



Vendor Compliance Program Update Announcement

December 12, 2018

Dear Valued Supplier Partner,

True Value has recently completed changes to the Vendor Compliance program which will take effect on January 1st, 2019. This communication is intended to notify supplier partners of these changes and provide a revised fee schedule for non-compliance on all shipments inbound to the True Value Regional Distribution Centers (RDC's).

True Value requests our suppliers adhere to the Supplier Policies and Procedures for all purchase orders regardless of whether the freight terms are collect or prepaid. Non-adherence will result in the below fines.

Collect and Prepaid Managed Suppliers:

All collect shipments will continue to be managed through Schneider Logistics. All suppliers currently booking with Schneider Logistics should continue to do so. For collect shipments Schneider Logistics will choose the mode and carrier for transport. Please log onto <https://vendor.truevalue.com/vol/> and use the CVN portal or call (920) 592-4288 for additional information. Failure to follow routing instructions provided by Schneider Logistics will result in a fine in accordance with below fine schedule.

Prepaid Suppliers:

All prepaid shipments must utilize authorized True Value carriers with BOL documents marked Prepaid. Failure to use an authorized carrier or correctly mark the BOL will result in a fine in accordance with the below fine schedule.

Revised Fine Schedule:

True Value will begin the enforcement of a new Vendor Compliance program effective January 1st, 2019. This program is designed to streamline the receipt of goods process through the most efficient means of transportation. For further details, updated policies are posted to the Supplier Policies and Procedures on Vendors Online at <https://vendors.truevalue.com/vol>.

A handwritten signature in blue ink, appearing to read "Chris Brown", is located in the bottom right corner of the page.

2019 Vendor Compliance Reasons	Charges
Added Freight If a prepaid vendor adds freight to the cost of goods invoice, the freight charges and an administration fee will be charged back to the vendor.	\$250 + Cost of Freight
Unauthorized Carrier If a vendor uses a carrier, which is not a True Value preferred carrier; the difference in the cost of the freight and an administration fee will be charged to the vendor.	\$250 + Difference in Cost of Freight
Prepaid Shipped Collect If a vendor ships an order collect, which qualifies for prepaid freight, the actual freight charges and an administration fee will be charged to the vendor.	\$250 + Cost of Freight
Collect Shipped Prepaid and Add If a vendor, with collect shipping terms, ships an order by a commercial carrier prepaid and adds to the True Value cost of goods invoice, the vendor will be charged the difference in the cost of freight and an administration fee.	\$250 + Difference in Cost of Freight
Backorder Routing Non-Compliance All backorders to True Value are to be shipped Prepaid with the cost of freight the vendor's responsibility.	\$250 + Cost of Freight
Direct to Store Charges, Billed 3rd Party Vendors should ship all direct to store orders Prepaid. Cost of freight and an administrative fee will be charged for any shipment where True Value is marked the 3rd party responsible for freight.	\$250 + Cost of Freight
CVN Routing Not Followed:	\$250
Freight Not Ready (Truck Order Not Used from Common Carrier and Ryder)	\$250
Carrier Fines from Vendor (Reconsignment, Detention, etc)	Varies
Shipped to the Wrong Destination	\$250 + Cost of Freight
Shipped Via wrong mode (Parcel vs. LTL)	\$250 + Cost of Freight
Same day Multi-Shipment Consolidation Shipment of multiple orders on the same day without consolidating shipments.	\$250 + Cost of Freight
Failure to Notify Schneider Logistics of Change in Order Size	\$250

For questions or concerns around the revised Policies and Procedures please contact True Value Corporate Transportation at: (773) 695-5273. Please ensure this information is disseminated to all necessary parties within your organization including the shipping department at all applicable ship points.

Sincerely,



Carrie Benson
 Manager – Transportation Services
 True Value
 8600 W Bryn Mawr Ave
 Chicago, IL 60631
 (773) 695-5681