



Vendor Inbound Compliance Manual

For questions pertaining to this document, please contact:

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Version 1.7

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Changelog

- **V1.7: June 23, 2021**
 - Added section on [Item Maintenance Fees](#).
 - Added section on [Item Maintenance Fees – Fine / Fee Schedule](#).
- **V1.6: November 08, 2019**
 - Revised [Fill Rates](#) section.
 - Revised [Inbound Freight Standards – Fine / Fee Schedule](#).
 - Revised [Packing Slips](#) section.
 - Revised [Vendor Compliance Fining Disputes](#) section.
- **V1.5: July 22, 2019**
 - Revised [Inbound Freight Standards – Fine / Fee Schedule](#).
 - Revised [Customer Pick-Up Program \(CPU\) Guidelines](#) section.
 - Revised [Ticketing](#) section.
 - Revised [Invoicing](#) section.
 - Revised [Pallet Standards](#) section.
 - Revised [Case Standards](#) section.
- **V1.4: May 09, 2019**
 - Revised [Fill Rates](#) section.
 - Revised [On-Time Performance](#) section.
 - Revised [Inbound Freight Standards – Fine / Fee Schedule](#) section.
- **V1.3: April 09, 2019**
 - Revised [Inbound Freight Standards – Introduction](#) section.
 - Revised [Charge-backs](#) section.
 - Revised [Fill Rates](#) section.
 - Revised [Sorting](#) section.
 - Revised [Backorder Policy](#) section.
 - Revised [Invoicing – Additional Requirements](#) section.
 - Revised [Packing Slips](#) section.
 - Revised [Bill of Lading](#) section.
 - Revised [Inbound Freight Standards – Fine / Fee Schedule](#) section.
- **V1.2: March 20, 2019**
 - Revised [Invoicing - Additional Requirements](#) section and corresponding entry in the fee / fine schedule.
 - Revised [Packing Slips](#) section.
 - Revised [Pallet Specifications](#) section.
 - Revised [Pallet Composition](#) section.
 - Revised [Load Quality Standards](#) section.
 - Revised [Bill of Lading](#) section.
- **V1.1: February 14, 2019**
 - Revised multiple fine parameters for [Fine Schedule – Delivery](#) section.
 - Revised [Cross-Dock – General Merchandise](#) section.
 - Modified fine parameter for [Backorder Policy](#).
 - Added multiple violation categories to [Product Information Changes](#).
- **V1.0: January 25, 2019**
 - Manual ready for publication.
 - Several minor editing passes.
- **V0.9: January 24, 2019**
 - Added more information to [Cross Border Shipping](#) section including updated Livingston contact information.
 - Added section on [Forecasting](#).

- Added general section to [Merchandising](#).
- **V0.8: January 23, 2019**
 - Added foreword.
 - Several edits based on working group feedback.
 - Several minor formatting passes.
 - Several minor editing passes.
- **V0.7: January 18, 2019**
 - Several edits based on working group feedback.
 - Added section on [Proof of Delivery](#) requests.
 - Temperature Recorder section removed from manual.
 - Temperature Recorder appendix section removed from manual.
 - Several minor formatting passes.
 - Several minor editing passes.
- **V0.5: December 11, 2018**
 - Moved [DSD](#) section to [Delivery](#) section.
 - Several minor formatting passes.
 - Several minor editing passes.
- **V0.4: December 11, 2018**
 - Moved EVA Program section to [Purchase Order Deliveries](#).
 - Added section on [Product Quality](#).
 - Moved [Vendor Disputes](#) section to [Fine / Fee Schedule](#) section.
 - Moved [Freight Claims](#) section to [After Delivery](#) section.
 - Added section on [Cross-Dock Scheduling](#).
 - Several major formatting passes.
 - Several major editing passes.
- **V0.3: December 06, 2018**
 - Transposed information from legacy NWC Vendor Compliance Manual into document.
- **V0.2: November 27, 2018**
 - File split into two – one specific to vendors, and one specific to carriers, rather than having one document that's all-encompassing.
 - Document formatting heavily modified to improve overall readability and ease of use.
 - Document hyperlinking now available for quickly moving to a specific section.
 - Use Ctrl + Home key to return to top of document.
 - Use Ctrl + Left Click on a table of contents header to jump to that section.
 - Use Alt + Left Arrow key to go back to last section.
 - Document outline heavily modified.
 - Added section on [EVA Program](#).
- **V0.1: November 07, 2018**
 - Document created.



Foreword

The North West Company carries on a long tradition of enterprising spirit as it celebrates its more than 30 years in business since its rebirth. Originally a fur trading firm that competed with the Hudson's Bay Company during the 1600's – 1800's, the Company was re-established in 1987 as a grocery and general merchandise retailer. In the decades since then, the organization has expanded its network of stores beyond the borders of Canada into the state of Alaska, the Caribbean, the Pacific Islands and the British Virgin Islands. The organization's store banners now span some of the most geographically diverse markets in the world.

Managing such a large and uniquely remote store network requires a just as efficient and effective supply chain. The Company relies on a large number of external actors to ensure the network's smooth operation, including the company's trusted vendors.

Vendor partners are an important component to the Company's success by providing the high quality goods that its customers purchase. They also support the Company's operations by transporting their products into the shipping network. These operations however can be hindered by a lack of understanding and adherence to process and standards; therefore, making it clear what is expected when making a delivery is critical to the success of the supply chain.

This manual seeks to outline the standards and procedures expected of the Company's trusted vendor partners. It covers a variety of topics and should be referred to often as a helpful reference point. Following these processes will help ensure that all participants in The North West Company's supply chain are set up for success, both now and into the enterprising future.



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I. Inbound Freight Standards – Introduction

The following sections outline The North West Company's (NWC) Vendor Inbound Compliance Manual. It applies to all suppliers ("vendors") delivering product to NWC's distribution centers (DC's), warehouse facilities, consolidators, cross-dock facilities, carrier hubs and banner stores within Canada.

The manual is split up into three major sections which cover topics that may occur at the different stages of a vendor's inbound shipment into the network: Before Delivery, Delivery, and After Delivery. Before Delivery covers topics that should be addressed before the vendor makes a delivery, such as case labeling and product temperature requirements, whereas a section like Delivery relates to items that come into play at the time of delivery, such as paperwork and product quality / dating issues. After Delivery covers topics that may come up following delivery, such as product returns and Proof of Delivery requests.

Following the Before Delivery, Delivery and After Delivery sections, there will be a chapter dedicated to discussing the Customer Pick-up (CPU) Program as it relates to vendor partners. Finally, there will be a section dedicated to outlining the Fine / Fee Schedule. For every fine / fee established in the three main sections as well as the CPU Program chapter, their details will be laid out in the corresponding portion of the schedule.

II. Inbound Freight Standards – Before Delivery

The following section covers the standards expected of vendor partners before making a delivery into the NWC network.

A. General

1. Vendor Agreements

All vendor agreements are negotiated annually (or as agreed-upon) between the Category Manager and the vendor, and represent individual contracts.

2. Price Increases

The North West Company requires **90 days written notice** prior to vendor-initiated price increases. All price increases must be sent to the appropriate Category Manager for consideration. If accepted, the Category Manager will notify the vendor regarding the effective date.

3. Charge-backs

The North West Company values adherence to policies and procedures agreed-upon and laid out in this document. Any non-compliance of finable standards and procedures from vendors will result in The North West Company debiting those vendors fines.¹

¹ For a detailed listing of compliance fees and fines, please refer to the [Fee / Fine Schedule](#).



4. Routing Instructions

All purchase orders (PO's) must be shipped according to the "Ship Via" instructions indicated on the PO document, unless specifically informed otherwise. Vendors that deliver NWC orders to the wrong location, or in any manner inconsistent with a PO's routing instructions will be subject to charge-backs of the incremental shipping costs.²

On shipments that are prepaid, the vendor's choice of carrier will generally be respected; however, for shipments that are collect, the vendor must follow the shipping instructions on the PO.

5. Vacation Closings

If the vendor's shipping facilities are closed for extended periods of more than three business days (other than national holidays), please notify the Supply Chain Analyst or Category Manager in writing at least 90 days prior to the time period so that orders may be placed and their delivery guaranteed.

6. Minimum Orders / Priority Shipments

The NWC Purchase Order details current costs, payment terms, and freight terms based on the agreed stated minimum with the vendor. In order to avoid charge-backs for pricing discrepancies, freight terms, or payment terms, do not accept stock orders for less than the minimums agreed-upon between the vendor and the Category Manager. Any deviation to the agreed terms for pricing, descriptions, SKU number, freight or payment terms must be brought to the attention of the appropriate Category Manager prior to the shipment of merchandise.

7. Fill Rates

It is the vendor's responsibility to inform the Supply Chain Analyst of shortages within two business days following receipt of the order. They must provide the reason for the shortage, as well as the date when the product will be available to ship. NWC takes shorts very seriously and at its discretion will fine the vendor for shortages.³

8. Forecasting

The Supply Chain Planner will work with vendors in determining future stock requirements. Forecasting requirements should be communicated to the Supply Chain Planner on a timely basis. A good forecast requires vendor input and ownership of this forecast belongs to both the Supply Chain Planner and vendor.

² Please refer to the [Fee / Fine Schedule](#), section "Routing Instruction Violation."

³ Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Shorts."

B. Merchandising

1. General

The North West Company is committed to having scan-able bar codes on all products at the point of sale, as well as for use in receiving shipping containers. To ensure that this system is effective, it is **MANDATORY** that every item sold to NWC is UPC-coded. The Category Manager must approve any exceptions.

2. Product Information Changes

As a vendor, the first step towards accurate, standardized data is a valid license for your Company Prefix, which is then used to build your Universal Product Codes (UPC's) or bar codes. We encourage you to renew your Company Prefix by contacting Global Standards 1 (GS1) Canada at 1-800-567-7084 or info@gs1ca.org.

GS1 Canada (formerly known as The Electronic Council of Canada (ECCC)) is a not-for-profit industry-led association. It was established to promote and maintain global standards for the identification of goods, services, locations and related e-commerce communications, such as bar codes and maintenance. As a participating member of the worldwide European Article Numbering-Uniform Code Council (EAN UCC) system, GS1 represents Canada in the continuing development of the global language of business.

Listing products through ECCnet is a standard term and condition of trade in the Grocery and Pharmacy sectors in Canada. The North West Company has implemented product listings through ECCnet, Canada's National Product Registry, as part of our e-commerce strategy to synchronize our data. ECCnet is Canada's online, standardized product registry for synchronized data exchange. The registry is a service offering of the not-for-profit GS1 Canada and operates on a cost-recovery basis.

To begin implementing ECCnet in your organization, please call 1-800-567-7084, or visit <https://www.gs1ca.org/pages/n/services/nis/content-registry.asp>.⁴

If a vendor fails to advise NWC of product discrepancies, and a UPC problem occurs due to vendor error, an administrative fine will be applied.⁵ Examples of errors subject to administration fines are as follows:

- Vendor substitutes merchandise on a PO without authorization from the Supply Chain Analyst or Category Manager.
- Merchandise received is marked with a UPC assigned to a different SKU.
- Merchandise received does not have a bar code.
- Bar codes fail to scan (e.g. they are illegible or a color that cannot be read by the scanner).
- Bar code bars and spaces represent a different UPC than the human readable code (numbers below the bar).
- Order is delivered without an NWC Retek PO number indicated.

⁴ Retrieved Nov 14, 2018.

⁵ Please refer to the [Fee / Fine Schedule](#), section "Product Code Errors."



- Incorrect NWC Retek PO numbers.
- Extra NWC Retek PO numbers on the Bill of Lading.
- Mixed NWC Retek PO numbers on a single carton.

3. Product Displays

A sample of displays should be forwarded to the Category Manager for approval. It is The North West Company's policy to not pay for merchandise fixtures or point-of-purchase materials unless negotiated beforehand with the Category Manager.

4. Sorting

The following section primarily applies to fashion vendors.

- All merchandise must be packed in the proper size and color breakdown as negotiated with the appropriate Category Manager.
- All pre-packs must contain the proper quantity / SKU breakdown.
 - If merchandise is received with a different breakdown, NWC will:⁶
- Re-sort the merchandise and charge-back to the vendor a per hour sorting fee, plus an administration and handling fee.
 - If after sorting an improper size, a color or SKU quantity breakdown remains, the excess will be returned to the vendor at their expense, plus an additional handling fee will be charged back to the vendor.

Or

- Return the entire shipment at the vendor's expense and charge an administrative and handling fee.

Note: *Should goods be delivered into the network in an unsorted manner, NWC will contact the vendor and make them aware of the problem. The vendor may, at their discretion and within 24hrs, either provide swappers to unload and sort the load at the network location, or remove the load from the location and return it in a sorted manner (a new delivery appointment will be required).*

5. Restocking Charges

The North West Company will not pay for restocking charges unless specifically negotiated with the appropriate Category Manager and included in the vendor agreement.

⁶ Please refer to the [Fee / Fine Schedule](#), section "Sorting Errors."



6. Item Maintenance Fees

The North West Company is ending the practice of charging suppliers product-listing fees, and replacing with an item maintenance fee model, effective Feb 01, 2021.

These maintenance fees apply to any SKU that is actively replenished by our stores during the specified 6-month timeframes: Aug-Jan (fee calculated on Jan 31), and Feb-Jul (fee calculated on Jul 31). The fee calculation is based on the number of stores that are executing the listing, while taking into account the duration of the execution (in months), multiplied against the item maintenance fee factor.⁷

C. Backorder Policy

The North West Company expects complete shipments within the 'expected arrival' guidelines as outlined on the PO. In the event a backorder is necessary to complete a shipment, the vendor will be fined for not shipping the order according to expectation.⁸ Backorder notifications must be communicated as follows:

- Contact the appropriate Supply Chain Analyst or Category Manager whose name and contact number appear at the bottom of the PO prior to delivery. Notification of any shortages or backorders must be made **within 48hrs** following receipt of the NWC PO; backorders will require a new PO be created in most cases.
 - Cancellations or order acknowledgements must also be communicated in the same manner.

D. Ticketing

This section only applies to fashion vendors.

One of the most important factors in ticketing soft goods is the location of each ticket. They must be accessible for both the customer and the cashier, and vendors must be consistent in using the same location on like items (i.e. shirts).

The following guidelines will help achieve this objective:

Tops

Tickets must be fastened to the collar label with a 1" Swift-a-tach.

Pants, Skirts and Shorts

For garments that are hung front out or sideways, the ticket must be fastened on the belt line on the left side of the pants, located 2" from the outer edge with a 1" Swift-a-tach.

Exception: If the pants have a brand name label attached, the ticket should be fastened next to the Brand label.

⁷ Please refer to the [Fee / Fine Schedule](#), section "Item Maintenance Fee."

⁸ Please refer to the [Fee / Fine Schedule](#), section "Backorders."

Outerwear

Tickets must be attached on the left sleeve at the cuff with a 1” Swift-a- tach.

Footwear

Ticket must be fastened to the left shoe with a 5” Swift-a-tach securing the ticket to an eyelet. Footwear must also be joined together with a 9” Secure-a-tach.

Exception: Footwear with no laces should be secured together with a 3” Secure-a-tach with the ticket on the left shoe. Footwear with a manufacturer information tag should be ticketed on the same shoe using a 5” Swift-a-tach. In the case of rubber boots, attach the ticket to the back of the left boot.

Vendor Ticketed Merchandise

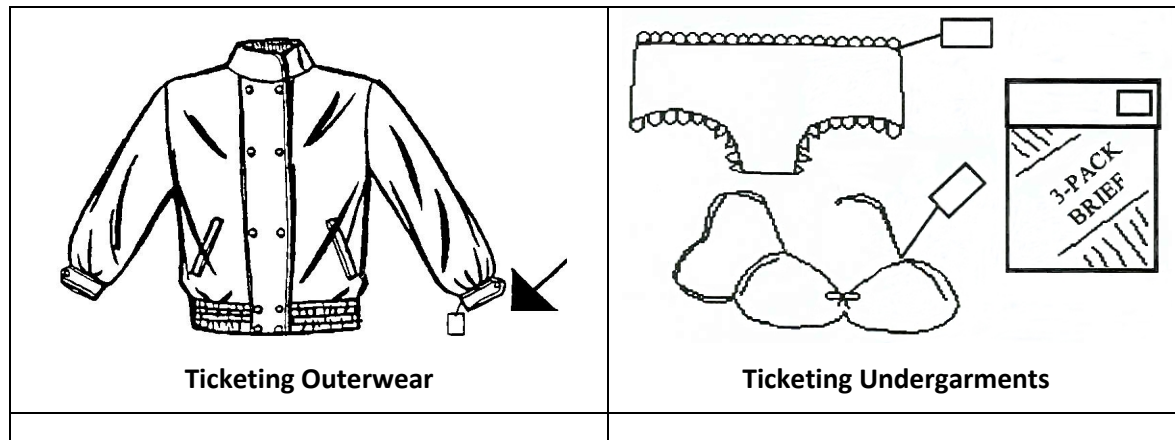
Pre-ticketed merchandise received from vendors must have the same location as specified above.


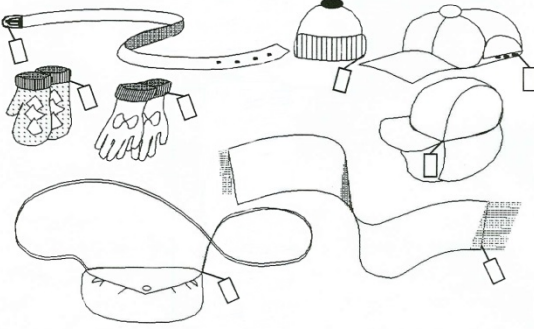
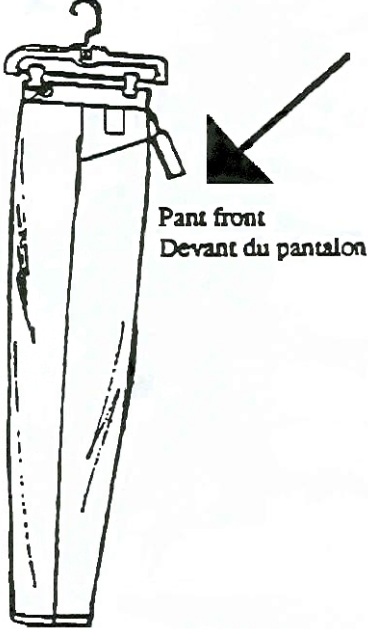
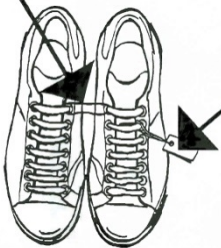
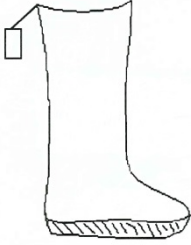
Special Items:

- **Bras** must be ticketed under the left side cup on the seam.
- **Panties** must be ticketed on the left front waistband
- **Halter-tops** must be ticketed on the seam.
- **Accessories** must be ticketed on the seam.

Note: *All tickets must indicate the size and number of pieces, if two or more. Only change the location of the ticket on pre-ticketed merchandise if it will help the customer shop the garment.*

Position of Tickets – Visual Guide:



 <p style="text-align: right;">Ticketing Tops</p>	 <p style="text-align: center;">Ticketing Accessories</p>
 <p>Pant front Devant du pantalon</p> <p style="text-align: right;">Ticketing Pants</p>	 <p style="text-align: center;">Ticketing Footwear</p>  <p style="text-align: center;">Ticketing Rubber Boots</p>

E. Invoicing

Information regarding substitution, discontinued merchandise, cost differences and other product changes **must** be communicated directly to the appropriate Category Manager prior to shipping. This applies to all product movement types (warehouse inventory, cross-dock, and direct-to-store (DSD)).



1. Invoicing – Warehouse Inventory Shipments

- **Mail or EDI one original invoice or credit memo to:**

The North West Company
Accounts Payable
77 Main Street
Winnipeg, MB R3C 2R1
Canada

Note: *Any invoice sent directly to a store will result in non-payment of that invoice.*

- One purchase order per invoice.
- A unique invoice number is required on all invoices. Our Accounts Payable system audits for duplicate invoice numbers. If you use an invoice number more than once, your invoice will be rejected as a duplicate billing, causing delay or non-payment of your invoice.

Our objective is to eventually manage all invoicing via Electronic Data Interchange (EDI).

In addition to the invoicing procedures already outlined, these additional procedures apply when shipping products to our distribution centers:

- Our automated matching system requires that the NWC purchase order number be shown on **ALL** vendor invoices and packing slips. Packing slip number is optional.
- In order to expedite the processing and payment of invoices, list the items on the invoice in the **same sequence as they appear on the NWC purchase order**.
- NWC will pay your invoice for merchandise shipped to our distribution center based upon the best of your invoice terms or terms indicated on our purchase order. Please refer to your vendor agreement for specific payment terms.
- The purchase order will detail the current costs, payment terms, and freight terms based on the agreed stated minimum with your company and the shipment of goods shall be deemed as acceptance of such terms and conditions. Any deviation to the agreed terms for pricing, descriptions, SKU number, freight or payment terms will not be accepted unless submitted and agreed to by the appropriate NWC Category Manager. The Category Manager must approve any and all requests for priority shipments.

2. Invoicing – Cross-Dock Shipments

- **Mail or EDI one original invoice or credit memo to:**

The North West Company
Accounts Payable
77 Main Street
Winnipeg, MB R3C 2R1
Canada

- One purchase order per invoice, per location.



- A unique invoice number is required on all invoices. Our Accounts Payable system audits for duplicate invoice numbers. If you use an invoice number more than once, your invoice will be rejected as a duplicate billing, causing delay or non-payment of your invoice.

Our objective is to eventually manage all invoicing via EDI.

Supplemental to the general invoicing procedures already outlined above, the following procedures must be observed when shipping merchandise directly to any of our store locations or routing such orders through our network as a cross-dock:

Single store cross-dock shipments must include, in addition to the NWC head office address, the complete store information as illustrated in the example below:

Bill to:	The North West Company 77 Main Street Winnipeg, MB R3C 2R1 Canada	Ship to:	General Delivery Northern Store #100 Aklavik, NT X0A 0A0 Canada
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Multiple stores cross-dock shipments must include, in addition to the NWC head office address, the complete store information as illustrated in the example below:

Bill to:	The North West Company 77 Main Street Winnipeg, MB R3C 2R1 Canada	Ship to:	Northern Stores Multiple Stores (see attached)
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Cross-dock shipments destined for a specific store, but routed via an NWC cross-dock location must, in addition to the information shown on all Cross-Dock Invoices in the “ship to” area of the document, **identify NWC as the original consignee**, as illustrated in the example below:

Bill to:	The North West Company 77 Main Street Winnipeg, MB R3C 2R1 Canada	Ship to:	The North West Company C/O Winnipeg Logistics Service Centre 100 Murray Park Road Winnipeg, MB R3J 3Y6 Tag: General Delivery Northern Store #100 Aklavik, NT X0A 0A0 Canada
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Shipping Directly to Multiple Stores on One Purchase Order

For vendors shipping an assortment for one purchase order to several stores, an exception will apply to the invoice procedures. This exception is for **select vendors only** and must be agreed to by the appropriate Category Manager.



In addition to the general invoice procedures already outlined above the following procedures will apply:

- A unique invoice number is to be issued for each purchase order. If necessary, more than one invoice can be issued to cover a large PO.
- In the 'Ship To' section of your invoice please indicate: **multiple Stores (see attached)** when applicable.
- Attach NWC multiple store distribution sheet to the original invoice.
- Item numbers and quantities **must be an exact match** to the NWC purchase order.
- If for any reason items shipped do not match the NWC purchase order, the vendor **must notify the Category Manager PRIOR to shipping**.
 - Should the invoice and distribution sheet (attached to invoice) not match the NWC purchase order, this could result in a delay or non-payment of your invoice.

3. Invoicing – Direct-to-Store (DSD) Shipments

- **Mail or EDI one original invoice or credit memo to:**

The North West Company
Accounts Payable
77 Main Street
Winnipeg, MB R3C 2R1
Canada

- One purchase order per invoice, per location.
- A unique invoice number is required on all invoices. Our Accounts Payable system audits for duplicate invoice numbers. If you use an invoice number more than once, your invoice will be rejected as a duplicate billing, causing delay or non-payment of your invoice.

Our objective is to eventually manage all invoicing via EDI.

4. Invoicing – Health Products & Services (HP&S) Shipments

- **Mail one original invoice or credit memo to:**

The North West Company
Health Products & Services
77 Main Street
Winnipeg, MB R3C 2R1
Canada

5. Invoicing – Additional Requirements

The vendor will be subject to a fine if either the invoice is not provided upon delivery, or complete information is not provided on the invoice.⁹

⁹ Please refer to the [Fee / Fine Schedule](#), section "Invoicing Information Missing."

- For all food direct orders, a single packing slip must be sent to the store with the product.
- Unit costs are to be shown on the packing slip (foods only).
- If there are any price problems, it is the vendor's responsibility to work with the Category Manager to solve any and all disputes.
- NWC will pay the direct ship and distribution invoice based upon your invoice terms or PO terms, if applicable. Any extended terms given to a store, other than on the purchase order, must be indicated on the invoice. To highlight such arrangements, the purchase order number must be prefixed with the letters "AP".
- Vendor invoices will be accepted for processing through NWC up to forty-five (45) days after invoice date. Any invoices submitted after 45 days will require proof-of-delivery.
- The invoice date must correspond with the shipment date.
- List the VPN number or SKU/UPC number with description in the same sequence as they appear on the NWC purchase order.

6. Invoicing – Correspondence

Correspondence concerning invoices, adjustments, debit memos, disputes, etc., must be mailed to:

The North West Company
Accounts Payable
77 Main Street
Winnipeg, MB R3C 2R1
Canada

Any correspondence specific to Health Products & Services shipments should be mailed to the attention of the HP&S department.

Monthly statements are available upon request.

7. Invoicing – Terms and Procedures

Payment due date and special deliver terms must be clearly indicated on the invoice. Invoice totals must be shown as gross totals, not "net totals" after deducting cash discounts.

8. Invoicing – EDI

The Northwest Company supports the following EDI transactions:

- 850 - Purchase Order
- 855 - PO Acknowledgement
- 856 - Advance Ship Notice / Manifest
- 810 - Invoice
- 852 - POS Data
- 812 - Credit/Debit Adjustment
- 997 - Functional Acknowledgement

NWC EDI docs are based on the ANSI X12 industry standard.

Our EDI Provider also maintains a robust and user-friendly web portal that vendors can use to generate EDI documents. For example, invoices can be created directly from NWC PO's already present on the portal.

Vendors are encouraged to sign up for EDI transactions as these reduce the risk of data-entry error and increase the efficiency of transaction processing.

For more information on how to sign up for EDI with the NWC, please contact our EDI Coordinator at:

EDIProcessing@northwest.ca

F. Carton Marking

1. Warehouse – General Merchandise

- Only one PO packed in each carton.
- All cartons must be marked with:
 - The NWC 6 numeric-digit PO number
 - The vendor product / style number
 - The size and color breakdown, where applicable
 - The quantity per carton
 - Any special markings that indicate special handling is required
- Multiple cartons, each marked as required, may be combined into one shipping container.
 - In these cases the shipping container must have indicated on it the NWC PO numbers, carton quantities, and any special instructions as requested.
 - The carton containing the packing slip must be clearly identified with, "Packing Slip Enclosed."
- Cartons containing Dangerous Goods (DG's) and consumer commodities must have the appropriate hazard warnings and UN numbers clearly identified in accordance with regulations.¹⁰

2. Warehouse – Grocery

- All cartons must be marked with:
 - The product name
 - The pack size of the product
 - The quantity per case
 - The numeric case code and bar code for the case code
 - Any special handling instructions
- Expiry / best before dates must be clearly indicated on at least one side of the carton.

¹⁰ For a list of UN numbers for dangerous goods, please visit <https://www.tc.gc.ca/eng/tdg/publications-tp14877-1181.html> (retrieved Dec 06, 2018).

- Any goods requiring temperature control, including protection from freezing, must be identified as such on the carton and on the Bill of Lading.¹¹
- Multiple cartons, each marked as required, may be combined into one shipping container.
 - In these cases the shipping container must have indicated on it the NWC PO numbers, carton quantities, and any special instructions as requested.
 - The carton containing the packing slip must be clearly identified as “Packing Slip Enclosed.”
- Cartons containing Dangerous Goods (DG’s) and consumer commodities must have the appropriate hazard warnings and UN numbers clearly identified in accordance with regulations.¹²

3. Cross-Dock – General Merchandise

- No more than one PO must be packed in any carton.
- All cartons must be marked with:
 - The NWC 6 numeric-digit PO number
 - The weight per carton
 - Any special markings that indicate special handling is required
- Enclose one packing slip in each box.
 - For example, if there are five boxes for one order, then five packing slips are required.
- Multiple cartons, each marked as required, may be combined into one shipping container
 - In these cases the shipping container must have indicated on it the NWC PO numbers, carton quantities, and any special instructions as requested.
 - The carton containing the packing slip must be clearly identified with, “Packing Slip Enclosed.”
- Cartons containing Dangerous Goods (DG’s) and consumer commodities must have the appropriate hazard warnings and UN numbers clearly identified in accordance with regulations.¹³

4. Cross-Dock – Grocery

- Each carton must be labeled or stamped with “Northmart / Northern Store” name and number for each destination.
 - A cross-reference to store shipment number or PO number is helpful, but not required.
- Cartons containing Dangerous Goods (DG’s) and consumer commodities must have the appropriate hazard warnings and UN numbers clearly identified in accordance with regulations.¹⁴

¹¹Please refer to the [Temperature Control Standards](#) section for more information.

¹²For a list of UN numbers for dangerous goods, please visit <https://www.tc.gc.ca/eng/tdg/publications-tp14877-1181.html> (retrieved Dec 06, 2018).

¹³Ibid.

¹⁴Ibid.

- For store destinations identified as ‘air stores,’ (3) copies of the International Air Transportation Association’s Shipper’s Declaration for Dangerous Goods documentation must accompany the shipment. The shipment will be refused and / or fines will be applied in cases where documentation is missing.¹⁵

G. Packing Slips

The following section primarily applies to general merchandise (GM) vendors.

- The packing slip must be clearly visible on the outside of a designated carton.
- The packing slip must be on the first carton of each shipment in a ‘Packing Slip enclosed’ pouch.
 - A second copy of the packing slip must be enclosed in the first carton of each purchase order.
- There must be a separate packing slip for each purchase order.
 - If a packing slip cannot be located, a handling and administration fee will be charged to the vendor’s account.¹⁶
- Each packing slip must contain the following information:
 - Purchase order number
 - Style / item number (fashion vendors only)
 - Vendor product number
 - UPC number and / or NWC SKU number
 - Total quantity and quantity by style / VPN (quantity by color size breakdown where applicable)
 - Total weight
 - Invoice number for cross-referencing
 - Total cartons shipped per packing slip
 - SKU’s backordered or cancelled, if any
 - Substitutions noted on the packing slip as “approved substitution”

H. General Packing Standards

Each NWC Purchase Order must be processed, packed and assembled as a unique unit, but may be shipped with other PO’s on the same Bill of Lading (BOL). All NWC PO numbers must appear on the BOL. **Purchase orders cannot be mixed within cartons.**

I. Pallet Standards

1. Pallet Specifications

- Whenever possible (usually volume-driven), merchandise is to be unitized and shrink-wrapped using a 40” x 48” wooden pallet.

¹⁵ A current Shipper’s Declaration form can be found at <https://www.iata.org/whatwedo/cargo/dgr/Documents/Shippers-Declaration-Column-Format-Fillable.pdf> (retrieved Dec 06, 2018); please refer to the [Fee / Fine Schedule](#), section “Dangerous Goods (DG) Declaration Missing.”

¹⁶ Please refer to the [Fee / Fine Schedule](#), section “Packing Slip Missing.”

- The total height of the pallet must not exceed 48” except in cases where the product will not be damaged by stacking higher.
- For all unitized shrink-wrapped shipments, the Bill of Lading must indicate the pallet and piece count in some manner.
- CHEP and PECO pallets are the preferred pallet types.
 - It is the vendor’s responsibility to ensure all pallets shipped into NWC’s network meet quality standards. Unsafe pallets could be subject to potential chargebacks.¹⁷ NWC reserves the right to refuse products shipped on pallets that do not meet safety standards.¹⁸
- Whenever possible, reasonable full use of the cubic capacity must be utilized.
- A pallet exchange program can be initiated through our Winnipeg Logistics Service Centre (WLSC).

2. Pallet Composition

- Purchase orders containing 50 or more cartons and weighing 50 or more pounds per carton must be palletized.
- All pallets must be built to agreed-upon TI-HI specifications, if applicable.
 - “TI” refers to number of cases per pallet layer; “HI” indicates the number of layers per pallet.
 - In cases where the vendor has not shipped according to TI-HI requirements and has not provided an outside labor resource, one will be booked by NWC and the costs charged back to the vendor.¹⁹
- There should be no product overhang on the pallet (warehouse inventory only).
- Pallets of merchandise should include a slip-sheet between layers of different SKU’s to speed receipt and put-away.

3. Load Quality Standards

- Pallets must be numbered and show the NWC Purchase Order number.
- The carton the packing slip is located on must be noted on the Bill of Lading.
- To eliminate product damage in transit, all loads must be secured and stabilized.
- Stretch wrap must cover the entire product and extend at least halfway down the pallet, securing all cases to the pallet.
- Corner boards may be utilized to prevent crushing product when stacking pallets, if applicable.
- Multiple stacked pallets may be shrink-wrapped together to minimize load shifting.
- Lighter products should be placed on top of heavier products, if necessary, due to order mix.

¹⁷ Please refer to the [Fee / Fine Schedule](#), section “Pallet Type Violations.”

¹⁸ Please refer to the [Appendix](#) for pallet specifications.

¹⁹ Please refer to the [Fee / Fine Schedule](#), section “Pallet TI-HI Specifications Error.”

4. Pallet Charges

Charges for pallets will not be accepted unless previously negotiated with the appropriate Category Manager. Pallet charges that have been agreed to must be billed with the original invoice.

5. HP&S Shipments

This section does not apply to Health Products & Services shipments.

J. Case Standards

1. Case Specifications

- To optimize the receiving process, NWC requires UCC-128/GS1-128 bar codes to be affixed to each case.²⁰
- Case labels should be facing out to be clearly visible whenever possible.

2. Case Composition

- All goods must be packed in good quality boxes in order to withstand the rigors of northern shipping and repeated handling.
 - Cartons should be packed full with no void spaces, without overloading.
 - Special packaging may be required for perishable items (such as, but not limited to, ice cream, produce, dairy products, plants and flowers) on a store-specific basis.
 - Please contact the appropriate Category Manager for more information.
- Glue or tape may not be used to stabilize cases, as it interferes with NWC's de-palletizing equipment.
- Cases (lids and flaps) must be clean and properly secured (damage rules apply).

3. Case Bar Codes

- Case bar codes must follow the ECCNet/GS-1+UCC128/GS1-128 Canada requirements.²¹
- All bar codes must be both legible and able to be scanned.
 - If a particular bar code cannot be scanned, NWC retains the right to refuse the shipment and bill back all incurred costs, including non-compliance fines, to the originating vendor.²²
- NWC requires that all vendors' item labels meet UCC128/GS1-128 specifications.

²⁰ Please refer to the [Case Bar Codes](#) section for more details.

²¹ For further details related to this bar code system, please visit www.gs1ca.org (retrieved Nov 14, 2018).

²² Please refer to the [Fee / Fine Schedule](#), section "Product Code Errors."



UCC128 / GS1-128 Required Fields

Code	Description	Field Length (characters)
01	Global Trade Item Number (GTIN)	14
10	Batch / Lot Number	Variable; up to 20
15	Best Before Date (YYMMDD)	6 / 8 (in the case of YYYY)

Old Dutch Foods Ltd 1673

Ketchup Potato Chips

Croustilles Ketchup

OD - 1673

BEST BEFORE / MEILLEUR AVANT: **2019-04-03**

YYYY-MM-DD

OD-KET

Bag Weight Poids Sac.	Case Count #Sacs/Boîte
255gm	13



(01)10066343167357 (15)190403 (10)6009 (21)790809

UCC128 / GS1-128 (Random Weight) Required Fields

Code	Description	Field Length (characters)
01	Global Trade Item Number (GTIN)	14
11	Best Before Date (YYMMDD)	6 / 8 (in case of YYYY)
3102	Random Weight Kg (2 decimal)	6
21	Serial Number	Variable (up to 9)



4. Case Weight Labelling

- NWC requires all cheese and meat vendors to have their cases identified with UCC128/ESG128 compliant labels.

Cheese Labels:



Meat Labels:



5. Best-Before Dates

- Products containing ‘**expires**’ or ‘**best before**’ language is expected to have acceptable dating upon receipt.
- Best before dates must be clearly printed on each case of applicable product.
 - NWC reserves the right to refuse any cases at the time of receiving for missing best-before dates on applicable product.
 - Please refer to your vendor agreement for minimum dating allowable.
- Single-SKU pallets must not contain mixed dating. Any exceptions to this will be subject to fines.²³

6. HP&S Shipments

This section does not apply to Health Products & Services shipments.

K. Temperature Control Standards

1. Temperature-Sensitive Products

- Merchandise requiring specific temperature controls must be identified as such and the temperature required must also be noted on each carton, bill of lading and packing slip.
 - Failure to identify the aforementioned clearly will result in the vendor’s goods being shipped in an uncontrolled environment. Should this result in the spoilage of the goods, the vendor will be subject to fines.²⁴

²³ Please refer to the [Fee / Fine Schedule](#), section “Mixed Dating on Single-Item Pallets.”

²⁴ Please refer to the [Fee / Fine Schedule](#), section “Product Temperature Violations.”



2. Temperature-Sensitive Product Shipping

- All products must be within acceptable temperature ranges prior to being loaded for shipping.²⁵
- Trailer reefers must be set to ensure that products are maintained within the temperature limits as defined by NWC.
- Trailers must reach the proper temperature prior to loading product.
 - Using the trailer to cool down product that was previously out of temperature limits is not acceptable.
- NWC will only accept products that have been protected from contamination during transit.
 - NWC will not accept product from trucks / trailers that are dirty, or show signs of cross-contamination from non-food items, agricultural chemicals or live animals of any kind.
 - Products will not be accepted from trucks / trailers that are observed to be unable to maintain the temperature settings required.

NWC reserves the right to identify products that are not in compliance. NWC will refuse product that does not meet the agreed-upon shelf life requirements or arrives outside of acceptable temperature range, unless given approval by the on-site manager.

²⁵ Please refer to the [Product Temperature Setting Specification Chart](#) for more details.



3. Product Temperature Setting Specification Chart

These standards are based on the temperatures of the actual product, not trailer temperatures.

Commodity Grouping	Description	Storage and Handling Requirements	TMS Label Description
PERISHABLE	The Perishable commodity will contain Food items that require refrigeration such as Milk, Cheese and processed meats. It will also contain food items that have a short shelf life such as bread.	0 Celsius to 4 Celsius	PRSH
FROZEN	The Frozen commodity will contain all food items that require to be maintained at a temperature below -15 Celsius such as frozen meat, frozen dinners, frozen pizza and -20 Celsius for ice cream	-20 Celsius to -15 Celsius	FROZ
FRESH MEAT	The Fresh Meat commodity will contain fresh packaged cut bulk meat for a meat department such as cut ribs, beef hind quarter. It will also contain display case packaged meat for locations without a meat department.	-2 Celsius to 0 Celsius	FRMT
FRESH PRODUCE	The Fresh Produce commodity will contain all fresh fruits and vegetables	8 Celsius to 13 Celsius	FRPR
PROTECT FROM FREEZING	The Protect From Freezing commodity contain food and general merchandise items that contain liquids such as soup and pop under groceries and snow globes or latex paint	4 Celsius to 8 Celsius	NFRZ
DRY	The Dry commodity would include grocery and general merchandise items that do not require temperature control of any kind, for example paper products, flour, sugar and furniture	No Temperature Control Required	DRY
OVERSIZE HEATED	Oversize Heated commodity would include construction supplies where crating has occurred and chalking, latex paint or other items must be protected from freezing	4 Celsius to 8 Celsius	OSHT
OVERSIZE DRY	Oversize Dry commodity would include such items as boats, ATV and recreational trailers	No Temperature Control Required	OSDR

Any product that is received outside of temperature specifications must be held until the site manager can determine the disposition of the product.

III. Inbound Freight Standards - Delivery

The following section covers the standards expected of vendor partners at the time of making a delivery into the NWC network.

A. Delivery Paperwork

1. Freight Terms

The North West Company's policy is that, unless there is a specific contractual agreement to the contrary, the Bill of Lading (BOL) for all freight received by NWC must be marked **PREPAID**.

2. Shipper's Load & Count

Vendors are responsible for:

- Loading correct case quantities.
- Ensuring all loaded cases are in good condition.
- Ensuring sufficient shelf life as agreed to by NWC and the vendor.
- Securing the load to minimize shifting and maintain case integrity.
- Noting seal information on the Bill of Lading.

3. Bill of Lading

The Bill of Lading is an important document in transportation arrangements. It serves as the basic contract of carriage between the shipper and all connecting carriers, as a receipt for goods, and as indication of ownership of the goods.

- A Bill of Lading (BOL) is required to accompany every shipment to NWC.
 - Unless there is a specific contractual agreement to the contrary, BOL's for all freight received by NWC must be marked PREPAID. If BOL's do not show PREPAID, and the shipment is not an NWC-Managed Inbound Shipment, the vendor may be turned away and / or subject to a fine.²⁶
- All shipments dispatched on the same day going to the same destination must be combined onto one BOL.
 - Exceptions will apply where some products require temperature control, or in instances where the products originate from more than one location, in which case multiple BOL's will be accepted.
- The BOL must show a detail of cartons for each PO number that has been combined in a consolidated shipment.
 - In other words, if you combine PO's on a BOL, each PO must be itemized on the BOL and the PO number must be clearly marked on each carton or package in numbers at least one inch high, where such numbers can be accommodated.

²⁶ Please refer to the [Fee / Fine Schedule](#), section "Bill of Lading (BOL) Violations."



- Special orders must be referenced on the BOL if shipped with a regular stock order.
- Special shipping instructions must be clearly identified; for example, "Winter Road."

Vendors:

- Must list NWC as the consignee on the BOL, C/O (the DC or carrier hub name); as opposed to listing the DC or carrier hub as the consignee.
 - If this process is not followed, the PO may be subject to a fine.²⁷
- Must have a separate bill of lading (BOL) or carrier pro-bill for each NWC PO and destination / consignee, with the PO number referenced.
- Must have a separate packing slip for each NWC PO attached to the carrier's BOL at the time of delivery.
- **Must include the following on the packing slip:** PO number, delivery date, delivery address, product description sorted by case number sequence, master case and retail unit count and repack case count from the BOL.
- Must have description and case codes on the product and packing slip, both of which must match those on the NWC PO.

The following data is required to be included on the BOL:

- Vendor Name
- Vendor Address
- Consignee Name
- Consignee Address
- Store Name
- Store Number
- Special Instructions
- Freight Charge Type ("PREPAID" or "COLLECT")
- Number of packages
- Description of articles, packages, markings, and / or exceptions
- Weight (lbs preferred)
- Shipper's Signature
- Time / Date Tendered
- Carrier Name
- Driver Name and Signature
- Country of Origin for Imported Products (international vendors only)

²⁷ Please refer to the [Fee / Fine Schedule](#), section "Bill of Lading (BOL) Violations."



NWC also requires the following information to be included on the BOL:

- NWC PO Number
- Vendor Sales Order Number that relates to NWC's PO Number
- Ship Date
- Due Date
- Bill of Lading Number
- Seal Number (truck-load shipments only)
- Quantity Shipped per Item and Total
- Pallet Count
- Load Temp ("maintain at")
- Load Number (Vendor's unique Load Number Identifier, if applicable)

4. Proof of Delivery

Drivers are required to obtain all signed proof of delivery (POD) documentation prior to leaving an NWC's distribution center or carrier hub. They will not be provided after leaving the facility.

B. Purchase Order Deliveries

1. General

Vendors:

- Must deliver product that meets "best before" dating commitments.
- Must NOT deliver 'mixed-dates' on a single-item pallet.
- Must deliver according to the TI-HI as stated on the NWC PO, unless the difference is authorized by the NWC Category Manager, or labor is provided at time of delivery to meet this requirement.
- Each item must be segregated onto separate pallets prior to delivery OR sufficient labor must be provided at time of delivery to maintain a 2hr turnaround time.
 - If the supplier or carrier cannot provide this labor then NWC may provide this service for a fee.
 - If sufficient labor is not provided, then NWC may, at its discretion, refuse delivery and any associated late charges or fines may be levied against the vendor.²⁸
- Drivers are to remain with their unit at all times unless exceptions have been negotiated by the vendor or carrier with NWC Distribution or its carrier partner hubs. The delivery person is to sign the carrier's proof of delivery, indicating any variances.
- Carriers must comply with the DC or carrier hub's safety and security policies. To ensure the safety of all staff and drivers, all NWC distribution centers require steel-toed footwear and high-visibility vests to be worn at all times while on site premises.²⁹

²⁸ Please refer to the [Fee / Fine Schedule](#), section "Sorting Errors."

²⁹ Please refer to the [Appendix](#), section "Safety Vest Requirements."

- Deliveries must comply with NWC's Inbound Freight Standards for delivery, including: product temperature, TI-HI, pallet policy and product identification.

2. On-Time Performance

- Merchandise must be shipped to allow for its arrival into the network during the shipping window or date specified on the PO.
 - NWC reserves the right to cancel an order or refuse a shipment, regardless of freight terms.
- It is the vendor's responsibility to ensure delivery appointment dates / times are being adhered to for delivery into the network as specified on the PO.
 - Contact information for the delivery FOB can be found on the PO.
- When calling to make a delivery appointment, the vendor will need to provide:
 - A vendor name
 - NWC PO number
 - The number of cartons / skids being delivered
 - Store name and number (for cross-dock orders)

3. Appointments

All PO's must have a delivery appointment booked at an NWC distribution center or carrier hub prior to the PO delivery date. It is advised to book the appointment as soon as possible in order to avoid capacity concerns and late fines.

- Carriers must deliver for the delivery date / window specified on the PO, unless prior approval is obtained from the appropriate Category Manager.³⁰
 - Delivery appointments are required for each NWC PO unless prior arrangements have been made with the freight-on-board (FOB) facility.
 - When alternate arrangements are made (i.e. standing delivery days / times), vendors are expected to notify the FOB facility if they cannot make a delivery date / time; otherwise, the vendor will be fined for non-compliance for early / late delivery, and no-shows.
- Carriers should arrive 30 minutes prior to their schedule appointment time to allow time to in-gate into the facility and check in. The arrival checkpoint is the receiving office. **Carriers should NOT arrive any earlier than 60min prior to their scheduled appointment time.**³¹
- All deliveries require driver-assisted unloading. **For any large loads, 1-2 vendor-provided swampers will typically be required to assist with unloading / re-piling.**
- Unscheduled deliveries will result in fines being levied against the vendor, and may result in an extended waiting period.³²
 - The North West Company will not be responsible for re-delivery charges that may result.
- The PO appointment time is the time the carrier is expected to be backed into the dock.

³⁰ Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Early / Late for Delivery Window / Date."

³¹ Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Late for Appointment Time."

³² Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Delivered without Appointment."



- **Carriers who do not check in promptly and on time run the risk of being fined for a late delivery.**
- When calling / emailing for an appointment, the following information must be provided:
 - Vendor / carrier name
 - NWC Purchase Order number
 - Store number
 - Number of cartons / pallets
 - Actual weight and cube for each purchase order
- **To book an appointment, please contact the number / email indicated on the PO.**

4. Cross-Dock Deliveries

The North West Company is unique as a retailer in that many of its stores are located in geographically remote locations. Many of these locations cannot be accessed year-round by means other than aircraft, rail lines, or barges (special ship seasons notwithstanding). These carriers operate on a strict schedule, and therefore have little flexibility to accommodate late-arriving or missed freight deliveries. As a result, NWC requires the help of its trusted vendor partners in ensuring that deliveries made into these carrier hubs are on-time, every time. Failure to adhere to scheduled delivery dates and times may result in both fines, as well as the expectation for offending vendors to help pay for the difference in shipping costs incurred by NWC in recovering the freight.³³

Cross-dock ("XDock") shipments should be delivered to the freight-on-board (FOB) point assigned to the vendor for each store they service. If there are extenuating circumstances that cause a vendor to be unable to comply with this requirement, then they should address this with the appropriate Category Manager immediately.

Cross-Dock vendors:

- Must have prior approval from their respective Category Manager, and be formally set up as an approved NWC Cross-Dock Vendor, with an assigned vendor ID and installed into the NWC Vendor Schedule. This vendor ID must be indicated on the XDock notifications to the delivery FOB and the invoices arriving with the product.
- Must make a delivery appointment, or have a prior arrangement, with the delivery FOB.
- All XDock deliveries:
 - Must arrive with 3 copies of the invoice, of which:
 - (2) are attached to the product, and
 - (1) to be presented at time of delivery with the carrier's bill of lading (BOL).
 - Must clearly indicate the final destination of the product on the invoice.
 - Must identify product with the final destination, including store name and number.
 - Must adhere to NWC's Inbound Freight Standards, including Product Temperature Standards & Requirements.³⁴

³³ Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Late, Causing Missed Connection."

³⁴ Please refer to the [Product Temperature Setting Specification Chart](#) for more details.



5. Cross-Dock Scheduling

The North West Company ships all on-hand freight to its stores on a **regular weekly schedule**, with adjustments being made from time to time to accommodate changes in the company's supply chain, or during holiday weeks to accommodate network location closures.

The Company's cross-dock vendor partners process and deliver orders into the network based on a **regular weekly delivery / lead time schedule**, with adjustments being made from time to time for either a change in the vendor's operations, or during holiday weeks to accommodate factory closures.

NWC gathers and utilizes all of these data points to generate the NWC Vendor Schedule, a document which shows, by vendor and store, all store order cutoff days, and corresponding vendor delivery days to each FOB. This is to provide clear direction to the vendor on the appropriate days to deliver product for each store that it services to minimize dwell time, and maximize product dating.

All cross-dock vendors with a lead time of 2 weeks or less are required to provide information to NWC Transportation in order to install them onto the NWC Vendor Schedule. This schedule is also used for some vendors that deliver directly to stores (DSD).

The following information is required to add a vendor to the NWC Vendor Schedule (to be provided to NWC Transportation):

- Vendor ID
- Vendor Name
- Vendor Delivery FOB's
- Vendor order desk point of contact:
 - Name
 - Phone Number
 - Email Address
 - Email address to send EVA communications to. These emails will contain CSV files that essentially act as a recap of orders sent for each cutoff day, so vendors can have certainty that they received all orders)³⁵
- Additional vendor contacts (order-desk POC's, account manager, etc.)
- Vendor comments for stores (e.g. order case / \$ minimums)
- Delivery / lead time schedule
 - Days of the week wherein the vendor can deliver to each FOB.
 - For each day of the week that a vendor can deliver, the number of calendar days that the vendor requires to process that order, including order cutoff day.
 - For example, if a vendor can deliver to an FOB on Mondays, but requires orders for that delivery day to be sent to them by the Thursday prior, the amount of lead time required is 4 calendar days.
 - Cutoff time for orders to be sent to the vendor (09:00 / 11:00 CST are the two options available).
- Any holidays in which the vendor cannot deliver to an FOB.

³⁵ Please refer to the [EVA Program](#) section for more details.

- Whether an extra day of lead time is required for any orders that fall through a holiday period.
- What commodity types are provided by the vendor (dry, fresh produce, frozen, fresh meat, protect-from freezing product, etc.)

Once the vendor is installed into the NWC Vendor Schedule, they will be added to an email distribution list from which they will receive the schedule and all updates to it.

Cross-dock vendors have the following responsibilities with respect to the NWC Vendor Schedule:

- Read the body of every email update carefully to determine if there is a change listed that affects the vendor's cutoff / delivery schedule.
 - Every effort is made to make it as simple as possible for a vendor to determine whether an email update affects them specifically (please refer to checklist chart below).
- Reach out in a timely manner to the Scheduling Analyst in NWC Transportation if there are errors, or adjustments that need to be made to the schedule.
 - Changes to the regular (i.e. non-holiday) schedule cannot be made less than two weeks prior to the affected week, except in cases of absolute emergency (vendor will be subject to fines).³⁶
 - Changes to holiday week schedules cannot be made past the date communicated by the Scheduling Analyst, except in cases of absolute emergency (vendor will be subject to fines at **DOUBLE** the normal rate).
 - Initial holiday schedule builds are communicated to vendors at least 4 weeks prior to the week the holiday falls on, thereby giving the vendor at least 2 weeks to review and advise of any changes required.
 - Initial Christmas / New Year schedule builds are communicated to vendors at least 5 weeks in advance of the holiday start period.

The following table summarizes what a vendor should look for in the body of a schedule update email to determine if it affects them specifically, and if so, what action(s) to take:

³⁶ Please refer to the [Fee / Fine Schedule](#), section "NWC Vendor Schedule Emergency Change."

Schedule Update Email Review Checklist

Email Notation	Checklist Step(s)	Action Step(s)
<p>Regular Schedule Update (all vendors)</p> <p>“ALL VENDORS”</p>	<p>1. Check distribution center (DC) the notation is under. If vendor ships product to DC or FOB’s bound to that DC, then proceed to Checklist Step 2; otherwise, refer to Action Step 1.³⁷</p> <p>2. Check list of affected stores. If vendor ships to any stores listed refer to Action Step 2; otherwise, refer to Action Step 1.</p>	<p>1. Disregard.</p> <p>2. Review schedule and advise Scheduling Analyst of any changes required.</p>
<p>Regular Schedule Update (specific vendor)</p> <p>“NATURAL BAKERY LTD (1000010499)</p> <ul style="list-style-type: none"> o Modified Vendor regular delivery / lead time schedule. o Affects 32 GT Stores and 124 NCR stores.” 	<p>1. If vendor’s name, proceed to Checklist Step 2; otherwise, refer to Action Step 1.</p> <p>2. Check distribution center (DC) the notation is under. If vendor ships product to DC, then proceed to Action Step 2, otherwise, refer to Action Step 1.</p>	<p>1. Disregard.</p> <p>2. Review schedule and advise Scheduling Analyst of any changes required.</p>
<p>Holiday Schedule (initial build)</p>	<p>1. Refer to Action Step 1. Initial holiday schedules will be identified at the top of the email with, “...which includes the period through [holiday]”, with no preceding emails in the chain.</p>	<p>1. Review schedule and advise Scheduling Analyst of any changes required.</p>
<p>Holiday Schedule Update (all vendors)</p> <p>“ALL VENDORS”</p>	<p>Refer to Regular Schedule Update (all vendors) checklist steps.</p>	<p>Refer to Regular Schedule Update (all vendors) action steps.</p>
<p>Holiday Schedule Update (specific vendor)</p> <p>“NATURAL BAKERY LTD (1000010499)</p> <ul style="list-style-type: none"> o Modified Vendor holiday delivery / lead time schedule. o Affects 32 GT Stores and 124 NCR stores.” 	<p>Refer to Regular Schedule Update (specific vendor) checklist steps.</p>	<p>Refer to Regular Schedule Update (specific vendor) action steps.</p>

³⁷ FOB delivery schedules are bound to a DC’s shipping schedule. To determine which DC the FOB’s you ship to are bound to, a list can be obtained by contacting the Transportation department at transportation@northwest.ca.

6. External Vendor Advice (EVA) Program

What is EVA?

The External Vendor Advice (EVA) program is a system by which XDock vendors receive PO's, and are given instructions on when to deliver them, by store, based on the NWC Vendor Schedule. The information in this schedule is driven by both the Company's established distribution center departure schedules, as well as each XDock vendor's specific delivery schedule to their freight on board (FOB) points in the network. By utilizing this information, NWC can ensure that vendor deliveries are optimized to their fullest, arriving as close as possible to each store's departure day.

What are the differences between a PO cut for a non-EVA vs an EVA vendor?

When a PO is cut for a non-EVA XDock vendor, the order is sent to the vendor on the PO approval date, which is typically the same day the PO is created. The vendor will then be instructed to deliver the PO within a range of dates, typically a week timeframe. This process causes two operational gaps in the supply chain:

- It creates uncertainty as to when the order will be delivered into the network, increasing the risk that it will sit for several days before departing, taking up valuable storage / loading space and potentially impacting product quality.
- It creates uncertainty for the store as to when the order will arrive to them, making it difficult to order with confidence.

When a PO is cut for an EVA XDock vendor, the order is sent to the vendor on the PO cutoff date. This date is determined based on the vendor's communicated delivery / lead time schedule that the vendor provides to NWC Transportation. The vendor will then be instructed to deliver the PO on an exact delivery date, which is auto-calculated based on the available delivery days the vendor can drop at a given FOB, as well as each store's specific departure days. The delivery date provided to the vendor for the PO matches the ship-date that the store is ordering for. This provides certainty to the vendor on the right date to deliver to meet store ordering expectations.

Non-EVA Vendor PO Example:

- Store 100 places an order with a vendor on a Monday. The PO is approved, and therefore transmitted immediately, to the vendor that same day.
- The PO then specifies a delivery window to the vendor, typically a week timeframe. This delivery window does not take into account vendor, nor FOB holidays (weekends or stats).
- The vendor is then able to deliver that PO on any day within the window specified, and chooses Wednesday, two days later, based on their internal lead time of two business days to fulfill XDock PO's.
- Unfortunately, Store 100 only ships out of the FOB point on Tuesdays and Fridays, meaning the PO will now sit at the FOB from Wednesday to Friday before it ships out.
- The manager that placed the order may have expected this order to ship out Tuesday with their first shipment of the week, and will now be unpleasantly surprised to find it not included in this shipment.

EVA Vendor PO Example:

- Store 100 views their EVA-generated order schedule on Monday, and sees that the next order cutoff day with this same vendor is Wednesday. They can also see that a placed order that hits this Wednesday cutoff will be delivered by the vendor to the FOB on Friday for the store's outbound departure that same evening.
- Store 100 places an order that day on Monday. The order is then held in NWC's internal systems until Wednesday, the next available cutoff day for that vendor-store combination. The PO is then transmitted to the vendor on Wednesday.
- The PO then specifies an exact delivery date of Friday to the vendor, auto-calculated by comparing the vendor's delivery / lead time schedule, and the store's departure schedule. This date does take into account both FOB and vendor holidays (both weekends and stats). This same information is also available well in advance to the vendor on the NWC Vendor Schedule in case any delivery dates need to be adjusted.
- The vendor is then required to deliver that PO on Friday that week only, and does so.
- The order then ships out that same evening with the rest of Store 100's orders.
- The manager that placed the order will be pleased to find it included on their shipment, as expected.

It is The North West Company's mandate for all XDock vendors with a lead time of 2 weeks or less be on EVA. Again, this system is in place to provide vendor partners with clear direction on when to deliver PO's, as well as provide banner stores with certainty on when to expect their orders to be delivered into the network.

If a vendor is unsure of whether they are on EVA, they can confirm by contacting their respective Category Manager or NWC Transportation.

C. Product Quality

At The North West Company poor quality product is not acceptable, and will be subject to fines.³⁸

D. Product Damages

The North West Company expects product to arrive in sellable condition. Damaged product will be subject to fines for noncompliance.³⁹

E. Storage

In the event it becomes necessary to accept merchandise substantially in advance of the 'Expected Arrival Date' (more than two weeks), and such arrangements can be accommodated, a storage fee will be assessed. This fee is viewed as an accommodation charge and is to be arranged in advance of merchandise arrival.⁴⁰

³⁸ Please refer to the [Fee / Fine Schedule](#), section "Poor Quality Product."

³⁹ Please refer to the [Fee / Fine Schedule](#), section "Purchase Order Damages."

⁴⁰ Please refer to the [Fee / Fine Schedule](#), section "Storage Fee."



F. Swamping / Lumping

- For vendor-arranged (i.e. prepaid) freight, it is the responsibility of the vendor to arrange swampers.
 - If labor is required for swamping or palletizing of product that is not delivered as per NWC's Inbound Freight Standards, there will be a fee passed on to the vendor for this service.⁴¹
 - Floor-loaded grocery deliveries will require a swamper at the expense of the vendor or carrier unless otherwise negotiated.

G. Intermodal Shipments

It is important that vendors take the necessary steps to ensure damage-free products arrive into the NWC network. A load should have proper weight distribution and adequate blocking / bracing to prevent the shifting of goods. The following steps and principles must be followed by all NWC vendors to ensure goods arrive free of damage to customers.

1. Loading Guidelines - Introduction

All intermodal units are to be inspected by the vendor's shipping facility prior to loading to ensure they are clean with no holes and / or strong odors. The vendor is responsible for loading and bracing intermodal units going to NWC. All dunnage used to brace intermodal units going to NWC will be at the vendor's expense.

2. Loading Guidelines – Selection / Preparation of Units

Personnel must inspect all units before loading to ensure that each and every unit is in suitable condition to safely transport a load to its destination.

Carriers should furnish a unit suitable for loading a customer's product. The shipper should conduct an inspection to determine if a unit meets their requirements. If a unit does not meet requirements it should either be rejected, or properly prepared. If the shipper does not reject a unit, then it becomes the responsibility of the shipper to properly prepare the unit for loading, including:

- Sweeping the floor of all debris.
- Removing any exposed nails or protrusions and straps in wall anchors.
- Ensuring that bulkhead doors are in good working order.

3. Loading Guidelines – Reasons for Rejection of Units

- Leaky roof or wall or floor problems (if light enters the cars, so can moisture, air and dust)
- End wall bowed 3 or more inches
- Defective doors
- Any item that cannot be repaired by the carrier or their contractor

⁴¹ Please refer to the [Fee / Fine Schedule](#), section "Sorting Errors."

4. Loading Guidelines – Loading Principles

The load must be secured in a manner to prevent it from shifting either crosswise or lengthwise during transport where it could affect safe weight distribution and cause damage to the loaded product. It is imperative that the load is uniformly distributed.

The most important principles are:

- Ensure the load is tight crosswise and lengthwise in the car
- Do not load damaged products
- Load cases together that combine well into a bonded pattern
- Load cases of similar characteristics together
- Use separators and dividers as necessary

Loads shall be properly distributed, secured and blocked. It is not intended that closed trailers or containers be opened for interior inspection of loads, unless the trailer or container has not been properly loaded.

When using shrink / stretch wrap:

- Load in a bonded block pattern when practical
- Maintain vertical alignment of shipping cases / containers
- Ensure all layers of the unit are wrapped
- Ensure wrap encircles the pallet base

When using Slip-Sheeted Units:

- Match the slip sheet strength to the weight of the load
- Tape or secure slip sheets to prevent damage

When using Palletized Units:

- When using shrink wrap, make sure the pallet is wrapped around in full, or at least 2" to prevent the cases from sliding and or walking off the pallet.
- Pallets (CHEP and / or equal standard) should be in good condition and of sufficient strength for handling products.
- Pallets should be free of defects, exposed nails and / or broken or missing boards.
- Have palletized units provide unit-to-unit contact.
- The use of four-way pallets in doorways is recommended.

Bracing the load:

It is expected that all vendors will properly brace the loads adequately to withstand over-the-road or intermodal transport to arrive intact and in good order.

H. Cross-Border Shipping (United States)

The movement of cross-border shipments can be quite time-consuming and costly if certain criteria are not followed. It is the vendor's responsibility to ensure all documentation, declarations, etc. that are required for a shipment be compliant with the Canadian Border Services Agency's (CBSA) regulations. Failure to comply with CBSA regulations that in turn



delay shipments or require additional follow-up by the Company's customs broker, Livingston International, or NWC, will result in fees being deducted from the vendor's account.

The North West Company uses Livingston International as its customs broker. Vendors should feel free to contact Livingston with any problems or questions. NWC recommends that, at the time of shipment, vendors mail or email a copy of export documents directly to the broker to speed up the clearance process.

Livingston International
1146 Waverley St, Unit #1
Winnipeg, MB R3T 0P4
Canada

Clearance Team: #34
Telephone: 204-475-5000
Email: cst53434@livingstonintl.com
Contact: Brian Allison

Shipments from the United States to NWC require the following documents:

- Bill of Lading
- Canada Customs Invoice or Commercial Invoice indicating Country of Origin
 - MUST state Country of Origin for **each** product item
- NAFTA Certificate (for items showing U.S., Canada or Mexico as Country of Origin)

These documents should accompany the goods shipped and **one copy must be sent to Livingston International**. If these documents are not made available and additional costs are incurred by NWC in obtaining these documents, either in the form of higher duty rates or in storage fees, these costs will be charged back to the vendor, along with an administration fee.⁴²

Route all shipments to The North West Company as per the instructions on the PO.

I. Sealift Shipping

The Sealift / Barge season runs from approximately **mid-May to mid-September**. To facilitate the shipment of product to the Company's stores during this timeframe, please note the following guidelines:

- Each shipping carton must be marked with store name, store number (3-digits), NWC PO number, and **VIA SEALIFT/BARGE** in bold letters.
- Packing slips should be attached to the outside of cartons.
- For pallet load shipments, the pallet must be shrink-wrapped, capped and labeled with the PO number, number of cartons, **VIA SEALIFT/BARGE** in bold letters, and destination (store name and number, plus NWC consolidation facility) clearly visible.
- For products classified **dangerous goods (DG's)**, it is the **vendor's responsibility** to ensure all cartons are properly manifested, packed and labelled to meet regulations.
- Bill of lading / pro bill must show routing via sealift / barge, gross shipping weight, number of cartons per store and NWC PO number. Appropriate paperwork must accompany shipments from outside Canada to clear customs.

⁴² Please refer to the [Fee / Fine Schedule](#), section "Cross-Border Documentation Missing."



- If the shipment is FOB vendor’s warehouse, the vendor should not use the term “collect” on pro bills with their shipping agent; rather, request ‘3rd party billing’ to NWC’s Accounts Payable office in Winnipeg.
- Delivery appointments are required at NWC’s DC’s, as well as consolidation points where shipments will be amalgamated for furtherance to the stores. Please read NWC’s PO carefully to determine delivery location.
- Send invoices directly to **Accounts Payable, The North West Company, 77 Main Street, Winnipeg, MB R3C 2R1**. Invoices should not be sent to the Company’s warehouses, outside consolidators, or stores. The vendor’s paperwork (or EDI transmission) should reflect:

Sold To	Ship To	Bill To
The North West Company 77 Main Street Winnipeg MB R3C 2R1 Canada	NWC Store #xxx, Store Name • VIA SEALIFT/BARGE C/O [WLSC] or [Consolidation Point]	Accounts Payable The North West Company 77 Main Street Winnipeg MB R3C 2R1 Canada

J. Overages, Shortages & Damages (OS&D)

The following section provides a brief overview of what vendors can expect when there is an overage, shortage, or damage on a PO.

The NWC DC will receive product and note variances by adjusting the purchase order:

Type	Action
Overages	NWC will inform the vendor about the overage. Overages for vendor-delivered freight are refused and left on the trailer.
Shortages	NWC will note the short on the Proof of Delivery and the system will short pay the vendor’s invoice.
Damages	NWC will note the damage on the Proof of Delivery, adjust the PO accordingly, and the system will short pay the vendor’s invoice.

1. OS&D – Shipping Discrepancies

Invoice deductions will be made for quantity variances caused by shipment / picking error, shortages, and damaged merchandise. Such deductions will be taken for shortages and damages discovered at time of receipt and for shortages or damages discovered later in the receiving process, as may occur in the event of backhauls and dropped trailer programs where inspection is not feasible or permitted at the time of receipt.

2. OS&D – Vendor-Managed (Prepaid) Freight

- Overages – NWC will inform the vendor about the overage. Overages for vendor-delivered freight are refused and left on the trailer.
- Shortages – NWC will note the short on the Proof of Delivery and the system will short pay the vendor's invoice.
- Damages – NWC will note the damage on the Proof of Delivery, adjust the PO accordingly, and the system will short pay the vendor's invoice. The vendor is responsible for all damages to vendor-delivered freight.
 - The damaged product will be reloaded onto the carrier's trailer if the load is a live-unload.
 - If the load is a drop trailer, or "subject to recount" load, NWC will inform the vendor of the damaged product.
 - The vendor has up to 10 business days from delivery of the NWC PO to contact the facility for appointment date and time to pick up any damaged product.
 - NWC will wait for vendor's response on disposition of product. If no response is received after 10 business days from delivery of the PO, and product is still at the warehouse, then NWC will dispose of the product. An administrative fee, plus the cost of disposal, may be assessed against the vendor.⁴³
 - If the vendor makes an appointment to pick-up the damaged freight, but fails to show up on the appointment day and time, the "no show" may be fined. NWC will dispose of the product, and an administrative fee, plus the cost of disposal, may be assessed against the vendor.
 - Please note if the damaged product is deemed to cross-contaminate the warehouse, it will be refused at the door.
 - If the damaged product is otherwise perishable and cannot be held, NWC will dispose of the product without carrier notification.

K. Direct-to-Store Deliveries (DSD)

- Specified shipping date or shipping windows must be adhered to.
- Shipments must have exact quantity ordered.
- NWC will not accept backorders, overages, shortages, or substitutions.

⁴³ Please refer to the [Product Returns](#) section for more details.

IV. Inbound Freight Standards – After Delivery

The following section covers the standards expected of vendor partners following delivery into the NWC network.

A. Product Returns

The North West Company pays for or qualifies for pre-payment all incoming merchandise, but will not honor any freight or handling charges related to return merchandise. The Company's policy is to ship all returns collect, unless otherwise agreed-upon with the appropriate Category Manager. Returned merchandise may be non-conforming, defective or damaged, or overages.

The Category Manager contacts the vendor to make arrangements. The vendor then contacts the appropriate facility for appointment date and time.

The North West Company will charge a handling fee for returning merchandise to a vendor.⁴⁴ This handling fee will be applied, but is not limited to, the following situations:

- Shipments returned at vendor's request
- Duplicate shipments being returned
- Wrong merchandise shipped by vendor and returned
- Shipment of merchandise after cancellation of purchase order
- Product being returned for repacking
- Recalled merchandise returns
- Return merchandise pre-ticketed with another retailer's tag

Note: FOOD ORDER (both warehouse inventory and cross-dock) over shipments or incorrect product shipments will not be paid or returned to the vendor.

- All product returns are to be picked up within 14 days of notification from NWC.
- Vendors are responsible to pick up and destroy all poor quality, damaged or recalled products.
- Vendor returns not picked up within 14 days of notification will be disposed of through NWC's Reclamation Process and the cost **will be charged back** to the vendor.
 - If a vendor fails to show up on the appointment day, then NWC will dispose of the product, and an administrative fine will be assessed against the vendor.⁴⁵

B. Freight Claims

- Claims for shorts and damages will be handled as follows:
 - FOB Destination (Freight **PREPAID**): claim to be filed by vendor.
 - FOB Origin (Freight **COLLECT**): claim to be filed by NWC.

⁴⁴ Please refer to the [Fee / Fine Schedule](#), section "Vendor Return Admin Fee."

⁴⁵ Please refer to the [Fee / Fine Schedule](#), section "Vendor Return No-Show."



C. Proof of Delivery Requests

Vendors may be contacted from time to time to provide Proof(s) of Delivery (P.O.D) to facilitate shipment traces by NWC personnel. Email requests from the Company's distribution team should be responded to promptly; vendors that routinely ignore or take excessively long periods of time to respond to Proof of Delivery requests may be fined.⁴⁶

The expectation is for P.O.D requests to be responded to within 4hrs during business hours, or within 4hrs following the start of business, or 10:00 hours in the vendor's time zone (for requests that come in after business hours).

Vendors will be asked to provide a copy of the BOL signed by the driver that made the delivery in question.

⁴⁶ Please refer to the [Fee / Fine Schedule](#), section "P.O.D. Request Violations."

V. Customer Pick-Up Program (CPU) Guidelines

The North West Company is continuously looking for ways to lower the cost of goods for its customers, as well as find efficiencies in its supply chain. As a result, the Company is exploring opportunities to take over picking-up and shipping its inbound freight from its vendor partner's factories.

Shipping goods on a Customer Pick-Up (CPU) basis allows NWC to ensure the best possible service and cost for shipping, while freeing vendor partners from having to allocate administrative labor for managing the Company's orders, or bearing the risk of the freight while in transit to the network.

The following sections describe the CPU process and requirements as it relates to both new and existing vendors.

A. CPU Program – New Vendors

1. Application

All new or potentially new vendors may be asked to provide NWC with expected transportation costs to deliver the company's orders into their respective FOB(s). If requested, the requirement to provide transportation pricing is not optional, and failure to provide it may result in the vendor being put under review for further consideration in doing business with NWC.

2. CPU Pricing Methodology

The vendor must provide NWC with a quote on their cost to ship the company's expected order volumes to each FOB they would service. For example, a vendor may charge \$25.00cwt to ship orders to Winnipeg, and \$75.00cwt to ship to Montreal.

When determining the cost to quote, the vendor should consider their true cost, and not just the freight rate they were quoted by their carrier(s). Factors such as fuel, accessorial charges, delays, late charges, and administrative labor all factor into the true cost to ship their goods to their customers.

The vendor must provide a transportation cost quote in one of the following formats:

- Cost per case, per SKU
- Cost per cwt, or convertible equivalents (per lb, per KG)
- Cost per pallet

The vendor must also provide operational information, including:

- Ship Origin(s) for each SKU
 - Origin address
 - Origin receiving days / hours
 - Origin loading process (live load vs drop trailer)

- Receiving office phone number / email
- Product type(s) (dry food, frozen meat, protect from freezing beverages, etc.)

3. CPU Quote Discrepancies

NWC will compare the vendor's quoted transportation cost to quotes from its carrier network in order to determine whether to make the switch to a CPU model. In cases where the vendor's quoted cost is significantly lower than any quote obtained from the company's network, the vendor will be asked to provide proof of this cost. This is to ensure absolute transparency in the process in order to guarantee NWC's order are being shipped at the lowest cost / best service combination possible.

Vendors can provide documentation on a specific transportation cost in the form of either a copy of their carrier's rate quote, or a freight invoice for a similar shipment. Any of these provided documents are held in the strictest of confidence only for verification purposes, and are shredded / deleted upon review. Vendors that fail to provide proof of quoted transportation costs far below viable market rates may be subject to termination of further consideration in doing business with NWC.

4. CPU Implementation

There will be a minimum of two weeks given for all parties to prepare for the switch to a CPU model.

In a CPU model, the vendor has the following responsibilities:

- Contacting NWC's carrier to arrange a pick-up appointment for prepared orders. The carrier and vendor are responsible to arrange pick-up times that are mutually agreeable.
 - NWC does *not* coordinate nor facilitate pick-up appointments between the vendor and carrier. As the holder of the freight and therefore appointment details, the vendor is responsible to contact the carrier to both coordinate and facilitate pick-up appointments.
 - Vendors that require NWC to coordinate and / or facilitate pick-up appointments will be charged a fee for this service.⁴⁷
- Contacting NWC Transportation for assistance when its carrier is not meeting its obligations and performance expectations, such as:
 - Unable to be reached to schedule a pick-up appointment.
 - Consistently misses or is late for pick-up appointments.
 - Consistently cancels pick-up appointments less than 24hrs prior to schedule delivery date / time.
 - Consistently shows up for appointments with dirty or damaged trailer equipment.
- Load the shipment within 2hrs.

⁴⁷ Please refer to the [Fee / Fine Schedule](#), section "CPU Appointment Booking."

- NWC reserves the right to deduct, set-off or withhold payments determined by NWC to be due and owing to the vendor, if detention time at the vendor's dock exceeds this standard.⁴⁸
- NWC will not responsible for any late charges, penalties or assessments in connection with the assertion of its rights to deduct, set-off or withhold such amounts.
- Ensure the PO is available on the pick-up day as arranged between the vendor and NWC's carrier. Any CPU PO's not ready based on the scheduled appointment date will be subject to fines.⁴⁹

B. CPU Program – Existing Vendors

1. Application

Existing vendors may be approached from time to time to determine the viability of a CPU model. Any approached vendor is required to provide NWC with expected transportation costs to deliver the company's orders into their respective FOB(s). If requested, the requirement to provide transportation pricing is not optional, and failure to provide it in a timely manner may result in delisting of certain SKUs, a reduction in order volumes for certain SKUs, or the vendor may be put under review for further consideration in doing business with NWC.

2. CPU Pricing Methodology

The vendor must provide Ex Works pricing and / or a freight allowance for the purpose of determining a baseline transportation cost. For an example of Ex Works pricing, a vendor may normally charge \$25 per case to ship a particular SKU to Winnipeg, whereas under a CPU model they would instead charge \$22.50 per case to pick-up the same SKU at factory. The difference between the two values, \$2.50 per case, is the vendor's quoted transportation cost.

When determining the cost to quote, the vendor should consider their true cost, and not just the freight rate they were quoted by their carrier(s). Factors such as fuel, accessorial charges, delays, late charges, and administrative labor all factor into the true cost to ship their goods to their customers.

The vendor must provide a transportation cost quote in one or both of the following formats:

- **Ex Works Pricing:** Cost per case, per SKU (via form provided by NWC)
- **Freight Allowance:** Cost per cwt, or convertible equivalents (per lb, per KG)

The vendor must also provide operational information, including:

- Ship Origin(s) for each SKU and delivery destination
 - Origin address
 - Origin receiving days / hours
 - Origin loading process (live load vs drop trailer)

⁴⁸ Please refer to the [Fee / Fine Schedule](#), section "CPU Detention Time Violation."

⁴⁹ Please refer to the [Fee / Fine Schedule](#), section "CPU PO Ready-Time Violation."

- Receiving office phone number / email
- Product type(s) (dry food, frozen meat, protect from freezing beverages, etc.)
- Shipment method to each of the company's delivery destinations (road, intermodal, etc.)

3. CPU Quote Discrepancies

NWC will compare the vendor's quoted transportation cost to quotes from its carrier network in order to determine the best method to ship. In cases where the vendor's quoted cost is significantly lower than any quote obtained from the company's network, the vendor will be asked to provide proof of this cost. This is to ensure absolute transparency in the process in order to guarantee NWC's order are being shipped at the lowest cost / best service combination possible.

Vendors can provide documentation on a specific transportation cost in the form of either a copy of their carrier's rate quote, or a freight invoice for an NWC shipment. Any of these provided documents are held in the strictest of confidence only for verification purposes, and are shredded / deleted upon review. Vendors that fail to provide proof of quoted transportation costs far below viable market rates may be subject to delisting of certain SKUs, a reduction in order volumes for certain SKUs, or may be put under review for further consideration in doing business with NWC.

4. CPU Implementation

There will be a minimum of two weeks given for all parties to prepare for the switch to a CPU model.

In a CPU model, the vendor has the following responsibilities:

- Contacting NWC's carrier to arrange a pick-up appointment for prepared orders. The carrier and vendor are responsible to arrange pick-up times that are mutually agreeable.
 - NWC does *not* coordinate nor facilitate pick-up appointments between the vendor and carrier. As the holder of the freight and therefore appointment details, the vendor is responsible to contact the carrier to both coordinate and facilitate pick-up appointments.
 - Vendors that require NWC to coordinate and / or facilitate pick-up appointments will be charged a fee for this service.⁵⁰
- Contacting NWC Transportation for assistance when its carrier is not meeting its obligations and performance expectations, such as:
 - Unable to be reached to schedule a pick-up appointment.
 - Consistently misses or is late for pick-up appointments.
 - Consistently cancels pick-up appointments less than 24hrs prior to scheduled pick-up date / time.
 - Consistently shows up for appointments with dirty or damaged trailer equipment.
- Load the shipment within 2hrs.

⁵⁰ Please refer to the [Fee / Fine Schedule](#), section "CPU Appointment Booking."



- NWC reserves the right to deduct, set-off or withhold payments determined by NWC to be due and owing to the vendor, if detention time at the vendor's dock exceeds this standard.⁵¹
- NWC will not be responsible for any late charges, penalties or assessments in connection with the assertion of its rights to deduct, set-off or withhold such amounts.
- Ensure the PO is available on the pick-up day as arranged between the vendor and NWC's carrier. Any CPU PO's not ready based on the scheduled appointment date will be subject to fines.⁵²

⁵¹ Please refer to the [Fee / Fine Schedule](#), section "CPU Detention Time Violation."

⁵² Please refer to the [Fee / Fine Schedule](#), section "CPU PO Ready-Time Violation."



VI. Inbound Freight Standards – Fine / Fee Schedule

The North West Company is committed to maintaining a lean and efficient supply chain as part of its mission to provide products and services that help its communities live better. The Company cannot, however, succeed in this endeavor without its valued vendor partners. Providing customers with a large selection of affordable food and general merchandise requires everyone’s best efforts at ensuring an effective supply chain. It is for these reasons that the Company is implementing the following fee / fine schedule for failure to conform to the previously laid-out compliance standards.

The schedule applies to all deliveries of product into points where NWC has a presence. These locations include: distribution centers, warehouse facilities, consolidation points, cross-dock facilities, carrier partner hubs and banner stores.

Failure to comply with NWC’s Inbound Freight Standards may result in:

- **FEES / FINES** – to be debited from payment of the vendor invoice, or;
- **REFUSAL OR CANCELLATION OF THE PURCHASE ORDER.**

Note: Unless indicated otherwise, all of the following fees / fines are assessed on a per PO basis, and can be compounded in the event of multiple infractions in a single instance.

A. Fine / Fee Schedule – Before Delivery

1. Fine Schedule – Before Delivery

Routing Instruction Violation

Description	Fine Amount
PO delivered in manner inconsistent with routing instructions.	Amount equal to incremental freight cost (min \$50).
Vendors that deliver NWC orders to the wrong location, or in any manner inconsistent with a PO’s routing instructions, will be subject to charge-backs of the incremental shipping costs.	
Routing Instructions	

Purchase Order Shorts

Description	Fine Amount
PO shorted without notifying NWC within 48 hours of order receipt.	Min. \$50, or 10% of shorted product value, whichever is greater.
It is the vendor’s responsibility to inform the Supply Chain Analyst of shortages within 2 business days following receipt. NWC takes shorts very seriously and at its discretion will fine the vendor for these occurrences.	
Fill Rates	



Purchase Order Damages

Description	Fine Amount
PO arrives with damaged product.	Min. \$50, or 10% of damaged product value, whichever is greater.
NWC will note the damage on the Proof of Delivery, adjust the PO accordingly, and the system will short pay the vendor's invoice. Vendor will be fined for any product damages on the PO.	
Product Damages	

Product Code Errors

Description	Fine Amount
Vendor substitutes merchandise on a PO without authorization from the Category Manager or Supply Chain Planner.	\$50
Merchandise received is marked with a UPC assigned to a different SKU.	\$50
Merchandise received does not have a bar code.	\$50
Bar codes do not scan (e.g. they are illegible or a color that cannot be read by the scanner).	\$50
Bar code bars and spaces represent a different UPC than the human readable code (numbers below the bar).	\$50
Order is delivered with no NWC Retek PO number indicated.	\$50
Incorrect NWC Retek PO numbers.	\$50
Extra NWC Retek PO numbers on Bill of Lading.	\$50
Mixed NWC Retek PO numbers in a single carton.	\$50
If a vendor fails to advise NWC of discrepancies and a UPC problem occurs due to vendor error, an administrative fine will be applied.	
Product Information Changes	

Invoice / Invoice Information Missing

Description	Fine Amount
Invoice not provided upon delivery, or invoice is missing required information.	\$50
The vendor will be subject to a fine if either the invoice is not provided upon delivery, or complete information is not provided on the invoice.	
Invoicing - Additional Requirements	



Dangerous Goods (DG) Declaration Missing

Description	Fine Amount
Dangerous Goods declaration form missing, or not provided.	\$50
For store destinations identified as 'air stores,' the International Air Transportation Association's (IATA) Shipper's Declaration for Dangerous Goods documentation must accompany the shipment.	
Cross Dock - Grocery	

Mixed Dating On Single-Item Pallets

Description	Fine Amount
Mixed dating on a single-item pallet of product.	\$250 / delivery
Single-item pallets must not contain mixed dating. Any exceptions to this will be subject to fines.	
Best-Before Dates	

Product Temperature Violations

Description	Fine Amount
Product temperature violation.	Min. \$50, or 10% of PO value, whichever is greater.
If a vendor ships product that arrives outside of temperature specifications, it will be up to the site manager's discretion to refuse and / or fine the vendor.	
Temperature Sensitive Product Shipping	

Pallet Type Violations

Description	Fine Amount
Unsafe pallets of product.	May be subject to fine of \$250 / delivery, or shipment may be refused.
Unsafe pallets could be subject to potential chargebacks. NWC reserves the right to refuse products shipped on pallets that do not meet minimum standards.	
Pallet Specifications	



Backorders

Description	Fee Amount
Backorder is required to complete a shipment.	Min. \$50, or 10% of backordered product value, whichever is greater.
In the event a backorder is necessary to complete a shipment, the vendor will be fined for not shipping to expectation.	
Backorder Policy	

2. Fee Schedule – Before Delivery

Sorting Errors

Description	Fee Amount
Re-sort the merchandise and charge-back to the vendor a per hour sorting fee, plus an administration and handling fee, and: If after sorting an improper size, a color or SKU quantity breakdown remains, the excess will be returned to the vendor at their expense, plus an additional handling fee will be charged back to the vendor, or:	Sorting fee: \$25 / hour Admin / handling Fee: \$50
Return the entire shipment at the vendor's expense and charge an administrative and handling fee.	Amount equal to cost of return shipment. Admin / handling Fee: \$50
If merchandise is received with a different quantity / color breakdown than expected, NWC will follow one of the two procedures noted above and charge the vendor accordingly.	
Sorting	

Item Maintenance Fee

Description	Fee Amount
Item maintenance fee.	Number of stores supporting the SKU and for how long.
Vendors will be charged an item maintenance fee for actively listed SKUs, based on number of stores carrying the item and number of months the item is carried.	
Item Maintenance Fees	

Packing Slip Missing

Description	Fee Amount
Packing Slip missing.	\$50
Vendors will be charged an administrative fee for not providing a packing slip with their deliveries.	
Packing Slips	



Pallet TI-HI Specifications Error

Description	Fee Amount
Pallet(s) not built to agreed-upon TI-HI specifications.	Amount equal to the cost to have outside resource engaged to correct the pallet(s) (min \$50).
In cases where the vendor has not shipped according to TI-HI requirements and has not provided an outside labor resource, one will be booked by NWC and the costs charged back to the vendor.	
Pallet Composition	

B. Fine / Fee Schedule – Delivery

1. Fine Schedule – Delivery

Bills of Lading (BOL) Violations

Description	Fine Amount
BOL does not show 'PREPAID,' and shipment is not NWC-managed.	Delivery may be turned away and / or subject to \$250 / delivery fine.
BOL does not list NWC as consignee, C/O (the DC name), as opposed to just listing the DC as the consignee.	\$250 / delivery
Unless there is a specific contractual agreement to the contrary, the Bill of Lading (BOL) for all freight received by NWC must be marked PREPAID. Vendors must also list NWC as the consignee on the BOL, C/O (the DC or carrier hub name); as opposed to listing the DC or carrier hub as the consignee.	
Bill of Lading	

Delivery Late for Appointment Time

Description	Fine Amount
Arrival less than or equal to 30min late.	No Fine
Arrival more than 30min late.	\$500 / delivery
'No show' for appointment (booked or standing)	\$500 / delivery
All deliveries that are late for their appointment time are subject to compliance penalties. Vendors that have standing appointments with FOB's must notify the facility if they will not be delivering that day or will be subject to fines.	
Appointments	

Delivery made Early / Late for Designated Window / Date

Description	Fine Amount
Delivery made before / after designated window / date.	\$1000 / delivery
All deliveries made outside of their designated window / dates as noted on the PO document are subject to compliance penalties.	
Appointments	



Delivery made without Appointment

Description	Fine Amount
Delivery made without appointment.	\$250 / delivery
All deliveries made without an appointment are subject to compliance penalties unless prior arrangements have been made with the FOB facility.	
Appointments	

Late Delivery, Causing Missed Connection

Description	Fine Amount
Late delivery to FOB, causing a missed connection.	Amount equal to incremental cost to recover the freight (excluded from holiday week fine rates; min \$50).
Failure to adhere to scheduled delivery dates and times may result in both fines, as well as the expectation for offending vendors to help pay for the difference in shipping costs incurred by NWC in recovering the freight.	
Cross-Dock Deliveries	

NWC Vendor Schedule Emergency Change

Description	Fine Amount
An emergency vendor schedule change is made.	Min. \$1,000 / instance or more at NWC's discretion, depending on the impact to the network.
Changes to the regular (i.e. non-holiday) schedule cannot be made less than two weeks prior to the affected week, nor can changes be made to holiday schedules past the cutoff date communicated by the Scheduling Analyst, except in cases of absolute emergency (vendor will be subject to fines).	
Cross-Dock Scheduling	

Poor Quality Product

Description	Fine Amount
Poor product quality.	Min. \$50, or 10% of product value, whichever is greater.
Poor quality product is not acceptable, and will result in fines being levied against the vendor.	
Product Quality	

Holiday Weeks

Any of the above violations incurred during weeks which include a statutory holiday will be assessed at **DOUBLE** the fine amount indicated, unless specifically excluded.



2. Fee Schedule – Delivery

Storage Fee

Description	Fee Amount
Storage fee.	Amount negotiated in advance with the Category Manager (min \$50).
In the event it becomes necessary to accept merchandise substantially in advance of the 'Expected Arrival Date' (more than two weeks), and such arrangements can be accommodated, a storage fee will be assessed.	
Storage	

Cross-Border Documentation Missing

Description	Fee Amount
Cross-border shipment documentation missing, resulting in delays.	Amount equal to any incremental freight, storage and / or duty costs, plus admin fee of \$50.
Failure to comply with CBSA regulations that in turn delay shipments or require additional follow-up by the Company's customs broker, Livingston International, or NWC, will result in fees being deducted from the vendor's account.	
Cross-Border Shipping (United States)	

C. Fine / Fee Schedule – After Delivery

1. Fine Schedule – After Delivery

Vendor Return No-Shows

Description	Fine Amount
Vendor is no-show for appointment day for product pick-up, or does not pick-up product within 14 days.	NWC will dispose of product, plus fine of \$500 / instance.
Vendor returns not picked up within 14 days of notification will be disposed of through NWC's Reclamation Process and the cost will be charged back to the vendor.	
Product Returns	

P.O.D. Request Violations

Description	Fine Amount
Response to P.O.D. request longer than 4 business hours.	\$200 / request
The expectation is for P.O.D requests to be responded to within 4hrs during business hours, or within 4hrs following the start of business, or 10:00 hours in the vendor's time zone (for requests that come in after business hours). Vendors that routinely ignore or take excessively long periods of time to respond to Proof of Delivery requests may be fined.	
Proof of Delivery Requests	

2. Fee Schedule – After Delivery



Vendor Return Admin Fee

Description	Fee Amount
Merchandise handling fee when returning product to a vendor.	\$50
The North West Company will charge a handling fee for returning merchandise to a vendor.	
Product Returns	

D. Fine / Fee Schedule – CPU Program

1. Fine Schedule – CPU Program

CPU Detention Time Violation

Description	Fine Amount
Vendor fails to load the shipment within 2hrs.	Amount equal to costs owing to the carrier for detention charges beyond this timeframe.
NWC reserves the right to deduct, set-off or withhold payments determined by NWC to be due and owing to the vendor, if detention time at the vendor’s dock exceeds this standard.	
CPU Implementation	

CPU PO Ready-Time Violation

Description	Fine Amount
CPU PO not ready on designated pick-up day.	\$1,000 / pick-up
Any CPU PO’s not ready based on the scheduled appointment date will be subject to fines.	
CPU Implementation	

2. Fee Schedule – CPU Program

CPU Appointment Booking

Description	Fee Amount
Booking CPU Program pick-up appointment.	\$200 / appointment
Vendors that require NWC to coordinate and / or facilitate pick-up appointments will be charged a fee for this service.	
CPU Implementation	

E. Vendor Compliance Fining Disputes

All vendor compliance fine disputes must be submitted **within 30 days** following rendering of the fine, and must be supported by delivery documentation / proof of delivery. Any dispute older than 30 days will be denied. Disputes should be sent to finingadmin@northwest.ca. Vendors may request a statement of violations recorded against them by contacting the same address.

- The dispute must include all stamped and signed warehouse receiving documents, such as the Bill of Lading, including the notation of any OS&D’s.



- The vendor should contact finingadmin@northwest.ca directly if they have an issue with the fine or penalty rendered, or require details regarding the fine / fee rendered; DO NOT contact our Accounts Payable / Vendor Revenue departments, as they have no control over fine amounts.

The North West Company reserves the right to add, modify or waive compliance penalties at its discretion.

VII. Legal

The following section covers a variety of legal topics that will or may come into play when doing business with The North West Company. Any reference to 'buyer' refers to an NWC Category Manager. Any reference to 'seller' refers to the vendor partner.

A. Acceptance

Every purchase order communicated to seller is subject to all terms and conditions contained herein and shall apply to all purchases made by buyer. Seller shall be bound by this order and all of its terms and conditions upon its written acknowledgement or acceptance of this order, or upon the delivery of all or any part of the products or services ordered. Any waiver, alteration, or modification of the terms and conditions of this order must be in writing and signed on behalf of the buyer by its authorized agent in order to be binding on buyer. Buyer is not bound by any printed or other material on seller's acknowledgement forms, invoices, or other documentation, which attempt to impose conditions and terms in conflict with this order. Buyer will have the right at its option to refuse delivery of goods which do not comply with order and packing instructions, or to charge back to the seller an amount representing average processing costs incurred as a result of any non-compliance with any invoicing and packing instructions or other conditions of this order.

B. Terms of Sale

The Importer of Record (IOR) is the party responsible for clearing the goods through Canada Border Services Agency (CBSA), and is legally responsible for the payment of duties, fees, fines or penalties issued by CBSA, or other government agencies.

- All vendors are responsible for being the Importer of Record (IOR) unless negotiated otherwise.
- The IOR is responsible for all documentation and data submitted to the CBSA.
 - Importers must understand CBSA's regulations, be aware of any changes and be in full compliance at all times.

C. Delivery

Time is of the essence in the shipping of orders, and if delivery is not completed within the time period specified, error free and complete as ordered, the buyer reserves the right, without liability, to reject the order and apply penalties as outlined in the [Fine / Fee Schedule section](#) of this manual.

D. Inspections

All products and services purchased are subject to final inspection and approval by buyer at destination. Items not accepted will be held for seller's disposition or returned to seller, both at seller's expense. Seller is obligated to replace rejected products and services except when specifically notified in writing to the contrary by buyer. All concealed damage claims will be charged back to seller. Payment for any products or services shall not be deemed an

acceptance. Payments made to the seller for products or services properly rejected by buyer shall be immediately refunded to buyer.

E. Warranty

Seller (in addition to all warranties implied by law, none of which may be negated, restricted, limited, excluded, or modified by seller) warrants that all products and services covered by this order will be in strict accordance with the following:

- Goods are free from any defects whatsoever including without limitation, color fastness, variations of color, and defects in assembly.
- Goods are fit for the normal use for which they were made and intended, including, without limitation, consumer use.
- Goods have been properly labeled as to content as required by the Canadian Labor Code, the Food and Drug Act, and similar federal and provincial laws, rules and regulations and have been labeled, advertised, and invoiced in accordance with the requirements of the Consumer Packaging and Labeling Act, the Trade Marks Act, the Textile Labeling Act and any and all other federal and provincial government laws, including, without limitation, Quebec's Charter of the French Language, and the respective rules and regulations thereunder.
- Goods are not misbranded, falsely labeled or advertised, or falsely invoiced within the meaning of any local, provincial, or federal laws and amendments thereof now in force.
- Goods will comply with all specifications contained in the purchase order and will be of comparable quality as all samples delivered to NWC.
- Reasonable and representative tests made in accordance with the requirements of whatever standard method of test for flammability of clothing textiles as may be used by the Canadian Standards Association and such governmental agencies.
- Goods do not infringe upon or violate any patent, copyright, trademark, trade name, unfair competition laws or, without limitation, any other property law or the rights belonging to others.
- All weight, measures, sizes, legends, or descriptions printed, stamped, attached, or otherwise indicated with regard to goods are true and correct, and conform and comply with all laws, rules, regulations, ordinances, codes and/or standards relating to said goods of local, provincial or federal government.
- Goods are not in violation of any other laws, ordinances, statutes, rules or regulations of Canada or any provincial or local government or any subdivision or agency thereof.

In the event that NWC determines in its sole and absolute discretion that any of the within warranties have not been complied with:

- a) NWC may, at any time, return goods for full credit or refund at the supplier's expense;
- b) Refuse delivery of any such orders; and,
- c) Cancel any such orders prior to delivery.



In respect of any goods rightfully rejected or returned by NWC, there shall be charged to the supplier, all expenses incurred by NWC handling of goods (packing, unpacking, examining) at a rate of 10% of each occurrence.

In the event of store claims, goods will be returned to vendor at the vendor's expense or destroyed on sight (at the vendor's discretion). The above noted handling costs will apply.

F. Recalls

Seller shall provide notice of all recalls by government order or otherwise and indemnities as set out below.

G. Insurance

Seller shall obtain, maintain in effect, and provide evidence satisfactory to buyer of product liability and all other appropriate insurance including for services to be performed by the seller under or in connection with this order in or about the premises of the purchaser or outside the seller's place of business, as applicable to accidents or occurrences resulting in total or in part from the provision of, use, transportation, storage, or condition of seller's products or services, including personal injury coverage and for subrogated claims permitted under worker compensation or other applicable legislation, either by means of a broad form vendor's endorsement with buyer named as addition insured, or by directly naming buyer on the policy itself. Such coverage shall be in such amount as is commercially reasonable, and said policy or vendor's endorsement will contain no exclusions, such as repacking or relabeling exclusions, to invalidate this purpose. Seller is responsible at its cost for insuring the product to the FOB point for full replacement value, including freight, and seller shall file and pursue all claims for loss or damage. Seller and its insurer shall provide to buyer thirty (30) days prior written notice of non-renewal cancellation or other changes in seller's coverage which may impair or otherwise affect buyer rights hereunder.

H. Patents / Trademarks / Copyrights

Seller warrants, represents, and guarantees that all products and services do not infringe any actual or alleged patent, design, trade name trademark, service mark, copyright, or trade secret or other similar right with respect to goods purchased hereunder, including without limitation, on labels, tickets and other printed material related thereto. When expressly authorized hereon, seller may use any off buyer's trademarks, trade names, service marks, trade secrets, patents or copyrights, provided that such use is limited exclusively in connection with the products or services supplied to buyer hereunder and seller agrees to stop making such use upon notice from buyer.

I. Indemnification

Seller shall indemnify and hold harmless the buyer and its officers, directors, shareholders, employees, customers, successors and assigns from and against any and all loss, liability, damages, costs, attorneys' fees or other incidental expenses of any kind and nature whatsoever, on account of any and all claims, suits, judgments and costs for or arising out of:

- a) Bodily injury or death to any person or for any loss or damage to or destruction of property arising out of any actual or alleged defects in the products or services described in the order;
- b) Any actual or alleged breach by seller of its express or implied warranties;
- c) Seller's actual or alleged negligence, willful misconduct, or strict liability resulting from or relating to the products or services described on the order;
- d) Assuring compliance or in adding or assisting compliance with any mandate of any governmental agency relating to any product or service which becomes subject to a corrective action plan, consent agreement or order requiring recall, replacement, or the refund of purchase price of any product or service, whether at the wholesale, retail or consumer distribution level, or any voluntary action taken in respect of the same; and,
- e) Actual or alleged infringement of any patents, proprietary designs, trademarks, trade names service marks, trade secrets, or copyrights relating to the products or services described on the order.

In the event of any claim, demand, action or proceeding being commenced against buyer, or its officers, directors, shareholders, employees, customers, successors, or assigns by reason of any of the above matter, buyer agrees to give seller prompt written notice. Seller agrees to assume the defense of any and all such claims and suits and shall pay all costs and expenses, including incidental attorneys' fees thereto.

J. Use of Data

Seller agrees that it will not use or disclose any data, design or any other technical or proprietary information belonging to, furnished by or accumulated for, or on behalf of the buyer, except as necessary in the performance of this order by the buyer or as required by law. Upon buyer's request such data, designs or any other technical or proprietary information and any copies shall be returned to the buyer.

K. Equipment

Unless otherwise specified, the necessary special tools, dies, or other equipment shall be furnished by and at the expense of the seller. If so specified and if a charge is made to buyer for tools, dies, or other equipment, they are, unless otherwise expressly agreed upon in writing, the property of buyer and are for the sole use of buyer and are subject to removal and delivery to buyer at any time upon demand by buyer at seller's expense.

L. Payment

Invoices will be paid only upon receipt of products and services acceptable to buyer and provided by seller under a properly executed purchase order.

M. Prices

If higher prices are to be charged for an order than the lowest prevailing prices and proportionately equal to the most favorable terms available to any other entity for like goods and services purchased from seller at the time of acceptance hereof, the seller must notify the buyer and receive buyers' written approval of such higher prices before accepting or filling this order.



No prices hereunder shall be subject to any duties, fees, or governmental impositions whatsoever unless specifically authorized in writing by buyer.

Pricing discounts will be calculated from date invoice is received in proper form or from date proper products or services are received and accepted by buyer, whichever is later.

N. Packing Materials

No charge for packing or storage will be allowed unless stated. Buyer is not responsible for the failure to return any container or other packing material, or the property of seller or any vendor, for which charge is made by seller unless such returnable articles are shown on packing lists and invoices.

O. Taxes

Seller agrees to apply any taxes imposed by law upon or on account of the products or services purchased unless otherwise agreed. If any excise or other similar or different tax is included in the amount paid to the seller for the products or services described in the order and if such tax or any part thereof is refunded to the seller, then the seller shall immediately pay the buyer the amount of such refund.

P. Assignments

Seller shall not assign any of its rights or obligations without buyer's prior written consent.

Q. Cancellation

Buyer reserves the right to cancel a purchase order in whole or in part at any time by written, telegraphic, or electronic notice to the seller at its address as shown on the face of the order. Upon cancellation, for whatever reason, buyer shall be liable to the seller only for the amount of unpaid invoices for deliveries made and accepted in accordance with the purchase order prior to cancellation and shall not be liable for any penalty or other charges in connection with such cancellation. If the order herein specifies buyer's requirements for any period at the prices herein stated, buyer reserves the right if the market price of the products or services declines, or if buyer is offered similar products or services of comparable quality at a price less than the price stated on the order, to cancel the unfilled portion of this order unless seller timely meets the lower prices.

R. Remedies

The remedies of buyer reserved herein shall be cumulative and additional to any other or further remedies provided by law or equity.

S. Insolvency

In the event of the insolvency or bankruptcy of the seller or should any proposals be made by the seller to its creditors regarding postponement of payment of its debts, any purchase orders held by the seller may be cancelled in whole or in part at the buyer's sole discretion at any time prior to delivery.

T. Authorized Vendor Agreement

The terms of the Authorized Vendor Agreement acknowledged by the seller in writing at the outset of the relationship with the buyer are hereby incorporated by reference.

U. Waiver

Buyer's waiver of any default by the seller shall not constitute a waiver of any other subsequent or concurrent default or breach, nor of any remedy given by law, in equity, or provided for hereunder.

V. Whistle-Blowing Policy

The North West Company is committed to maintaining high standards of openness, honesty, and accountability. The purpose of this policy is to ensure that any supplier of NWC can confidentially raise concerns, in good faith, which relate to financial controls, accounting controls, auditing matters, or alleged illegal or fraudulent behaviors.

To report an incident, contact 1-(877)-557-5559, send regular mail to the Manager, Internal Audit at 77 Main Street, Winnipeg, MB R3C 2R1, or email WBinfo@northwest.ca. In the event that the matter relates to the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), or any member of the Internal Audit staff, such report should be made in writing to the Chair of the Audit Committee, c/o 77 Main Street, Winnipeg, MB R3C 2R1.

W. Applicable Law

A contract resulting from the acceptance of an order is to be enforced and interpreted under the laws of the Province of Manitoba without regard to Manitoba conflict of law provisions. The parties agree that the courts of the Province of Manitoba shall be the exclusive jurisdiction and venue for such enforcement and interpretation, and if suit becomes necessary to submit to the exclusive jurisdiction of such courts.

X. Choice of Language / Langue Choisi

Les parties déclarent qu'elles ont demandé que cet acte soit rédigé en anglais. (The parties declare that they requested this agreement be written in English.)

VIII. Appendix

A. NWC Points of Contact

- Inbound Transportation: Richard Wood (rwood@northwest.ca); finingadmin@northwest.ca
- NWC Logistics & Distribution: transportation@northwest.ca
- Vendor Compliance: finingadmin@northwest.ca
- Respective Category Manager
- Scheduling Analyst: Mayank Patel (mpatel@northwest.ca); transportation@northwest.ca
- Supply Chain Planner: replenishmentsupplychain@northwest.ca

B. Safety Vest Requirements

All drivers on NWC DC premises must provide and wear their own high-visibility vest for their safety.⁵³

C. 48 x 40 Block Pallet Inspection Criteria

- CHEP and PECO are the preferred pallet types for NWC.
 - NWC will not pay for pallet charges on product invoices.
- All pallets must be sound, safe pallets, or the vendor may be subject to a fine for non-compliance of policy, or shipment may be refused as outlined in the [Fee / Fine Schedule](#) section of this manual.

White wood specifications must meet the following minimum guidelines:

- 40" x 48" Grade A Hardwood GMA pallet.
- 63% top deck coverage
- 47% bottom deck coverage
- 2,194lb payload
- Partial four-way entry

⁵³ For more information regarding high-visibility safety vests, please visit https://www.ccohs.ca/oshanswers/prevention/ppe/high_visibility.html.



D. Sample Generic Carton Label

Size approx 3"x5"

FROM: COMPANY NAME STREET ADDRESS 1 STREET ADDRESS 2 CITY PROV P.O.STAL CODE Ph #	
Airport Code:	
NORTHERN STORE STORE NAME Store # ADDRESS 1 TOWN NAME PROV P.O.STAL CODE	
P.O. #	
Piece Count	_____ OF _____



Examples of carton labels for a sampling of Northern/NorthMart stores:

FROM: ABC Company PO Box 45 123 Main Street Brandon MB R3C 2R1 Ph # 204-987-6543	
Airport Code:	YCO
NORTHERN STORE KUGLUKTUK c/o GENERAL DELIVERY KUGLUKTUK NU X0B 0E0	Store # 170
P.O. #	
Piece Count	_____ OF _____

FROM: ABC Company PO Box 45 123 Main Street Brandon MB R3C 2R1 Ph # 204-987-6543	
Airport Code:	XGR
NORTHERN STORE KANGIQSUALUJJUAQ BOX 30 KANGIQSUALUJJUAQ QC J0M 1N0	Store # 371
P.O. #	
Piece Count	_____ OF _____

FROM: ABC Company PO Box 45 123 Main Street Brandon MB R3C 2R1 Ph # 204-987-6543	
Airport Code:	
NORTHERN STORE LABRADOR CITY 500 VANIER – Labrador Mall LABRADOR CITY NL A2V 2W7	Store # 396
P.O. #	
Piece Count	_____ OF _____

FROM: ABC Company PO Box 45 123 Main Street Brandon MB R3C 2R1 Ph # 204-987-6543	
Airport Code:	
NORTHERN STORE NAKINA BOX 90 – 7 Railway Street KUGLUKTUK NU X0B 0E0	Store # 460
P.O. #	
Piece Count	_____ OF _____

E. Listing of Airport Codes

The following is a numerical listing of Northern Stores and their airport codes:

STORE INFO			CODES	
#	Name	Prov	Postal	Airport
100	Aklavik	NT	XOE 0A0	YKD
102	Albany	ON	POL 1H0	YFA
103	Akulivik	QC	J0M 1V0	AKV
104	Arctic Bay	NU	X0A 0A0	YAB
106	Attawapiskat	ON	P0I 1A0	YAT
120	Baker Lake	NU	XOC 0A0	YBK
124	Bearskin Lake	ON	P0V 1E0	NE3
138	Brochet	MB	R0B 0B0	YBT
140	Qikiqtarjuaq	NU	X0A 0B0	YVM
150	Cambridge Bay	NU	X0B 0C0	YCB
152	Cape Dorset	NU	X0A 0C0	YTE
156	Cat Lake	ON	P0V 1J0	YAC
158	Chesterfield Inlet	NU	XOC 0B0	YCS
168	Clyde River	NU	X0A 0E0	YCY
170	Kugluktuk	NU	X0B 0E0	YCO
172	Coral Harbour	NU	XOC 0C0	YZS
185	Deer Lake	ON	P0V 1N0	YVZ
224	Arviat	NU	XOC 0E0	YEK
242	Fond du Lac	SK	S0J 0W0	ZFD
244	Fort Chipewyan	AB	T0P 1B0	YPY
246	Deline	NT	XOE 0G0	YWJ
248	Fort Good Hope	NT	XOE 0H0	YGH
256	Tulita	NT	XOE 0K0	ZFN
278	Fox Lake	AB	T0H 1R0	EC3
294	Gjoa Haven	NU	X0B 1J0	YHK
296	God's Narrows	MB	R0B 0M0	YGO
300	God's River	MB	R0B 0N0	ZGI
310	Hall Beach	NU	X0A 0K0	YUX
324	Ulukhaktok (Holman)	NT	XOE 0S0	YHI
340	Igloolik	NU	X0A 0L0	YGT
346	Inukjuaq	QC	J0M 1M0	YPH
350	Iqaluit	NU	X0A 0H0	YFB
354	Garden Hill	MB	R0B 0T0	YIV
370	Kangiqsujuaq	QC	J0M 1K0	YWB
371	Kangiqsualujjuaq	QC	J0M 1N0	XGR
372	Kangirsuk	QC	J0M 1A0	YKG
373	Kasabonika	ON	P0V 1Y0	YAQ
376	Kashechewan	ON	P0L 1S0	ZKE
377	Keewaywin	ON	P0V 3G0	PV8
378	Kuujuuaq	QC	J0M 1C0	YVP
382	Kuujuaraapik	QC	J0M 1G0	YGW
397	Lac Brochet	MB	R0B 2E0	ZWH
406	Kimmirut	NU	X0A 0N0	YLC

Continued listing of Northern Stores, showing the airport code for those who require this information to be shown on their carton labels and other paperwork as outlined in this manual:



STORE INFO			CODES	
#	Name	Prov	Postal	Airport
408	Lansdowne House	ON	P0T 1Z0	YLH
412	Little Grand Rapids	MB	R0B 0V0	ZGR
457	Nain Quickstop	NL	A0P 1L0	YDP
458	Nain	NL	A0P 1L0	YDP
468	Norman Wells	NT	X0E 0V0	YVQ
494	Oxford House	MB	R0B 1C0	YOH
510	Pangnirtung	NU	X0A 0R0	YXP
514	Paulatuk	NT	X0E 1N0	YPC
515	Pauiungassi	MB	R0B 2G0	ZGR
517	Peawanuck	ON	P0L 2H0	YPO
522	Pikangikum	ON	P0V 2L0	YPM
528	Pond Inlet	NU	X0A 0S0	YIO
529	Poplar Hill	ON	P0V 3E0	PV7
530	Poplar River	MB	R0B 0Z0	ZNG
534	Puvirnituq	QC	J0M 1P0	YPX
552	Rankin Inlet	NU	X0C 0G0	YRT
553	Inukshuk QS Rankin Inlet	NU	X0C 0G0	YRT
554	Tupiruiq QS Rankin Inlet	NU	X0C 0G0	YRT
558	Red Sucker Lake	MB	R0B 1H0	YRS
560	Naujaat	NU	X0C 0H0	YUT
564	Rigolet	NL	A0P 1P0	YRG
568	Romaine	QC	G0G 1M0	TT5
572	Weagamow Lake	ON	P0V 2Y0	ZRJ
578	Sachigo Lake	ON	P0V 2P0	ZPB
582	St. Theresa Point	MB	R0B 1J0	YST
584	Salluit	QC	J0M 1S0	YZG
588	Sandy lake	ON	P0V 1V0	ZSJ
590	Sanikiluaq	NU	X0A 0W0	YSK
596	Severn	ON	P0V 1W0	YER
598	Shamattawa	MB	R0B 1K0	ZTM
608	Taloyoak	NU	X0B 1B0	YYH
609	Tadoule Lake	MB	R0B 2C0	YBQ
645	Umiujaq	QC	J0M 1Y0	YUD
650	Wasagamack	MB	R0B 1Z0	WSM
658	Webequie	ON	P0T 3A0	YWP
668	Wunnumin Lake	ON	P0V 2Z0	KL3
669	York Landing	MB	R0B 2B0	ZAC