities and ship windows allow:
 - Review pos and order frequency for opportunities that po changes would afford
 - Reduce order frequency increase po qty to 40hc
 - Move qtys from one wave to another to optimize 40hc loading
 - Increase or decrease order qty to meet 40hc requirements
 - Review multi container pos for same opportunities
- Mixed Containers
 - DCs allowed to be grouped and loaded on mixed containers are Pendleton, Waco, Waverly, Lakewood and Franklin.
 - Mixed loads to LA/Long Beach are by exception only.
 - Macon and Macon Import Center pos are allowed to be grouped and loaded on mixed containers to Macon. The pos must be segregated by DC when loading the container.

- All opportunities that would allow for full container shipping to the PO Destination should be reviewed before shipping mixed loads to LA/Long Beach
 - reduce qtys
 - increase qtys
 - adjust ship dates
 - change order frequency
 - etc..
- All full container loads for Pendleton, Waco, Waverly, Lakewood, Hagerstown, Macon, Braselton and Franklin must be booked directly to that DC.
- For LCL Pendleton, Waco, Waverly, Franklin and Lakewood PO's with the same or overlapping ship windows, when combined meet full container requirements for 40gp or 40hc follow instructions below:
 - Place one booking for all DC's – to LAX;
 - Build mixed DC boxes as needed to LAX;
 - Groups that do not meet full container requirements must book on separate CFS bookings to the Po Destination.
- Containers will be loaded by Purchase Order and Item;
- If multiple items are on a Purchase Order, then the container will be loaded complete with one item before the next item for the PO is loaded onto the container;
- Each item/order loaded in the container will have a carton placed at the tail of the container for Customs inspection;
- A packing list and the container load plan must be included on one of the tail-loaded cartons for each order in the container.

If the carton (or bundle) weighs more than 75 lbs, product should be palletized or loaded on a slip sheet. Loading method must be approved by our Packaging and Rounding team. Please submit request via email at: ***LogisticsPackagingandRounding@tractorsupply.com***.

2. CFS (LCL) Container Loading Guidelines

Tractor Supply Company will not accept bookings for 20 ft containers unless the goods meet the weight requirement for the 20 ft container.

Bookings below the CBM guideline are considered LCL and goods will be directed to the consolidation facility. Note the CFS handling charges on *Expeditors Local Charges* in the Vendor Center – Document Library. Tractor Supply Company will allow LCL bookings below the cube guideline if the Vendor agrees to pay for the remaining CBM to meet the minimum guideline.

CFS Loading Instructions:

- CFS PO's must be tendered to the CFS segregated by PO and SKU. This is to ensure CFS can complete an accurate item count.
- A packing list must be provided to the CFS at the time of delivery.
- PO's tendered not segregated by PO and SKU are subject to CFS segregation fee from Expeditors. Refer to Expeditors Local Charges in the Vendor Center – Document Library for related fees.

If the carton (or bundle) weighs more than 75 lbs, product should be palletized or loaded on a slip sheet. Loading method must be approved by our Packaging and Rounding team. Please submit request via email at: LogisticsPackagingandRounding@tractorsupply.com.

3. Equal Distribution for Container Loading

When loading a container, the cargo should be under the specified weight restriction and evenly dispersed throughout the container.

Consolidation Schedule and Fees - may be found in the Vendor Center – Document Library

Through the on-line booking tool, Tractor Supply Company will inform the manufacturer at time of booking if the goods need to be delivered to the CFS location or if they will move CY.

Using the above container guidelines when receiving a new Purchase Order you will be able to determine in advance how the Purchase Order will travel. Example: If you receive a Purchase Order for 1200 units and by using the container guidelines, you determine this represents 5-40ft containers with 250 units left over. The Freight Forwarder will instruct the 250 units to be delivered to the CFS facility and the rest to be factory loaded CY. By working with the Tractor Supply Company logistics department, Expeditors may instruct you to use 3-40 ft containers and 2-45 ft containers.

4. Shipment Quantity for the Purchase Order

No partial shipments allowed. Tractor Supply Company will not pay for overages on the Purchase Order Quantity. Any changes to the Purchase Order quantity or ship date are to be requested within 5 business days of receiving the initial order.

5. Distribution Centers and Shipping Information

Please see Contact List for DC numbers and shipping addresses.

C. International Late Shipment Definitions

Depending on the mode of shipment, Vendor's can incur one or more of the following late shipment violations for the same purchase order

1. Late Bookings

Late Bookings occur when the booking creation date is less than 14 days prior to Ship Not After. Booking a shipment within the appropriate time frame is critical to ensure space on the vessel.

Example: Purchase Order Ship Window: 1/20/2011 – 1/27/2011

*Vendor books on 1/20/2011 (Seven days prior to the ship not after date of 1/27/2011)
Late booking penalty will occur*

To avoid penalty, vendor must have booked no later than 1/13/2011.

2. Late Deliveries (CFS Shipments)

Late deliveries occur when the CFS order is received by the CFS facility after the booked Cargo Ready Date. Vendor must tender cargo to the CFS according to the Cargo Ready Date provided in the booking. Cargo Ready Date must be within the ship window.

Example: Purchase Order Ship Window: 1/20/2011 – 1/27/2011

Vendor books with cargo ready date of 1/25/2011

Vendor tenders to the CFS on 1/26/2011

Late delivery penalty will occur

To avoid penalty, vendor must have tendered to the CFS no earlier than 1/20/2011 and no later than 1/25/2011.

3. Late CY Shipment

Late CY shipments occur when the CY order sail date is after the Ship Not After date. Orders shipped in full containers are loaded at the factory and must sail within the ship window on the purchase order.

Example: Purchase Order Ship Window: 1/20/2011 – 1/27/2011

Vessel Sail Date: 1/29/2011

Late CY shipment will occur

To avoid penalty, the cargo would have to sail within the ship window.

It is the vendor's responsibility to understand CY cut off requirements and time frames required to ensure sailings. Full container shipments loaded at the factory must sail within the stated ship window on the purchase order. Vendors are expected to work with the freight forwarder in order to meet the required ship window.

Full container (CY) cut off requirements differ by origin, steamship lines, port and terminal. Vendors are not required to utilize the freight forwarders trucks to move cargo. Vendors are permitted to work with local trucking lines to secure the best schedule for delivering the container to the port.

Penalties will not be issued where vessel space limitations communicated by the freight forwarder/steamship line caused sailings to fall after the ship not after date (SNA).

4. Late Shipments

Late Shipments occur when Vendor has booked a cargo ready date after the Ship Not After Date.

Example: Purchase Order Ship Window: 1/20/2011 – 1/27/2011

Vendor books with cargo ready date of 1/31/2011

Late Shipment will occur

To avoid penalty, vendor needs to book a cargo ready date ensuring on-time delivery of the cargo.

5. International Shipment Expedite Policy

Tractor Supply Company has a significant amount of capital and time invested in assuring purchase orders arrive on-time and complete. Tractor Supply Company reserves the right to expedite any late import purchase order to assure the shipment arrives on the agreed upon date.

For late import purchase orders that need expediting, it will be a fixed charge. In addition to the standard international late shipment penalties, expedited charges will be based on the number of containers for the late purchase orders, \$3,000 per container and \$1,000 per LCL.

D. Regulatory Requirements

1. Compliance Required

Tractor Supply Company is committed to meeting the rules and regulations of U.S. Customs and Border Protection and other governmental agencies, including without limitation the Environmental Protection Agency, Food and Drug Administration and Federal Communications Commission (collectively “Regulations”) for all Import activity. In the event that products sold to Tractor Supply Company are in violation of any Regulations, the Vendor shall be responsible for any and all penalties levied against Tractor Supply Company and all costs associated with corrective actions.

2. Quantities

Vendor shall not ship merchandise that is not manifested or listed on the commercial invoice. All merchandise shipped must be listed on the commercial invoice with the sales price, regardless of whether the merchandise is being shipped free of charge or to compensate for a shortage on a prior shipment.

3. Free of Charge Goods

If the Seller includes free items (no-charge) such as extra parts, promotional items, or other articles not included in the cost of the merchandise, the free item must be listed as a separate line item on the commercial invoice. The commercial value (what the company would have paid an identical item) must appear on the invoice. It is acceptable to put “Free of Charge” on the invoice for identification purposes, but the price that would be paid for the identical item must be listed. The Seller is responsible for providing documentation to support the value assigned to the free of charge items if requested by Tractor Supply Company.

4. Customs Trade Partnership Against Terrorism (C-TPAT)

C-TPAT is a voluntary joint government-business initiative to build cooperative relationships that strengthen the overall supply chain and border security. Every person and business involved in logistics, distribution, or supply chain management, will be impacted by ongoing efforts to create a more secure global trading system. As a C-TPAT participant, Tractor Supply Company requires its foreign factories to establish written and verifiable procedures corresponding to the C-TPAT security requirements. Each supplier will be subject to random inspections to ensure that procedures are in place. Any non-compliance discovered will require a corrective action plan implemented by the factory. The C-TPAT Security Requirements are summarized in the Vendor Center – Document Library. **NOTE:** As with all regulations, the C-TPAT security requirements are subject to change, the summary is being provided for information only and Vendor is still required to comply with current regulations.

In order to maintain compliance with C-TPAT standards, all Vendors must complete the C-TPAT Vendor Questionnaire. Return the completed Questionnaires via fax or email to the contact listed below within 30 days from receipt of your first Tractor Supply Company Purchase Order.

If the current factory name and address for your product does not match what you have provided to Tractor Supply Company, then you need to take the following action:

If the questionnaire submitted has a different factory name and or address than on the submitted quote sheet, you must submit a revised quote sheet to ensure that the correct factory name and address is on file.

As a Tractor Supply Company Vendor, you are required to certify in writing that your company adheres to these minimum-security guidelines. Each supplier will be subject to random inspections. If you do not currently participate in an approved industry security program, review the foreign manufacturer requirements located at:

http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/security_criteria/criteria_importers/

As we prepare to file for our C-TPAT certification and implement our audit and inspection program, it is essential that you communicate any changes in the factory name and address to the Strategic Sourcing Department via its email address on the Contact List.

E. Preparation of Documents

Each Purchase Order must have a separate Commercial Invoice and Packing List.

To minimize the problems and discrepancies on documents, TSC requires the use of a standard template Commercial Invoice and Packing List. We have developed a sample Commercial Invoice and Packing List for your reference. (See Vendor Center – Document Library)

You may email or fax the Commercial Invoice and Packing List to the Freight Forwarder's origin office. Contact information for Freight Forwarder's origin office is listed in the Vendor Center – Document Library as "Expeditors Contact Information". The vendor can also upload the commercial invoice, packing list and any other necessary documents under the Booking Request section of the booking tool.

Items that are trademarked or copyrighted require a license agreement or trademark/copyright release letter from the owner of the trademark or copyright. The following information must be included to be presentable to US Customs.

- Vendor listed on the Purchase Order is listed as being authorized to manufacture and sell item to US Importers;
- Item being purchased is one of the products covered by the agreement or release letter;
- Term dates are valid and expiration date does not occur before receipt into the DC;
- Trademark or Copyright release letter must be signed by trademark or copyright owner and cover all of the above;
- Email this information to the Strategic Sourcing Department.

F. Import Payment Terms

Tractor Supply offers two payment options to import Vendors. Both options are opened approximately 45 days prior to the earliest shipping date and require an invoice, packing list, FCR, and draft with payment instructions to be paid. Both are subject to change at any time. Careful review of your banking documents and strict compliance will expedite the process and avoid unnecessary delays in your payments. Please note that under the terms of our LC and OA, TSC can deduct 5% of the invoice value to settle any debit balances owed to TSC. More detailed information on the below options is available in Cleartrack under CUSTOMER DOCUMENTS.

1. Letter of Credit

Letter of Credit option offers payment 45 days from the FCR date. The beneficiary is responsible for ALL banking charges under the LC, including those of the issuing bank and any amendments. One invoice per PO is required, but to minimize banking charges, a summary/master invoice is permitted to be presented with a listing of all purchase orders and relevant information, with individual invoices also forwarded in the presentation as back up documents through the bank.

2. Open Account

Open Account option offers payment 30 days from the FCR date. TSC will pay for the issuance of the OA and the beneficiary is responsible for the remaining charges. An advising bank is not needed to use the Open Account, which reduces banking charges.

G. Additional References

Additional information regarding imports, regulations and Tractor Supply Company's contractors may be obtained from the websites identified on the "*Additional Import References*" list located in the Vendor Center – Document Library.

XII. Accounts Payable

A. Back Order Policy

Tractor Supply Company does not accept back orders or substitutions. Thus, Purchase Orders should be handled strictly on a **ship or cancel basis**. Any backorder shipped will be received in with penalty or refused at receipt and returned to the Vendor at the Vendor's expense. A single Purchase Order cannot be shipped across multiple trailers for domestic shipments.

B. Invoice and Billing Requirements

1. Billing Requirements

- Invoices must be submitted electronically via EDI;
- Submit one invoice per Purchase Order;
- Do not combine multiple Purchase Orders on an invoice;
- No back orders – only one shipment per Purchase Order;
- Bill only for merchandise shipped;
- Purchase Orders for SKU merchandise are generated from the Store Support Center. These Purchase Order numbers will be sent to the Vendors via EDI (or on paper Purchase Orders, only if previously approved by Divisional Merchandise Manager). Stores are allowed to generate “Special Orders” for non-SKU merchandise. In these cases, store personnel will call Vendors directly and place orders. The Vendor must obtain a “Special Order” purchase order number from the store for each of these orders. (These Special Order Purchase Order numbers start with an 8 and are currently seven digits long). A valid Purchase Order number must be displayed on the face of your invoice. Names of people or departments are not acceptable;
- No assessorial or miscellaneous freight charges on invoice;
- Net all miscellaneous allowances and charges into the net cost of each line item billed unless otherwise advised by the Buyer;
- Provide Tractor Supply Company's SKU numbers on the invoice and sequence the invoiced items in the same order as listed on the Purchase Order;
- Provide the correct “ship to” location on the face of the invoice. Include store name, address, and store number or distribution center name, address and distribution center number;
- List payment terms on the face of the invoice. Terms should comply with the terms of payment shown on the Purchase Order.

2. Electronic Invoicing

Electronic invoicing is required except for new test Vendors with new test product that is being tested with a limited number of stores (25 stores or less). This includes invoices for both regular SKU merchandise ordered on Purchase Orders generated out of Tractor Supply Company's replenishment system located at the Store Support Center and any Special Order Purchase Orders called or faxed to the Vendors from stores. Tractor Supply Company uses the ANSI X.12 standard for electronic invoicing (document 810). We strongly encourage Vendors to begin electronic invoicing immediately.

For information concerning electronic invoicing, call Tractor Supply Company's EDI Manager at the contact number identified on the Contact List.

3. Paper Invoicing

New Vendors submitting a small test of new product to a limited number of stores (25 stores or less) may submit paper invoices. Send only one original invoice document (no copy or multiple part invoices). Multi-part invoices may be returned to the Vendor or may be assessed a processing fee for separate handling. Mail all non-EDI invoices ATTN: Accounts Payable Department at the address for EDI Invoicing as identified on the Contact List.

NOTE: Invoices that cannot be processed for any of the above reasons may be returned to the Vendor for correction and re-billing. Time-sensitive cash discounts may be taken when billing non-compliance by Vendor causes delays. Vendors with continual invoicing problems may be subject to a processing/handling charge per transaction.

4. Credit Memos

Credit memos for product must reference the following information and be mailed to the same address as paper invoices (see above address).

- “Ship to location” number (i.e. store number, distribution center number, street number, state and ZIP);
- Original invoice number and purchase order number;
- Item quantity, SKU #, description, price etc;
- Reason for the credit (i.e. billing, shortage, price, etc);
- Electronic processing of credit memos is currently not available;

Credit memos for Marketing Support Allowances, Volume Rebate, or Return Goods Credit Memos must reference the following:

- RGA number (Returned Goods Authorization number) ;
- Rebates or Allowances – period covered in credit (i.e. month, quarter, annual and year) ;
- Description of allowance (i.e. New Store Allowance, Volume Rebate, Markdown).

NOTE: Tractor Supply Company will process debit memos for many of the debit memo types listed above along with specific debits for shortages and price discrepancies found during our three-way match process. If a Vendor needs to issue a credit memo to “offset” our debit memo, do not mail the credit. Use a credit memo to clear our deduction on your statement. Do not deduct cash discounts from credit memos.

C. Payment Processing

Tractor Supply Company’s Accounts Payable Department has systems in place to process invoices promptly and accurately if they meet our billing requirements. Invoices that do not meet our requirements run the risk of being paid late or being returned to the Vendor. Merchandise invoices are verified by referencing Purchase Order and receipt information. Once invoices are “matched” to the receiving and Purchase Order records, they become available to pay.

Tractor Supply Company currently processes payments for all “matched” non-discounted merchandise invoices on the 10th and 25th of the month. Discounted invoices are paid daily if the invoices are “matched” and available to be paid on the discount due date. Discounted invoices that miss the discount due date will revert to the 10th and 25th payment cycle.

Payment due dates are calculated based on invoice date and applicable terms.

Tractor Supply Company does not pay finance/service charges or late payment penalties.

Checks are mailed through the U.S. Postal Service using first class mail. Tractor Supply Company also offers EFT (Electronic Funds Transfers) as a payment option for Vendors that bill us via EDI. For more information regarding EFT call the ACH Contact at the number identified in the Contact List. Tractor Supply Company does not offer special delivery of checks utilizing couriers or overnight delivery.

D. Deductions

Deductions will be made for the following:

- Any deviation from the Purchase Order prices and other terms and allowances noted on the Purchase Order will result in a charge back against your invoice;
- Shortages claimed by the receiving store or distribution center will result in a charge back against your invoice;
- Tractor Supply Company will provide the Vendor with a debit memo that details the charge backs or miscellaneous deductions;
- Proof of delivery may be needed to affect payment of an original invoice or pay back of a shortage claim.

When disputing a debit memo deduction, Tractor Supply Company requests that the Vendor return a copy of Tractor Supply Company's original debit memo with appropriate proof of delivery information for shortages and appropriate price information for pricing discrepancies.

E. Debit Balances

Due to changing business relationships or seasonal businesses, Tractor Supply Company sometimes encounters a Vendor in a debit balance (Vendor owes Tractor Supply Company). If this occurs, and the debit can not be cleared in 60 days from ongoing business, Tractor Supply Company requires the Vendor to refund the balance by issuing a check.

F. Account Inquires

Tractor Supply Company's Vendor correspondence clerks handle inquiries from the stores, Vendors, and merchandising department regarding unpaid invoices or payment problems. If there are questions about the handling of a Vendor account, send written documentation and/or copies of the transactions in question to the Vendor's assigned Vendor Correspondence Clerk. Vendors may call Accounts Payable at the number identified on the Contact List, to get a correspondent clerk's name, phone number, and email address.

Inquiries about past due invoices should include:

- Invoice number, date, and amount;
- Purchase order number;
- Store number or distribution center number.

Tractor Supply Company prefers that you supply the above information on an Excel spreadsheet. If needed, Tractor Supply Company can give a Vendor a spreadsheet back with comments as to the status of the invoices in question. This can speed up response to a Vendor's concerns.

Vendors should mail hard copy correspondence concerning pricing discrepancies, proof of deliveries, credit memos, past due invoices, etc. to the Store Support Center **ATTN: Accounts Payable Correspondence/(Vendor's assigned Vendor Correspondence Clerk)**

G. Statements

- Tractor Supply Company pays by invoice, not by statement;
- Do not attach invoices to monthly statements;
- Tractor Supply Company does review Vendor statements to help discover missing invoices and insure prompt payment;
- Statements should be sent on a monthly basis in an Excel file and must include all credits.

H. Cost of Goods Ordered

The Purchase Order SKU cost is the contract cost. As a Vendor accepts a Purchase Order from Tractor Supply Company, the cost on the Purchase Order is the cost that is paid. Any discrepancies must be corrected by contacting the appropriate Buyer before shipping the product. Line item quantities and costs on the invoice must be billed to exactly match the Purchase Order unit of measurement – inches, pounds, feet, gallons, cartons, etc.

XIII. Multi-Channel

A. Multi-Channel Retailing

One of Tractor Supply Company's key strategic initiatives is the continued expansion of its e-commerce and special order business. A rapid increase in the number of SKUs viewable on the site and for sale online is critical to the program's success. It is important for you, the Vendor, to understand that without accurate product data, key specifications, complete descriptions, warranty information and images, your products cannot be shown as available at stores or sold on the website.

Tractor Supply Company has contracted with, an experienced 3rd party data collection firm (hereafter "Data Collection Contractor"), to support the collection of the product content and product images needed to support your products online at tractorsupply.com. Vendors whose products will be available for special order or on Tractor Supply Company's webpage will be contacted by either Tractor Supply Company or its Data Collection Contractor. As part of the process, each Vendor is expected to provide all of the information necessary to support the sales of the products in the multi-channel environment.

B. Multi-Channel Drop Shipment

Certain Vendor products may be eligible for order through TSC's website for shipment directly to the TSC customers who place such orders ("**Drop Ship Program**"). Orders placed by TSC customers for drop shipment are Purchase Orders under the Vendor Agreement and all of the terms and provisions of the Vendor Agreement (including the Vendor Requirements Manual) shall apply unless otherwise noted in this Section. Vendors who participate in the Drop Ship Program shall complete a Drop Ship Set-Up Schedule, which may be in addition to the Vendor Set-Up Schedule executed by existing vendors. TSC reserves the right to terminate a Vendor from the Drop Ship Program at any time without otherwise terminating the Vendor Agreement.

1. **Third Party Integration.** Vendor acknowledges that TSC may utilize a third party integration company to assist TSC with the Drop Ship Program. Such third party integrator (the "**Integrator**"), if any, is identified on the Contact List located in the Document Library. To participate in the Drop Ship Program, Vendor shall have joined, at its cost, the Integrator's network and must commit to continue to be a network member and utilize the Integrator's drop shipment system (the "**System**") so long as Vendor participates in TSC's drop shipment program. In the event that TSC changes its Integrator, notice will be provided to Vendor.
2. **Order Processing.** All orders shall be processed using Electronic Data Interchange ("**EDI**"). Vendor shall consult Section V. (EDI) of the Vendor Requirements Manual for guidelines applicable to the drop ship program.
 - (A) **Order Acknowledgment:** Vendor shall acknowledge all orders within twenty-four (24) hours of receipt. TSC accepts one EDI Document 855 (PO Acknowledgement) per customer purchase order. The return EDI Document 855 will set the order quantities and items within TSC's system.
 - (B) **Fulfillment Obligation:** Vendor should utilize the "fill or kill" at the line item order fulfillment process. TSC will not accept back orders if an entire line is not available for shipment. Vendor will be required to ship complete at the line item level or cancel the entire line (no partial quantities should be shipped against a line item). Vendor shall fulfill or cancel each Order within forty-eight (48) hours from the time Order is submitted to Vendor; provided however, for product that requires LTL delivery, this fulfillment obligation shall be satisfied if the customer is contacted within the forty-eight-hour standard and Vendor's carrier is available for delivery within five (5) days thereafter. In the event Vendor fails to meet the forty-eight (48) hour fulfillment obligation, Vendor shall (1) expedite the Order at Vendor's expense to meet customer's expected delivery date and (2) provide a written notification to TSC's Drop Ship Coordinator within twenty-four (24) hours of Vendor expediting the Order. At a minimum such notification shall include the shipping method, the shipping company, a tracking number and an explanation as to why the Order shipped later than the forty-eight (48) hour established time frame.

If an item is over-shipped or under-shipped an exception will be created. Over shipped items will be debited from the invoice; for example, for an order quantity of three (3) where vendor ships and bills for quantity of four (4), TSC will pay for the quantity of three (3) ordered. A debit memo will be created for the over shipped quantity of one (1). Under shipped items will cause the order to remain open. For example, for an order quantity of three (3) where vendor ships two (2) and bills for three (3), TSC will pay for the two (2) shipped and debit for the shortage of one (1). In instances where the order was for quantity of three (3) and the vendor ships and bills for a quantity of two (2), the invoice will be paid for the quantity of two (2); however, this leaves the order open and the vendor will be required to contact the TSC Drop Ship Coordinator to close the order

(C) Advance Shipment Notification: TSC accepts one EDI Document 856 (Advanced Shipment Notification) per customer purchase order. Neither changes nor amendments will be accepted. It is the Vendor's responsibility to verify with the TSC Drop Ship Coordinator that any charges on the invoice are pre-approved before invoicing, including but not limited to handling charges.

(D) Service Level Agreement: Vendor agrees to maintain or implement flexible staffing procedures so that Vendor meets or exceeds any established service levels or standards.

3. **Customer Service.** Any customer correspondence received by Vendor shall immediately, but in no event later than within twenty-four (24) hours of receipt, be forwarded to the TSC Drop Ship Coordinator. TSC, and not the Vendor, shall handle all direct customer interaction.
4. **Returns.** All customer returns for drop shipped items will be handled by TSC and processed through a TSC designated facility. In the event that the Vendor receives a customer return, Vendor shall notify the TSC Drop Ship Coordinator with twenty-four (24) hours of receipt of such returned item. TSC shall be credited for any such returns in accordance with Vendor's Returned Goods Option as set forth on the Drop Ship Set-Up Schedule.
5. **Title and Risk of Loss.** Notwithstanding the Vendor Agreement to the contrary, title to each item sold by TSC will pass directly from Vendor to the applicable TSC customer upon Vendor's delivery of the goods/products to the TSC customer. Vendor is solely responsible for any damage caused to the products/goods before or during delivery and shipment of all products/goods.
6. **Missing/Defective Parts.** Upon TSC's notification to Vendor, Vendor shall ship, at Vendor's cost, any missing or defective parts to TSC customers via "overnight express" or "next day service". Vendor shall provide to TSC Drop Ship Coordinator confirmation of the shipment of such missing or defective parts, the shipping method used and the applicable tracking information.
7. **Inventory.** To remain in the Drop Ship Program, Vendor must maintain fulfillment capabilities, i.e., maintain inventory sufficient to support the demands of TSC customers of drop ship items and any necessary packaging at their facility, and share inventory position to TSC, at least daily,.
8. **Packaging.** Vendor shall carefully package the products/goods that are part of any Order using the appropriate dunnage (e.g. shrink wrap, bubble pack, peanuts, foam, tissue, bags, air pillows etc.) to protect the products/goods against damage during shipment and to maintain high quality presentation to the customer upon delivery. Minimum specifications for corrugated boxes shall be ECT 32 and for plastic shipping bags shall be MIL3. Additionally, Vendor shall place any item of apparel that is part of any Order in a separate, inner, plastic bag, except in cases where the packaging offers suitable protection from damage to the product during shipment.
9. **Invoices.** If a purchase order cost varies from current Vendor cost, the Vendor must immediately notify the TSC Drop Ship Coordinator of the cost variance. The TSC Drop Ship Coordinator will work internally to resolve the cost discrepancy. Vendor shall hold the order until the cost variance is resolved, but not longer than twenty-four (24) hours. Shipment of a purchase order is acceptance of the cost stated in that purchase order.

10. **Product Information.** It is solely Vendor's responsibility to provide all content, information and images related to its products/goods. If any such content, information or images do not meet TSC Product Information Requirements as set forth in Section XIII. D. of this Vendor Requirements Manual, then TSC may, in its sole discretion, refuse to place any of Vendor's products/goods on TSC's website. Vendor represents and warrants that all content, information and images related to any of Vendor's products/goods sold hereunder shall accurately represent the products/goods and shall not misrepresent or mislead any TSC customer as to the fit or function of any product/good. TSC may or may not engage a third party provider with respect to product set-up on its webpage and regardless may pass the cost of SKU set-up through to Vendor.
11. **Inserts; Additional Literature.** At no additional cost to TSC, Vendor shall insert in any Order information or literature as TSC may request from time to time. Vendor is strictly prohibited from including any Vendor materials or literature in any Order unless Vendor receives TSC's prior written approval.
12. **Fraudulent Sales.** The parties agree to cooperate to help reduce fraudulent sales. Accordingly, Vendor shall use reasonable commercial efforts to stop shipment to any TSC customer when TSC notifies Vendor that an order may be fraudulent in nature (e.g. unauthorized use of a credit card).
13. **Confidentiality of Customer Information.** In addition to any confidentiality obligations contained in the Vendor Agreement, Vendor shall treat all information furnished by TSC or obtained from TSC's customers as confidential and shall not disclose any such information to any third party, or use such information itself for any purpose other than performing its obligations to TSC. Specifically, but without limitation, Vendor shall not use any information obtained from TSC's customers (e.g. through warranty cards, Vendor contact information on packaging, or otherwise) to offer for sale to such customers any goods or services.
14. **Vendor Funding Programs.** All sales made through the Drop Ship Program shall qualify under and may be applied to the standards established by Vendor's Volume Rebate Agreement and Vendor's Support Fund Agreement, if any, as agreed in the Drop Ship Set-Up Schedule.

C. Vendor Contact Information

Vendors must provide to Tractor Supply Company (and update same to ensure accuracy at all times) the following contact information:

- Primary Contact Name;
- Address (City, State & Zip) ;
- Direct Telephone Number;
- Company Telephone Number;
- Fax Number;
- Cell/Mobile Number (if applicable) ;
- Email Address.

D. Vendor Response Requirements & Timelines

Vendors must respond within 5 business days of the first contact with either (i) the product information required in subsection D, below, or (ii) if unable to provide such information within 5 days, an estimate of the date by which they can deliver the product information. Unless Tractor Supply Company grants a written exception to a Vendor, all Vendors must provide sufficient product information and images within 14 business days of receiving the initial request. Vendors who are unable to provide sufficient product information within 14 business days of Tractor

Supply Company's initial request are required to cover Tractor Supply Company's costs to acquire a product sample and to create the product information and image in-house.

E. Product Information Requirements

When requested by Tractor Supply Company, the Vendor is required to provide all relevant product information to Tractor Supply Company that can be used to sell a product to customers in media such as a Tractor Supply Company website or product catalog. There are no character limits on this information. This information shall include, where available:

- Product brand name as it appears on any product labeling;
- Manufacturer's Name;
- Manufacturer's model number used to identify the product;
- Customer-facing product title as it appears on the product package. For products without packaging, the name of the product that should be used to clearly identify the product to customers. Such title must be unique. For example, if you produce two bags of dog food but one is 10 lbs. and the other is 20 lbs., then those weights should be included in the product titles to indicate the difference in the products to the customer;
- Complete spelling of all words in the product title – no abbreviations will be accepted;
- Product description, features, uses, and benefits sufficient for customer to answer the following questions:
 - What is the product? What is it used for? Provide as much information as possible – for example, for a bird feeder, what type of bird is it designed for? What type of seed is it designed to hold?;
 - If the product can only be used with other specific products (for example, a mower part), then indicate the specific make(s) and model(s) of products with which that product can be used;
 - What product features should be highlighted for customers? What makes the product different from other similar products? ;
 - What are the benefits to the customer when they purchase your product, the product value promise statement? ;
 - If your product is a feed product, particularly for pets or livestock, provide any applicable nutritional information that would be helpful for customers to know;
 - For clothing products – Vendors must clearly identify the clothing colors and sizes that match each Tractor Supply Company SKU number. Clothing must also clearly be defined as Men's, Ladies', etc. For clothing such as jeans, fit (for example, boot cut) and finish must be identified and clearly described;
 - What cautions, warnings or advisories should be included with or in the product?;
 - Any marketing or advertising copy that has been used to market the product (if available).
- Product instructions – Vendors should supply any instructions that a customer would need to use their product;
- Product materials or ingredients – What are the primary materials or ingredients that your product is made of? This information should be basic and should be worded for customers;
- Up-to-date product images – these are necessary especially when there have been changes in color, packaging, quantities etc. in existing products currently or previously presented on tractorsupply.com;
- Any product required accessory information (i.e.: nail gun may require the additional purchase of an air hose to function properly or 2 size AA batteries required);

- Product size information – Vendors are required to supply product size information in the form that most clearly defines the size of the product for the customer. For example:
 - Jeans – Provide all size, waist, and inseam information that is available;
 - Liquid products – Provide size in fluid ounces;
 - Bird houses – Provide outside dimensions and seed capacity;
 - Grass seed – Provide size by weight;
 - Package size information;
 - Package quantity identifier / Selling Package detail (sold as each, set, pair, pack, etc);
 - Ship package details (skid, inner/outer packs, etc).
- Sales and shipping restrictions – Indicate states where sales and/or shipment of your product are restricted and reason for the restriction (i.e.: California prop #);
- MSDS sheet – Include a copy of the product’s MSDS sheet, where applicable;
- Product safety information, cautions, advisories and warnings – Vendors are required to supply any safety information that customers need to know about their product;
- Children’s products – For all products that are manufactured specifically for children, Vendors must supply the full text of any warnings that appear on the product packaging, as well as a minimum age recommendation;
- Warranty information – If you have a company warranty that applies to your product, provide the complete warranty information;
- Any other product information that would be helpful in selling your product, including product catalogs, technical specifications, brochures, etc.

F. Requirements for New SKUs Offered At Tractor Supply Company

- The Vendor will receive a request from Tractor Supply Company or its Data Collection Contractor to provide product information and images;
- The Vendor must respond to the requestor within 5 business days after the initial request to confirm receipt of the request and either provide the requested information or estimate when they can provide the requested information;
- The Vendor must provide sufficient customer-facing product information; key specifications and multiple product images to Tractor Supply Company or its Data Collection Contractor at least 60 days before the first shipment of the product is due to arrive in a Tractor Supply Company distribution center or store, and no more than 14 business days after receiving the initial request. The Vendor must supply the product information by the later of the two possible deadlines;
- If the Vendor cannot provide sufficient product information and images by the deadline, then the Vendor must provide a “production” product sample by the same deadline. The sample must be sent to a location named by Tractor Supply Company (the Vendor assumes shipping charges) and the Vendor must pay a fee (to be named by Tractor Supply Company) for the development of a product image and product information. The production sample must be supplied to Tractor Supply Company or its Data Collection Contractor at least 60 days before the first shipment of the product is due to arrive in a Tractor Supply Company distribution center, and no more than 14 business days after receiving the initial request. The Vendor must supply the product information by the later of the two possible deadlines;
- If Tractor Supply Company does not receive sufficient product information or a product sample within 14 business days of the initial request, then Tractor Supply Company reserves the right to charge (or back

charge) the Vendor for the cost to acquire a product sample and produce a product image and product information that is sufficient to sell the product to customers through Tractor Supply Company's multimedia channels;

- These conditions may be waived only if Tractor Supply Company grants an exception in writing.

G. Requirements for Existing SKUs at Tractor Supply Company

- The Vendor will receive a request from Tractor Supply Company or its Data Collection Contractor to provide product information and images;
- The Vendor must respond to the requestor within 5 business days after the initial request to confirm receipt of the request and either provide the requested information or estimate when they can provide the requested information;
- The Vendor must provide sufficient customer-facing product information, key specifications and multiple product images to Tractor Supply Company or its Data Collection Contractor no more than 14 business days after receiving the initial request;
- If the Vendor cannot provide sufficient product information and images by the deadline, then the Vendor must provide a "production" product sample by the same deadline. The sample must be sent to a location named by Tractor Supply Company (the Vendor assumes shipping charges) and the Vendor must pay a fee (to be named by Tractor Supply Company) for the development of a product image and product information. The production sample must be supplied to Tractor Supply Company or Tractor Supply Company's designated party Data Collection Contractor within 14 days of the request;
- If Tractor Supply Company does not receive sufficient product information or a product sample within 14 business days of the initial request, then Tractor Supply Company reserves the right to charge (or back charge) the Vendor for the cost to acquire a product sample and produce a product image and product information that is sufficient to sell the product to customers through Tractor Supply Company's multimedia channels;
- These conditions may be waived only if Tractor Supply Company grants an exception in writing.

H. Product Image Requirements

When requested by Tractor Supply Company, the Vendor is required to provide crisp, clean and easily articulated product imagery. The image or images should capture the essence of the product in such a way that Tractor Supply Company that can use them to sell a product to customers in media such as a Tractor Supply Company website or product catalog. There are no restrictions on the number of images a Vendor may provide for a product.

- Vendor is to provide multiple product image shots from varying angles, including top and bottom shots if appropriate to the product;
- Images must be submitted in TIF, EPS, or JPG format;
- All images must be high-resolution product images; print ready. This is defined as a minimum of 600 pixels at 300 dpi for the largest dimension (height or width);
- The image for each product should clearly represent what a customer will receive when he/she purchases that product. Some examples:
 - The image for a tool kit should show all of the tools, accessories, and the case that come with that kit;
 - The image for an article of clothing should show the clothing in the correct color that the customer will receive. No color swatch images – the full article of clothing should be pictured;

- Products such as dog harnesses should be photographed so that customers can easily tell how the product will fit on a dog;
- Products that are liquid, granular, or in other ways difficult to photograph outside the package (i.e. liquid fertilizer, dog food, bird seed, pine shavings, etc.) may be represented by an image of the package that the customer will receive. The package in the image should be the same size as the package that the customer will receive;
- Unless a product must be depicted in a package (for example, liquid or granular products - see above), all tags must be removed from the product to be photographed.
- Products that are photographed in a package should be photographed with the front of the package facing directly forward, not on an angle;
- All images of clothing that are taken on a mannequin should display the clothing article without the mannequin itself being visible;
- RGB color is required for all images. The color of the product image should accurately depict the color of the product;
- RGB color is required for all images. The color of the product image should accurately depict the color of the product;
- All product images must have a cutout background with minimal shadowing;
- Each product image should easily be identified as matching a particular Tractor Supply Company SKU number. Ideally, each image file should be named by Tractor Supply Company's 7-digit SKU number (for example, 1234567.tif for an image of the product assigned Tractor Supply Company SKU # 1234567). Alternatively, each image should be labeled with the matching Vendor part number, and the images should be accompanied by a spreadsheet that correctly matches Vendor part numbers with Tractor Supply Company SKU numbers;
- In instances where multiple images are submitted for one product, identify all additional images with an ascending alpha descriptor at the end of the SKU number (for example, 1234567A.tif, 1234567B.tif and 1234567C.tif represent the multiple images for an image of the product assigned Tractor Supply Company SKU # 1234567).

I. Website Link Requirement

Related to these efforts to boost the quality and quantity of the product content on www.TractorSupply.com, we require that you increase the visibility of www.TractorSupply.com and your products by linking from your company's site to ours:

1. Add a link to www.TractorSupply.com where appropriate.
2. Add Tractor Supply Company's logo to your website. Visit www.TractorSupply.com, and then select the About Us link at the top left corner of the page. Next, click Vendor Center, then Tractor Supply Company Logo and Graphic Standards. Follow the instructions that appear on the page to download a copy of the Tractor Supply Company logo.

If you have any questions or need any assistance with the linkage, contact logos@tractorsupply.com.

Any questions about the new product content requirements should be directed to productcontent@tractorsupply.com.

XIV. Optional Programs

A. P.O.P. (Point of Purchase) Program

(This program is not currently available for Del's Feed & Farm Supply Vendors. For information regarding Del's Feed & Farm Supply P.O.P. program contact the Merchandise Coordinator.)

1. SOS

SOS is Store Opening Solutions, a third party consolidator contracted by Tractor Supply Company to consolidate ship and place P.O.P. (Point of Purchase) and Vendor fixtures.

2. Overview

A year's supply of P.O.P. / store fixtures are shipped to SOS (Store Opening Solutions) and they in turn ship to each new, renovated, or relocated store as needed. The store thus receives all P.O.P. at one time so they can be installed quickly and efficiently into the store.

3. Benefits

The program benefits are as follows:

- A single shipment of P.O.P. can arrive at one location for all projects throughout the year. No headaches, no more follow-up for the Vendor;
- The Vendor can realize savings by having a single shipment to SOS via LTL Carrier. This will reduce costs by eliminating multiple store shipment charges;
- The Vendor can realize further savings by reducing damage costs. If SOS handles your P.O.P, they would also handle any freight claims. Since these items will be shipped with Tractor Supply Company's items, damage will be minimal as it is loaded on a truck with no stops until it is unloaded at the Store. (Without SOS, damaged items would need to be re-shipped at the Vendors cost, and the Vendor would incur the additional expenses of filing and reconciling damage claims, labor to re-create another order, plus shipping department labor);
- Tractor Supply Company will pay for your shipment to the store, as it will travel with existing orders. The Vendor, however, must pay the inbound freight to SOS;
- SOS ensures that your items are in store at the right time for proper installation. This allows for better execution at store level;
- SOS can package your items in kits per gondola location to ensure it is properly placed at the Store;
- The NSS (New Store Specialist) Set-up Teams will be able to check-off items as they are received and note that they are properly installed.

4. Details

The contacts at Store Opening Solutions are identified on the Contact List. Call one of the listed contacts and provide the following information:

- Your Vendor name and location;
- Your P.O.P. part numbers and descriptions, as well as the quantity needed per store of each item;
- If the item is "piece pick" or on a pre-assembled pallet;
- The weight, length, width, height, pallet configuration, and if pallet is standard or oversized;

- If items will arrive in bulk or (preferably) in pre-packed kits ready for store shipments;
- If an entire year or season's needs will be shipped at once into SOS or will there be several deliveries;
- The time frame these items will be used (i.e. one year, 6 months, etc);
- Any special requirements for the receipt, picking or shipping of the item(s).

SOS will calculate costs and advise you of:

- Inbound shipping costs;
- Overall cost of program to you;
- Terms and conditions of the contract.

For more information about this program, contact the Tractor Supply Company New Store Manager whose contact information is available on the Contact List.

B. VIS (Vendor Information System)

1. Tractor Supply Company VIS System

The VIS System is a PC based, ad hoc query tool that provides pre-defined, Vendor-specific reports from Tractor Supply Company's data warehouse.

2. Data from VIS

We invite our Vendors to utilize the information from VIS system queries to help us mutually grow and refine our business at the store and SKU level. Through VIS, Vendors have access to historical sales, margin, and inventory metrics, plus current inventory, open Purchase Orders and receipts at the store and distribution center level.

3. Vendors Sign Up

- Contact your buying team for their recommendation before signing up for VIS. If approved for the VIS program, contact VIS Support for information and an enrollment form to complete and return;
- Complete the VIS Enrollment Form, sign the Confidentiality and Enrollment Agreement, and send the completed and signed documents to vissupport@tractorsupply.com;
- Attend a 4-hour training session to be provided remotely via Web Cast. The initial enrollment fee is \$2,600 per Named User and \$850 Annual Renewal fee per Named User for the second and subsequent years;

Named Users should have a working knowledge of basic Windows functionality Excel and/or Microsoft Access is strongly recommended for full utilization of the query tool.

4. Annual Fees

- All fees are charged on a per Named User basis;
- Initial setup fee – there will be a one time setup fee of \$2,600 per Named User, which can either be invoiced or your account automatically debited;

- Annual fee – there is a recurring charge of \$ 850 per Named User per year after the first year - this will be prorated to cycle due in December of each year;
- Training Fees may apply as new training is offered; Fees are subject to change;

5. Training

Contact VIS Support for information and an invitation to the next VIS training session via WebEx Web Conference

XV. Glossary of Terms

Accruals – Entries made by Accounting at the end of each fiscal month to recognize income and expense that has been earned or incurred, even if no consideration (money) has been received or paid.

All Weather Tag – Weather proof tag used to identify and price inside and outside merchandise.

Article Master – Standard for maintaining item descriptions for articles.

Average Inventory - Average inventory level over a period of time.

Back Order - Product ordered but out of stock and promised to ship when the product becomes available.

Backhaul - The return movement of a vehicle from its original destination to its original point of origin, especially when carrying goods back over all or part of the same route.

Bar Code - A symbol consisting of a series of printed bars representing values. A system of optical character reading, scanning, and tracking of units by reading a series of printed bars for translation into a numeric or alphanumeric identification code.

Benchmarking - The process of comparing performance against the practices of other leading companies for the purpose of improving performance. Companies also benchmark internally by tracking and comparing current performance with past performance.

Best Practice – The best identified process for accomplishing tasks that saves time and resources.

Bill of Lading - A transportation document that is the contract of carriage containing the terms and conditions between the shipper and carrier.

Billings – Month end reconciliation process to verify general ledger activities.

Blue Book – Printed catalog of all Tractor Supply Company product and pricing for store merchandise.

Buyers – Tractor Supply Company employee responsible for the management of purchasing merchandise to be sold at Tractor Supply Company stores.

Buyers Merchandise Administrator - Tractor Supply Company employee responsible for the support of purchasing merchandise to be sold at Tractor Supply Company stores.

Capital Expenditures – Funds used to purchase long term assets.

CARE Certification – Caring, Awareness, Responsible, Ethical process is the International Council of Toy Industries program to promote ethical manufacturing in the form of labor treatment as well as employee health and safety.

Carrier - A firm which transports goods or people.

Case Pack – Carton that meets shipping criteria that contains many inner-packs with merchandise.

CBM – Cubic meter, the volume of a cube with edges one meter in length.

Center Court - Presentation area of the store that is rotated for seasonal selling opportunities.

Chargeback – Vendor charged back for non-compliance issues that cause Tractor Supply Company loss in sales or a delay in delivery of product to stores.

Circular – Printed sales ad that promotes sales and product for Tractor Supply Company stores.

Common Carrier - A for-hire carrier that holds itself out to transport goods and serve the general public at reasonable rates and without discrimination.

Commercial Invoice - Document used in foreign trade. It is used as a customs declaration provided by the person or corporation that is exporting an item across international borders.

Consignee - The party to whom goods are shipped and delivered. The receiver of a freight shipment.

Consignor - The party who originates a shipment of goods (shipper). The sender of a freight shipment, usually the seller.

Consolidation - Combining two or more shipments in order to realize lower transportation rates. Inbound consolidation from Vendors is called make-bulk consolidation; outbound consolidation to customers is called break-bulk consolidation.

Container – A trailer that is shipped on an ocean carrier/ship.

Conveyors – Series of automated belts and rollers that begin at an induction point, extend overhead throughout a distribution center.

Cross-Dock - The direct flow of merchandise from the receiving function to the shipping function, eliminating any additional steps in between, includes the need for storage.

CSA – CSA International is an organization providing product testing and certification services. Testing products for compliance to national and international standards, and issue certification marks for qualified products. Certification marks tell potential customers and users that a product has been evaluated by a formal process-involving examination, testing and follow-up inspection-and that it complies with applicable standards for safety and performance.

C-TPAT – United States Customs and Border Protection’s Customs-Trade Partnership Against Terrorism.

CY – Container Yard.

DC Stock Transfer – The transfer of merchandise from one distribution center to another distribution center.

Dedicated Contract Carrier - A third-party service that dedicates equipment (vehicles) and drivers to a single customer for its exclusive use on a contractual basis.

Destination – On the Bill of Lading and freight bill, is the place where the shipment is going to be delivered.

Discount – An allowance or deduction granted by the seller to the Buyer, usually when certain stipulated conditions are met by the Buyer, which reduces the cost of the good purchased.

Distribution - Outbound logistics, from the end of the production line to the end user.

Distribution Center - A post-production warehouse for finished goods.

District Manager - Manager who oversees eight to twelve stores.

Duty – A tax levied by a government on the importation, exportation or use and consumption of goods.

E3 - Inventory planning tool used by Replenishment.

E-Commerce – Commerce that is transacted electronically, as over the Internet.

EDI (Electronic Data Interchange) - The paperless exchange of standard business transactions or information by electronic computer-to-computer transfer, generally requiring little or no human intervention.

EDLP (Everyday Low Price) - Tractor Supply Company pricing strategy.

End Cap - Merchandising display rack located at the beginning or ending of an aisle.

ETL – Electronic certification provided by Intertek, the world's largest testing, inspection and certification partner providing manufacturers and retailers with market entry.

FCR – Forwarder's Cargo Receipt.

Fill Rate - The percentage of order items that a Vendor actually fills within a given period of time.

Fixed Costs - Costs which do not fluctuate with business volume in the short run.

FOB (Free on Board) - Contractual terms between a Buyer and a seller which define where title transfer takes place.

FOB Destination (Pre-Paid Freight) - Title passes at destination, and seller has total responsibility until shipment is delivered.

FOB Origin (Third Party Collect) - Title passes at origin, and Buyer has total responsibility over the goods while in shipment.

Freight Collect – Recipient pays shipping charges.

Freight Forwarder - third party logistics provider (or non asset based) provider a forwarder dispatches shipments via asset-based carriers and books or otherwise arranges space for those shipments. Carrier types include waterborne vessels, airplanes, trucks or railroads.

Freight Train - Store replenishment tool for product requests.

Front Lot – Refers to an outside display area for Tractor Supply Company Stores.

Grand Opening – Promoted commemorative date of store opening, usually taking place on a weekend.

Gorilla – Term given to those products that are the most visible and important to our business.

Handling Costs - The cost involved in moving, transferring, preparing and otherwise handling inventory.

Hazardous Material - A substance or material which the Department of Transportation has determined to be capable of posing a risk to health, safety, and property when stored or transported in commerce.

Help Desk – Tractor Supply Company stores location for customer questions with merchandise.

Incoterms - International terms of sale developed by the International Chamber of Commerce to define sellers' and Buyers' responsibilities.

Inner-Case Pack - Packing unit containing unit(s) of merchandise. Inner packs do not meet shipping criteria individually, but must be packed into a master case-pack.

Intermodal Transportation - Transporting freight by using two or more transportation modes.

Inventory Carrying Costs - A financial measurement that calculates all the costs associated with holding goods in storage, usually expressed as a percentage of the inventory value. It includes inventory-in-storage, warehousing, obsolescence, deterioration or spoilage, insurance, taxes, depreciation, and handling costs.

Inventory Turns - The cost of goods sold divided by the average level of inventory on hand. This ratio measures how many times a company's inventory has been sold during a period of time. Operationally, inventory turns are measured as total throughput divided by average level of inventory for a given period.

Inventory Velocity - The speed with which inventory moves through a defined cycle (i.e., from receiving to shipping).

KPI – Key performance indicators.

Landed Cost – Total landed cost is the sum of all costs associated with making and delivering products to the point where they produce revenue.

LCL – Less Than Container Load

Less-Than-Truckload (LTL) Carriers - Trucking companies that consolidate and transport smaller (less than truckload) shipments of freight by utilizing a network of terminals and relay points.

Letter of Credit - Document issued by a bank at the buyer's request in favor of the seller, promising to pay an agreed amount of money upon receipt by the bank of conforming documents with a specified time.

LTL – Less Than Truckload

Master Case Pack Carton – Single shipping carton containing total number of “eaches” packaged and shipped to Tractor Supply Company in one box.

MAP Pricing - Minimum advertised price.

Merchandise Ordered – Any merchandise shipped to a Tractor Supply Company location from the Vendor on a Tractor Supply Company purchase order.

National Motor Freight Classification (NMFC) - is a standard that provides a comparison of commodities moving in interstate, intrastate and foreign commerce.

New Store Discount – Discount taken on all merchandise ordered to the new store up to the date of the new store’s soft opening and two week following.

Ocean Freight – Freight charges incurred in transporting merchandise from a foreign port to a domestic port.

Open Account- A bank managed payment option which is similar in practice to a Letter of Credit, but offers lower fees because it is not guaranteed by the issuing bank.

Order Cycle - The time and process involved from the placement of an order to the receipt of the shipment.

Order Processing - Activities associated with filling customer orders.

Packing List - Document prepared by the shipper that lists the kinds and quantities of merchandise in a particular shipment.

Packaging – The use of wrapping, cushioning materials, containers, markings, and related techniques to protect the items from deterioration, prevent loss, prevent damage, facilitate handling, and identify the product packaged.

Pallet – Portable platform on which product can be moved or stored.

Pick – Process of selecting product from storage to fill an order.

PKT - Product Knowledge Training-Training initiatives produced seasonally or on an as needed basis.

POG - Plan-o-gram schematic showing product placement in stores sent out by Merchandise Presentation.

Point of Sale Information - Price and quantity data from retail locations as sales transactions occur.

POP - Point of Purchase--signage to aid in the sale of the product.

POS - Point of Sale--the system used to process customer/team member transactions.

Power Plus Protection - Product protection plan consisting of an extended service agreement or replacement plan.

Prepaid – Sender pays shipping charges.

Promo Tables – Seasonally timed Merchandise display racks usually located at the front of a Tractor Supply Company Store.

Purchase Order – Commercial document issued by a Buyer to a seller, indicating the type, quantities and agreed prices for products or services the seller will provide to the Buyer.

QOH – Quantity on hand.

Rack – Steel structures in which pallets of merchandise are stored in distribution center.

Rain check - Process of ordering SKU items that may not be stocked in a particular store.

Rebates - Partial refund following a purchase.

Receipt of goods – Invoice dating begins on the day the merchandise is received into our inventory, whether it is at our stores or our distribution centers.

Regional Vice President/Director - Position that oversees 80 to 120 stores.

Relocated Store Discount – Discount on all merchandise that is on hand at the store the day the new location soft opens.

Replenishment - The process of moving or re-supplying inventory from a reserve storage location to a primary picking location, or to another mode of storage in which picking is performed.

RFP – Request for Proposal - An invitation for providers of a product or service to bid on the right to supply that product or service to the individual or entity that issued the RFP.

RGA – Returned Goods Authorization.

RGOs - Repair Goods Orders - merchandise sent out to be repaired, can be customer owned or store owned.

RTV - Return to Vendor - buybacks or defective merchandise sent back to Vendor for credit.

S2 Cable – Alarmed cable provided to stores to secure outside merchandise.

Safety Stock - The inventory a company holds above normal needs as a buffer against delays in receipt of supply or changes in customer demand.

Sales Driven Company - A company focused on customer service which results in top line sales.

Sales Plan - A budgeted plan set for unit (store or dept) of the company.

SAP - Software system used to mainly track inventory.

SDI - Sales Driving Initiative - plan-o-gram update for selected categories.

SEC – Securities and Exchange Commission - Federal agency that oversees public financial activities such as reporting and stock trading.

Service Desk - Center desk where customer service takes place.

SG&A – Selling, General and Administrative expenses. All normal business expenses, usually excludes interest, taxes and extraordinary items.

Shrink - The loss of merchandise due to internal theft, external theft, and/or administrative errors.

Side lot - Outside fenced area.

Signage - Signs that identify products features & benefits, services or sales.

SMO Margin - Gross margin from sale of merchandise before accounting for freight, shrinkage, discounts, Vendor support, etc.

Soft Opening Date – Date store officially opens to the public.

Special Customer Order (SCO) - Our ability to order non SKU products from our Vendors for our customers. Requires a special numbered P.O.

Spinner Rack – A display fixture that spins for holding merchandise.

SSC - Store Support Center

Stock Keeping Unit (SKU) - Numbering system which makes a product or item distinguishable from all others.

Store Manager - Person in charge of a single store location.

Store to Store Transfer - The transfer of merchandise from on store location to another store location.

Store Use - Product stores have pulled of the shelf for in-house use.

Super Peg - Process of correcting perpetual inventory on hands.

Supply Chain - The physical, financial, and information networks that involve the movement of materials, funds, and related information through the full logistics process, from the acquisition of raw materials to delivery of finished products to the end user. The supply chain includes all Vendors, service providers, customers, and intermediaries.

Third Party Billing – A third party pays shipping charges.

TMS – Transportation Management System – Computer software used to track and manage all transportation operations.

Top Cap - Top shelf where overstock or plan-o-grammed items can be placed.

Total Cost Analysis - A decision-making approach that considers minimization of total costs and recognizes the interrelationship among system variables such as transportation, warehousing, inventory, and customer service.

Transit Time - The total time that elapses between a shipment's pickup and delivery.

Truckload Carriers (TL) - Trucking companies which move full truckloads of freight directly from the point of origin to destination.

Underwriters Laboratories Inc. (UL) - is a U.S. privately owned and operated independent, third party product safety testing and certification organization.

UPC – Universal Product Code.

Vendor Support Funds – Funds used to promote the Vendor's products and Tractor Supply Company in a cohesive marketing effort.

Vestibule - Front entrance of the store that is sometimes used for display purposes.

Volume Rebate Program – Rebate based on net receipt dollars and is continual until cancelled or amended and will be applicable to all Vendor purchases.

Wing Rack - Display rack usually connected to an end cap.

Zero Peg - Process used to identify empty bins and pegs to verify/adjust the on hand inventory.