



Supplier Operations Guide

Version Date: April 2019



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Change Log from Previous Version

Section	Updates and Revision	Add/Change	Page Number
Purchase Order Management (EDI)	EDI 856	Add	10
InRiver SKU Creation	Requests for Additional Attributes after SKU Completion	Add	11
InRiver SKU Creation	Formatting Photo Files	Add	11
InRiver SKU Creation	Naming Photo Files	Add	11
InRiver SKU Creation	Uploading Photo Files	Add	11
Assembly Instructions Requirements	Assembly time	Add	18
Packaging Requirements	Part Placement (Hardware Blister Packs)	Add	29
Packaging Requirements	Upholstery	Add	34
Packaging Requirements	Rugs / Floor Coverings	Add	36-37
Shipping Requirements	Packing List Placement	Change	47
Shipping Requirements	Floor Loading and Pallet Loaded Requirements	Add	48
Shipping Requirements	Seals	Add	49
Direct Container Shipping Requirements	Consignee and Notify Party	Change	49
Required Standardized Parts	Required Standardized Parts	Add	54-62

The terms and conditions set forth in this Guide are in addition and subject to the terms of any master agreement between the supplier and Living Spaces and do not limit any rights or remedies available to Living Spaces for breach of any terms or conditions set forth in the Guide or any master agreement.

Introduction and a Note to Our Suppliers

Thank you for being a valued supplier in delivering a unique, easy and inspiring shopping experience for our guests. Living Spaces commitment to 1) a large selection curated by lifestyle, 2) extraordinary value, 3) same day delivery, 4) consistent quality, 5) simplified processes, and 6) speed to market with new product introductions truly sets us apart in an ever more competitive retail landscape.

In order to deliver on our commitment, we contract with a select number of suppliers to provide meaningful and long-lasting business relationships. In turn, we ask that you follow our processes, procedures and policies, which are outlined in detail throughout this Supplier Operations Guide. Be sure to carefully review the information and contact our Supplier Relations Team with any questions.

We truly value our relationship and look forward to a rewarding future as suppliers.

Code of Conduct

Living Spaces is committed to maintaining the highest ethical standards in all of our business dealings and relationships. This commitment to ethical conduct starts at the highest levels of the organization and extends to every team member.

All suppliers are expected to comply with all applicable laws and regulations that are legislated by the country in which the merchandise is being manufactured and distributed.

Discrimination

Any form of discrimination in hiring and employment practices, including any distinction, exclusion or preference based on race, caste, skin color, gender, age, religious belief, political opinion, membership in workers' organizations, physical or mental disability, ethnic, national or social background, nationality, sexual orientation or any other personal characteristic protected by applicable law, is prohibited.

Gift Policy

The purpose of Living Spaces Gifts and Favors Policy is to outline the circumstances in which receiving or giving gifts, gratuities and favors is acceptable. Under no circumstances may business decisions be influenced by gifts, gratuities, or favors. Every Team Member has the responsibility to maintain and enhance Living Spaces' public image and business integrity and to avoid practices that might undermine the objectivity of Living Spaces' business decisions. Team Members must avoid doing anything that suggests their decisions may be influenced by any irrelevant or improper consideration whether illegal, such as a kickback or bribe, or technically legal, such as personal friendship, favors, gifts, or free entertainment.

No team member shall solicit or accept for personal use, or for the use of others, any gift, favor, loan, gratuity, reward, promise of future employment, or any other thing of monetary value that might influence, or appear to influence, the judgment or conduct of the Team Member in the performance of their job. Team Members are not to give, offer, or promise, directly or indirectly, anything of value to any representative of a customer, a potential customer, a supplier or potential supplier, financial institution or potential financial institution with whom Living Spaces has or may have a business relationship.

Team members can accept occasional unsolicited courtesy gifts or favors (such as business meals, tickets to sporting events or cultural events, holiday baskets, flowers, etc.) so long as the gifts or favors are legal, infrequent in nature, and do not create a sense of obligation. The gifts must have a market value under \$25, are customary in the industry, and do not influence or appear to influence the judgment or conduct of the team member. Any exceptions to this amount must be approved by a senior level manager within Living Spaces. Business meals will not have a dollar limit if the meal occurs in one sitting. Gifts of cash in any amount are not allowed.

Purchase Order Management (EDI)

EDI – Electronic Data Interchange

EDI (Electronic Data Interchange) is the electronic interchange of information using standardized formats to send and receive the various required business documents. EDI is a paperless process which allows multiple trading suppliers to seamlessly send and receive information without the need for manual data entry.

Living Spaces requires all Suppliers to be EDI compliant, meeting the Living Spaces file mapping requirements. It is the Supplier's responsibility to ensure they are capable of sending and receiving the required EDI documents. If a Supplier is unable to send/receive the EDI documents, we will provide the supplier with a temporary EDI portal account through our EDI VAN. The supplier will be responsible for any cost associated with using the vendor portal. This account will allow the trading supplier to view the supplier specific Living Spaces orders, acknowledge, provide shipping details and send order invoices. It is still the supplier's responsibility to become EDI compliant as our EDI process is subject to change and grow at any time.

Suppliers will be scored on the turnaround time and accuracy of all their EDI documents. Inaccurate and late data will impact our ability to schedule, plan and manage inventory. Repeated infractions can lead to chargebacks and other penalties. Knowingly sending false or fraudulent transaction information may result in legal repercussions and/or chargebacks as outlined in the chargeback schedule.

Suppliers must meet the following Living Spaces EDI document expectations:

- **EDI 850 – Purchase order**

Living Spaces submits a single unique 850 per Purchase order; we will not combine multiple purchase orders within a single 850 document. Living Spaces will regularly send purchase orders throughout the day; it is the Supplier's responsibility to acknowledge within 24 hours, manage, and fulfill the Living Spaces orders in hours defined in our MSA.

- **EDI 855 – Purchase Order Acknowledgement**

Suppliers must submit the Purchase Order Acknowledgement EDI 855 document within 24 hours of receiving the 850 purchase order submission. A unique 855 document is required per Purchase order. Do not send multiple purchase orders within a single 855 Purchase Order Acknowledgement. Suppliers are responsible for sending accurate acknowledgement order information. If a quantity cannot be fulfilled in full, the Supplier must provide the current available quantity which can be fulfilled; along with the backorder date (date for which Supplier inventory will be available to Living Spaces). Living Spaces will adjust their purchase orders and replenishment planning based on the provided 855 acknowledgment information. Inconsistencies and inaccuracies will lead to serious issues with receiving, planning and customer fulfillment. Additionally, Living Spaces will not leave any open PO's for items that the supplier is unable to fulfill at the time the PO is placed (exceptions being special orders). The

supplier is to cancel any out of stock items from the purchase order and Living spaces will reissue a purchase order once that item becomes available based on the back order date provided.

- **Special Orders**-In the event that a special order cannot be delivered within the required 10 day lead time. Suppliers must send an updated EDI 855 (PO Acknowledgement) with the updated ship/delivery date for all past due purchase orders. For example, if a PO is due to ship on 1/30/2018 and you know the PO will not ship on time, we ask that you send a second updated EDI 855 with the updated ship/delivery date at least 48hrs before the required ship date. We will use this updated ship date to update our purchase orders automatically and update our customers of any delays. We also ask that you send us an updated ship/delivery date via the EDI 855 for all subsequent delays.
- **Drop ship 855 requirements**- An EDI 855 is required from the supplier within 24hrs of receiving the EDI 850. In the event that a purchase order cannot be fulfilled it is the suppliers' responsibility to notify Living Spaces within 24hrs of receiving the EDI 850.
- **EDI 860 –Purchase Order Change Request**
Living Spaces does not currently utilize the Purchase Order Change Request document, but this is subject to change, as it will be incorporated in the future.
- **EDI 865 – Purchase Order Change Acknowledgement**
The Purchase Order Change Acknowledgement will be required in the future when Living Spaces implements the EDI 860 Purchase Order Change Request.
- **EDI 856 – Advanced Shipping Notification (ASN)**
 - **Non-Drop ship 856 requirements:**
Suppliers must submit the ASN at the time inventory ships from their warehouse. This document must contain the shipped quantity, shipment date, shipment number, BOL number, trailer number etc. A unique 856 Advanced Ship Notice must be submitted per trailer or container. The 856 document may contain multiple purchase orders, as a trailer may include multiple purchase orders; but a single 856 may not contain multiple trailers. This EDI document is now required for all PO types. Additionally, the EDI 856 must arrive be transmitted and received by Living Spaces prior to the shipment arriving at its destination. Lastly the 856 must reflect the quantity in the shipment and not the original ordered quantity.
 - **Drop ship 856 requirements:**
Drop Ship suppliers must submit a single 856 shipment notice per drop ship order. Drop ship 856 documents have additional mapping requirements and it is imperative the tracking information is included (e.g. Carrier and Tracking number). The Living Spaces Drop Ship packing slip must be included within the package to the customer. Additional information for the required Drop Ship Pack Slip can be found on our supplier portal.

- **EDI 810 – Supplier Purchase Order Invoice**

Suppliers must abide by our electronic invoice policy by providing on time and accurate invoices. All EDI 810 invoices must be sent to Living Spaces within 24 hours of the shipment leaving your facility. Each 810 Invoice must contain a unique invoice number; multiple invoices per 810 will be rejected. –Invoice(s) are to also be emailed to accountspayable@livingspaces.com or faxed to (714)670-4551
- **EDI 846 – Inventory Inquiry / Advice**

Trading suppliers must provide a list of their items and the available supplier stock per item with the accurate supplier inventory on a daily basis. Living Spaces will leverage this information for replenishment planning and drop ship inventory availability. A single 846 may be used to provide supplier inventory for all catalog items.

 - **Drop ship 846 requirements-** Drop Ship suppliers must submit a daily 846 with current inventory allocated for Living Spaces.
- **EDI 997 – Functional Acknowledgement**

The EDI 997 serves as an acknowledgement of receipt for a specific or group of EDI transactions. It does not serve as a contract or validation of any of the contents within the EDI transaction, that the EDI document was received.

Supplier Setup and Testing

New Suppliers must undergo mandatory EDI document testing for all file types which apply. Supplier transactions will not commence until all test scenarios are proven successful.

Please contact, EDI@Livingspaces.com for all questions, concerns, and Living Spaces EDI mapping documents. Additional documentation can be found at the Living Spaces Supplier Portal.

In River-SKU Creation

In River is our Product Information Management tool that is used for SKU creation. All suppliers are required to submit all new items through InRiver once the merchant has approved an item for purchase within one week. Suppliers will be issued an InRiver account at the time of supplier onboarding. During the supplier on-boarding process suppliers will be required to become InRiver certified. Purchase Orders will not be able to be placed for any product that has not been published and approved by Living Spaces in InRiver.

Requests for Additional Attributes after SKU Completion

We will be expanding our use of attributes to improve the customer experience. Not only do the attributes help customers with information to make a purchase, they are also very important for our ranking in the Google search engine. We will also be relying on very detailed attributes to improve the performance of our chatbot.

On a weekly basis, you will be receiving a weekly audit listing the attributes we would like you to fill out at the SKU level. You can complete the excel sheet and return to a merchandising agent or you can go directly into the In-River Contribute app to update the values yourself.

Formatting Photo Files

Each photo must be resized to 1911 x 1288 pixels, high resolution. The product should be enlarged and centered on the canvas with little (to no) white space around it.

Naming Photo Files

Each week, you will be sent an automated email that contains a report of all currently stocked products that are missing images. In this report, you will find possible names for each product's images. Simply choose a tag type (using the Reference Sheet), copy the file name, and paste into the photo's name.

Uploading Photo Files

Upload photo files to InRiver using instructions found in the Vendor Portal

Responding to Product Related Questions for Living Spaces Guests

Living Spaces has multiple ways for website guests to ask questions about products. These include Bazaarvoice Q&A, chats, and our email address webhelp@livingspaces.com. About 80% of the time, we are able to answer the guests' questions on our own. In the other 20% of cases, we need help from our vendor partners. The expectation is that each vendor will respond within 48 hours of being contacted by a Living Spaces employee (excluding weekends). However, the earlier we get a response, the better. With every minute that passes after a question is asked online, the greater the likelihood that we will lose the sale. In the case of Bazaarvoice Q&A, the questions and answers will also be displayed on the product pages for future guests to benefit from.

Customs Trades Partnership against Terrorism (C-TPAT)

Living Spaces require that all import manufacturers develop and implement security procedures. We highly recommend a C-TPAT certification. Participation in the C-TPAT program requires following Customs' "Minimum Security Criteria". These criteria define a baseline of security measures that apply to all C-TPAT members. It is our expectation that our suppliers are actively working toward meeting all of these requirements if they have not already done so. In addition, most countries have developed or are developing their own C-TPAT type programs that allow exporters to be certified as businesses with secure operations and procedures. Additional information can be found at www.cbp.gov.

Security Procedures

For those business suppliers eligible for C-TPAT certification (carriers, ports, terminals, brokers, consolidators, etc.) the importer must have documentation (e.g., C-TPAT certificate, SVI number, etc.) indicating whether these business suppliers are or are not C-TPAT certified. For those business suppliers

not eligible for C-TPAT certification, importers must require their business suppliers to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation (e.g., contractual obligations; via a letter from a senior business supplier officer attesting to compliance; a written statement from the business supplier demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, by providing a completed importer security questionnaire). Based upon a documented risk assessment process, non-CTPAT eligible business suppliers must be subject to verification of compliance with C-TPAT security criteria by the importer.

Point of Origin

Importers must ensure business suppliers develop security processes and procedures consistent with the C-TPAT security criteria to enhance the integrity of the shipment at point of origin. Periodic reviews of business suppliers' processes and facilities must be conducted based on risk, and must maintain the security standards required by the importer.

Participation / Certification in Foreign Customs Administrations Supply Chain Security Programs

Current or prospective business suppliers who have obtained a certification in a supply chain security program being administered by foreign Customs Administration must be required to indicate their status of participation to the importer.

Other Internal criteria for selection

Internal requirements, such as financial soundness, capability of meeting contractual security requirements, and the ability to identify and correct security deficiencies as needed, must be addressed by the importer. Internal requirements must be assessed against a risk-based process as determined by an internal management team.

Container Security

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At point of stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers. A high security seal must be affixed to all loaded containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.

Container Inspection

Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, to include the reliability of the locking mechanisms of the doors. A seven-point inspection process is recommended for all containers:

- Front wall
- Left side
- Right side

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- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

Container Seals

Written procedures must stipulate how seals are to be controlled and affixed to loaded containers - to include procedures for recognizing and reporting compromised seals and/or containers to US Customs and Border Protection or the appropriate foreign authority. Only designated employees must distribute container seals for integrity purposes.

Container Storage

Containers must be stored in a secure area to prevent unauthorized access and/or manipulation. Procedures must be in place for reporting and neutralizing unauthorized entry into containers or container storage areas.

Physical Access Controls

Access controls prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, and suppliers at all points of entry.

Employees

An employee identification system must be in place for positive identification and access control purposes. Employees must only be given access to those secure areas needed for the performance of their duties. Company management or security personnel must adequately control the issuance and removal of employee, visitor and supplier identification badges. Procedures for the issuance, removal and changing of access devices (e.g. keys, key cards, etc.) must be documented.

Visitors

Visitors must present photo identification for documentation purposes upon arrival. All visitors must be escorted and visibly display temporary identification. Deliveries (including mail) Proper supplier ID and/or photo identification must be presented for documentation purposes upon arrival by all suppliers. Arriving packages and mail must be periodically screened before being disseminated.

Challenging and Removing Unauthorized Persons

Procedures must be in place to identify, challenge and address unauthorized/unidentified persons.

Personnel Security

Processes must be in place to screen prospective employees and to periodically check current employees.

Pre-Employment Verification

Application information, such as employment history and references must be verified prior to employment.

Background checks / investigations

Consistent with foreign, federal, state, and local regulations, background checks and investigations must be conducted for prospective employees. Once employed, periodic checks and reinvestigations must be performed based on cause, and/or the sensitivity of the employee's position.

Personnel Termination Procedures

Companies must have procedures in place to remove identification, facility, and system access for terminated employees.

Procedural Security

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain.

Documentation Processing

Procedures must be in place to ensure that all information used in the clearing of merchandise/cargo, is legible, complete, accurate, and protected against the exchange, loss or introduction of erroneous information. Documentation control must include safeguarding computer access and information.

Manifesting Procedures

To help ensure the integrity of cargo received from abroad, procedures must be in place to ensure that information received from business suppliers is reported accurately and timely.

Shipping & Receiving

Arriving cargo must be reconciled against information on the cargo manifest. The cargo must be accurately described, and the weights, labels, marks and piece count indicated and verified. Departing cargo must be verified against purchase or delivery orders. Drivers delivering or receiving cargo must be positively identified before cargo is received or released.

Cargo Discrepancies

All shortages, overages, and other significant discrepancies or anomalies must be resolved and/or investigated appropriately. Customs and/or other appropriate law enforcement agencies must be notified if illegal or suspicious activities are detected - as appropriate.

Security Training and Threat Awareness

A threat awareness program must be established and maintained by security personnel to recognize and foster awareness of the threat posed by terrorists at each point in the supply chain. Employees must be made aware of the procedures the company has in place to address a situation and how to report it. Additional training must be provided to employees in the shipping and receiving areas, as well as those receiving and opening mail.

Additionally, specific training must be offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies, and protecting access controls. These programs must offer incentives for active employee participation.

Physical Security

Cargo handling and storage facilities in domestic and foreign locations must have physical barriers and deterrents that guard against unauthorized access. Importers must incorporate the following C-TPAT physical security criteria throughout their supply chains as applicable.

Fencing

Perimeter fencing must enclose the areas around cargo handling and storage facilities. Interior fencing within a cargo handling structure must be used to segregate domestic, international, high value, and hazardous cargo. All fencing must be regularly inspected for integrity and damage.

Gates and Gate Houses

Gates through which vehicles and/or personnel enter or exit must be manned and/or monitored. The number of gates must be kept to the minimum necessary for proper access and safety.

Parking

Private passenger vehicles must be prohibited from parking in or adjacent to cargo handling and storage areas.

Building Structure

Buildings must be constructed of materials that resist unlawful entry. The integrity of structures must be maintained by periodic inspection and repair.

Locking Devices and Key Controls

All external and internal windows, gates and fences must be secured with locking devices. Management or security personnel must control the issuance of all locks and keys.

Lighting

Adequate lighting must be provided inside and outside the facility including the following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas.

Alarms Systems & Video Surveillance Cameras

Alarm systems and video surveillance cameras must be utilized to monitor premises and prevent unauthorized access to cargo handling and storage areas.

Information Technology Security

Password Protection Automated systems must use individually assigned accounts that require a periodic change of password. IT security policies, procedures and standards must be in place and provided to employees in the form of training.

Accountability

A system must be in place to identify the abuse of IT including improper access, tampering, or the altering of business data. All system violators must be subject to appropriate disciplinary actions for abuse.

Merchandising Requirements

One of the goals for this Supplier Operations Guide is to complement, but not replace the communication that exists between our suppliers and our merchandising teams. Another goal is to foster the relationship with our suppliers and provide them with the requirements that are expected from our ongoing relationship.

Design Protection, and Confidentiality

In order to deliver on our commitments listed above, it is important that our suppliers continue to offer Living Spaces' merchants original designs and product ideas that are available for our use without conflict with other parties' rights. Designs and other intellectual property that we share must be preserved as ours and ours only. All Suppliers will be required to review and agree to the terms of the attached Confidentiality Agreement.

Production Changes

Once a Living Spaces merchant has reviewed and approved a production sample, we ask that no changes be made to the product, factory location or packaging going forward without approval from the Living Spaces merchant. In the event where there are changes to the materials being used or the

manufacturing process changes, you may be required to provide Living Spaces with a new sample for approval.

Price Changes

Pricing changes require mutually agreed upon advance notice to Living Spaces. Living Spaces requires a 30-day notice on all price changes, day one is counted on the day we receive the formal e-mail informing Living Spaces of the price change, we require the supplier to honor the current price until the 30th day of the notice.

Inbound Quality Audits

In order to ensure that our customers are receiving the best quality merchandise, we have developed an inbound quality assurance program. The inbound quality assurance program will use a random sampling method for existing items. All new items will also be processed through the inbound audit program. The list below outlines the criteria that will be used to assess a pass or fail on an audit. This will be conducted as a simple “pass” or “fail” audit process - meaning if one category fails the entire audit will be graded as a fail.

- Labeling- Labels will be audited for label accuracy, label quality and label placement
- Packaging- Ensure that packaging is adequate and meets all packaging requirements for that category
- Performance and Parts- Ensure that all parts work as intended, and all parts are packaged within compliance
- Damage-Ensure that all goods are free of damage and in sellable condition
- Load quality-Ensure that load is delivered using sound load quality to prevent transportation damage

Inbound shipments that fail our inbound audits may be subject to the following consequences.

- The items may be Returned to Supplier for repairs, replacement, or credit
- The entire shipment may undergo a 100% inspection audit at the supplier’s expense.
- Depending on the issue the shipment may be accepted, but may incur chargebacks.

Items with higher return rates, known quality issues or previous audit failures rates may be subject to more frequent audits.

Hangtags

In order for Living Spaces to deliver a consistent message that aligns with our marketing efforts, it is essential that all suppliers follow our requirements on product bulletins and hang tags. Living Spaces requires that our merchandise is free of any supplier branded hang tags, medallions, and warranty information. All hangtags and product information included on the product must be approved by the merchant and branded for Living Spaces when appropriate. All product not shipped in compliance to

these requirements may incur chargebacks for all labor incurred to remove/change all hangtags and labels.

Assembly Instructions and Parts List

Living Spaces requires that all collections are packaged with a parts list and assembly instructions.

Parts lists and assembly instructions must contain the Living Spaces logo, Living Spaces collection name, and be approved by the Merchant prior to the first shipment. The approved assembly instructions must be included with the furniture on every shipment.









Prior to SKU creation all items must have an agreed upon parts list that is sent to Living Spaces in the form of a PDF or art file. Additionally, assembly instructions must be sent to Living Spaces 30 days prior to the initial PO being shipped to Living Spaces.

Items that do not have assembly instructions uploaded in to In-River by the first receipt date will be subject to chargebacks. Please see chargeback schedule for a list of chargeback fees.


Assembly Instructions Requirements

Assembly Instructions are required to be branded with the Living Spaces and not the supplier's company logo. It is a best practice to use easily understandable wording when explanations are required. Below is a list of requirements as well as an example of what assembly instructions must look like.

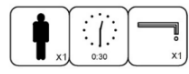
- Parts must be identified in in a diagram in the top left corner of the assembly instructions and must show the following:
 - Part Code (i.e. A, B, C)
 - Part number (i.e. ML-2048-E)
 - Image of parts
- Image of fully assembled item
- Required Resources
 - How many people will it take to assemble the item?
 - How long will it take to assemble the item? This time must match what is entered in to InRiver at the time of SKU creation.
 - Tools required
- Step by step assembly instructions
 - Clearly identified steps in the assembly process
 - Must show the part code being used
 - Must display arrows to demonstrate the direction or orientation of the parts when being assembled.

 LIVING SPACES		
A	ML-2048-A	 X1
B	ML-2048-B	 X1
C	ML-2048-C	 X1
D	ML-2048-D	 X1
E	ML-2048-E	 X5
F	ML-2048-F	 M8x20mm X4
G	ML-2048-G	 X1

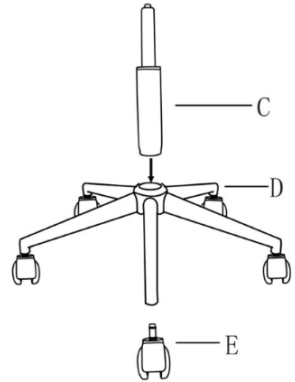
WENDELL MESH OFFICE CHAIR



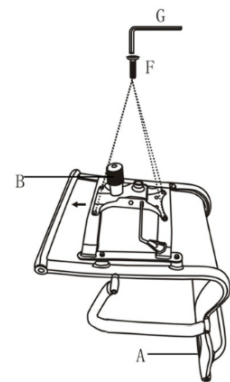
ML-2048
WENDELL MESH OFFICE CHAIR




1




2



3



4



Sample of Assembly Instructions

Parts List Requirements

Parts list are required to be branded with living spaces logo and not the suppliers company logo. Below is a sample of what the parts list must look like.

- Vendor Information
 - Supplier Name
 - Supplier parts contact information
- Living Spaces Information
 - Living Spaces SKU
 - Living Spaces Product Name
 - Vendor Model Number
 - Collection Name
- Parts information
 - Part code
 - Part #
 - Part description



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- Does this part whip within 48 hrs
 - Quantity used
 - Part replacement price
 - Additional notes
- Assembly instructions with parts list to easily help identify the parts listed in the section above.

Vendor Information

Vendor Name: Sample Supplier
 Vendor Code: V-123456
 Parts Contact Name: Bob Supplier
 Phone: 123-456-7891
 Email: email@supplier.com

Living Spaces Information

LS SKU: 225646
 LS Product Name: WENDELL MESH OFFICE CHAIR
 Vendor Model #: ML-2051
 Vendor Collection: WENDELL

CODE	PART #	DESCRIPTION	SHIPS IN 48HRS	QUANTITY	PRICING	NOTES
E	ML-2048-E	WENDELL MESH OFFICE CHAIR CASTER	YES	5	\$0.50	\$.50 per piece
F	ML-2048-F	WENDELL MESH OFFICE CHAIR SCREW	YES	4	\$0.20	
G	ML-2048-G	WENDELL MESH OFFICE CHAIR ALLEN KEY	YES	1	\$0.05	

LIVING SPACES

A	ML-2048-A		X1
B	ML-2048-B		X1
C	ML-2048-C		X1
D	ML-2048-D		X1
E	ML-2048-E		X5
F	ML-2048-F		X4 M8x20mm
G	ML-2048-G		X1

WENDELL MESH OFFICE CHAIR

ML-2048
WENDELL MESH OFFICE CHAIR

X1
 0:00
 X1

①

②

③

④

Sample Parts List

Part Replacement Process

All parts orders must be managed through the Living Spaces parts portal and common agreed upon parts must be fulfilled within 3 working days of when the parts orders are placed by Living Spaces. Domestic made to order parts must be received by the end consumer within 7 business days. Uncommon parts stored internationally must be delivered within 15 business days to end consumer. Furthermore, all part requests must be acknowledged within 24 hours by the supplier, excluding weekends. Parts requested for supplier issues or manufacturer defects must be shipped immediately free of charge. Any parts orders that are open for over 20 days will result in an RTV to the supplier for all warranty items.

All parts are to be shipped to the designated shipping location. If the part is being shipped to a Distribution Center, it must be delivered to the designated Distribution Center on the parts request. If it is being shipped to the customer, the supplier is responsible for shipping it directly to the customer's address and is to use Living Spaces designated UPS account.

In the event that you need additional assistance or clarification on a parts request please contact a Living Spaces Parts representative at the appropriate distribution center. See list of contacts on the contacts page or refer to the supplier portal.

On-Time Shipping Policy

In order to achieve consistent service and product offering to our customers, it is essential that our suppliers deliver all purchase orders on time and in full. As a company we invest a significant portion of our budget advertising your product to attract new customers and retain life-long guests. When we don't have the product we advertise, we not only sacrifice revenue, but we also disappoint our number one asset, our customers. For this reason, it is essential that our suppliers understand our shipping policies and can adhere to them.

PO Quantity Variance

Living Spaces expects all suppliers to ship the exact quantity that is acknowledged on a purchase order.

If the shipment is over the acknowledged quantity, one or more of the following may occur:

- a. Living Spaces reserves the right to return the excess units at the supplier's expense.
- b. Living Spaces may decide to keep the excess units in exchange for a 20% discount from the purchase price of the excess units.

If the shipment is under the acknowledged quantity chargebacks may be incurred if the PO is filled at less than 90% for the acknowledged quantity. See Chargeback schedule for details.

Domestic Stock Purchase Orders - A domestic stock purchase order is considered on time if the purchase order is shipped by the delivery/ship date that is stated on the purchase order. These delivery

dates are entered by the merchandising operations agent prior to the purchase order transmission via EDI to the supplier. The delivery/ship date is based on the mutually agreed upon lead time by the supplier and Living Spaces.

Domestic purchase orders must be requested to be picked by 1pm PST the day prior to the shipping/delivery date at the domestic warehouse. All orders must be scheduled to be picked up before 1pm PST on the delivery/shipping date. Failure to meet the agreed upon service levels may be subject to additional chargebacks as per the chargeback schedule included in the operations guide.

Container Purchase Orders- A container purchase order is considered on time if the purchase order is shipped from the factory by the ship date that is specified on the purchase order. The ship date is based on the mutually agreed upon lead time at the time of supplier set up. Failure to meet the agreed upon service levels may be subject to additional chargebacks as per the chargeback schedule included in the operations guide.

Special Order Purchase Orders- A special order is assigned to a customer sales transaction and must be shipped NO LATER than 10 days after the purchase order is sent to the supplier. All acknowledged special orders shipped beyond 10 days will be assessed a chargeback of \$100 unless an extension was approved by the merchandising department. Failure to meet the agreed upon service levels may be subject to additional chargebacks as per the chargeback schedule included in the operations guide. Additionally, mislabeled special orders cause Living Spaces to deliver incorrect product in to multiple customers home. Mislabeled special orders will incur a \$100 chargeback per special order PO.

Customer Backorder Purchase Order - A customer back order purchase order is assigned to a customer sales transaction and must be shipped NO LATER than the back-order date provided by the supplier on the EDI 855 transaction. Failure to meet the agreed upon service levels may be subject to additional chargebacks as per the chargeback schedule included in the operations guide.

Drop Ship Purchase Orders- Drop ship purchase orders must be shipped to the customer within 48 hours of the purchase orders being received by the supplier. Failure to meet the agreed upon service levels may be subject to additional chargebacks as per the chargeback schedule included in the operations guide.

All drop ship orders must be shipped via UPS ground, unless UPS freight is required due size restrictions. Furthermore, all drop ship orders must be shipped using our third party UPS account #Y799R9. The only exception will be for freight drop ship orders that are not able to ship parcel because they are too large, these orders must be shipped using our third party UPS account #10798095

New Product Purchase Orders-All new Product PO's will be placed with a future agreed upon ship date. New product PO's must ship complete NO EXCEPTIONS.

Sample Purchase Orders- Sample purchase orders need to be delivered directly to our La Mirada Studio. Please make sure to schedule a delivery time with the respective product manager. Samples are to be free of charge to Living Spaces, unless otherwise approved by the Product Manager.

Supplier Responsibilities

A supplier account representative must perform a quarterly business review once a quarter at the La Mirada home office. Quarterly business reviews will be scheduled by the Vendor Relations Manager.

Suppliers are no longer required to visit stores on a monthly basis. Living Spaces will assume the expense of floor sample quality and signage. While we will provide a sign in sheet for those suppliers that wish to visit stores on a regular basis, it is no longer mandated by Living Spaces.

A Supplier account representative must be available to visit our Distribution Centers on an as needed basis to review any quality and performance issues. Visits must be scheduled in a timely and reasonable manner at a time that is agreeable to the Merchandising Team and the corresponding Warehouse Quality Team.

Living Spaces Carton Logos Specifications

Living Spaces requires that all products be packaged in a manner that prominently displays the approved Living Spaces logo. Living Spaces private label carton markings must comply with the Living Spaces carton logo specification listed below.

- **Purpose**
The purpose of this specification is to provide suppliers with basic requirements for Living Spaces shipping carton markings for the brand logo. This specification must be strictly adhered to since the customer's initial impression of quality is influenced by the appearance of packaging.
- **Application**
The procedure applies to all products, which do not have specific marking or packing instructions.
- **Prohibition**
For Living Spaces branded programs, a supplier shall not print their own logo or any advertisement markings on the carton without express authorization from Living Spaces. However, carton supplier markings (such as the Box Makers Certificate, 'BMC') and supplier materials control (part number) markings may be printed at the bottom flaps/side of the carton.

Placement and Positioning of Logo on Carton for Case Goods

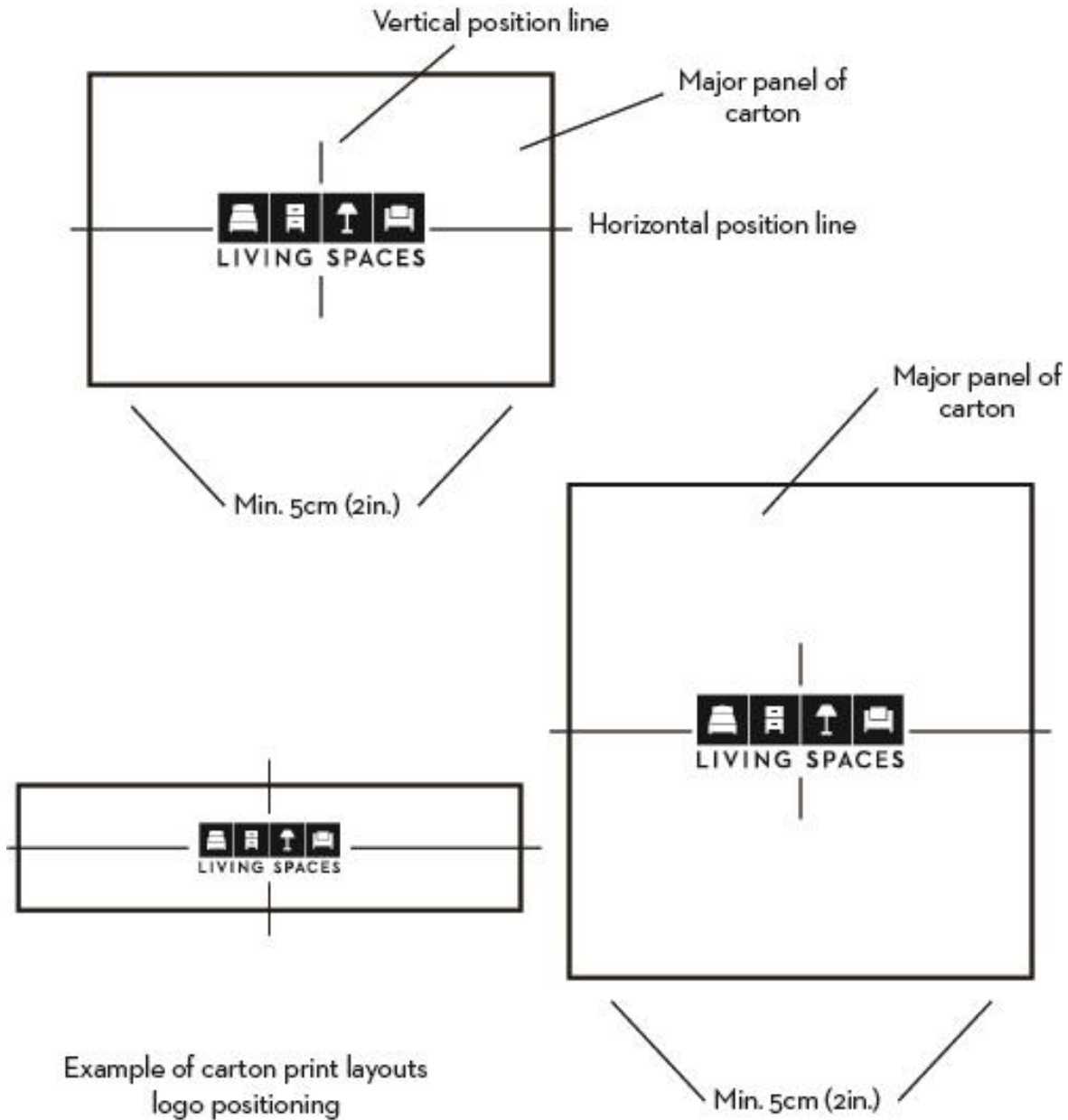
Unless otherwise specified, the brand logo shall be centered and printed on the two MAJOR panels of the carton (2 largest of the 4 vertical side panels).

Select one of the three approved logo sizes below for your carton:

- **LARGE:** 43 cm (17 in) long. Use on all cartons with major panel dimensions of 106 cm (42 in) high or taller and/or 106 cm (42 in) wide or larger.
- **MEDIUM:** 30.5 cm (12 in) long. Use on all cartons with major panel dimensions of 63.5 cm (25 in) and 106 cm (42 in) high and wide.
- **SMALL:** 20 cm (8 in) long. Use on all cartons with major panel dimensions smaller than 63.5 cm (25 in) high or wide.

Logo Positioning:

The logo must always be centered in both directions (horizontal and vertical). Logo must be positioned at least 5 cm (2 in) from any side of the carton panel. If this requirement cannot be met when working with small cartons, the (small) logo artwork can be reduced accordingly to satisfy the 5cm (2 in) min. rule. See illustration below. Do not modify the logo by stretching or elongating; rather, reduce or enlarge the logo in one direction. Logo must maintain the same aspect ratio as original artwork.

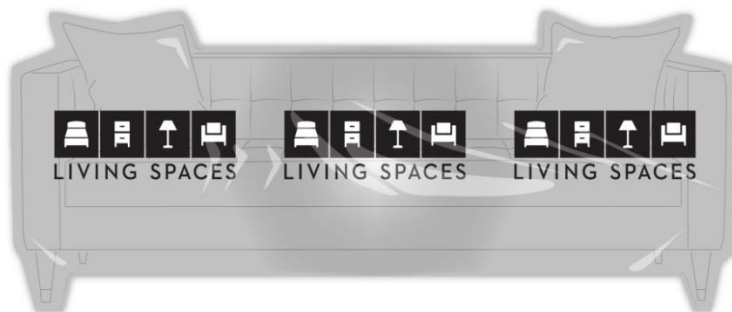


Placement and Positioning of Logo for Upholstery

All Upholstery that is shipped in a carton must follow the same carton logo guidelines as specified for case goods.

All upholstery items shipped in a poly bag must follow the guidelines listed below.

- The poly bag is to have the approved Living Spaces logo on at least one side of the outer poly bag.
- The logo shall not be covered with any labels.
- The logo must be either one 34x12 inches logo that is centered on the poly bag or a continuous banner of Living Spaces logos as shown on the image below.
- The approved logo size is 34x12 inches.



■ PLASTIC WRAP

Upholstery Deck Labels

Living Spaces require that all sofas have a 4x6 inch self-adhesive deck label applied on the left center of the sofa deck. Please refer to the image below. The approved artwork for this requirement can be provided to you by the Supplier Relations Manager.



Packaging Requirements

An item may have to be moved or touched up to ten (10) times from the time it is made in the factory to the point where it is delivered and assembled in a customer's home. Therefore, it is essential that all of our goods are packaged in accordance to our guidelines listed below. These guidelines will ensure that transportation and handling damage is kept to a minimum.

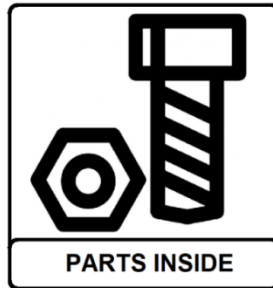
Easy to Assemble Product

To ensure Living Spaces becomes the industry as a furniture retailer, it is important that we look at all ways to increase efficiency. In an effort to be more efficient with our in-home delivery Living Spaces is requiring that all new products come with as few assembly parts as possible and assembly time must be kept to a minimum. One way that we can reduce assembly time is by standardizing parts and assembly techniques (See Required Standardized Parts).

Additionally, in order to reduce assembly time, we ask that new product and packaging is engineered to ensure assembly is mostly completed at the factory. This will allow for faster assembly times at the time of in home delivery as well as more simple and consistent assembly instructions.

Part Placement

In order to easily identify which carton contains parts such as hardware or slats we ask that all suppliers mark the box that contains parts or hardware with parts symbol like the one in shown in the image bellow.



Additionally, in order to ensure that there is consistency in the part packaging process it is essential that all suppliers follow the part packaging placement guide below. Following this process will help us accurately manage our parts inventory because we will know where parts will be packaged at all times.

To help identify parts blister packs must be used where possible. This will insure that all parts are accounted for in an organized manner and that assembly instructions are placed in a consistent location for all product. Below is a sample image of how these parts must be packaged. Like all parts this blister pack must have a red parts ribbon attached to help identify the hardware blister pack within the packaging.



Sample hardware blister pack

Category	Part Placement
Beds	Hardware must be packed with rails
Beds	Slats must be packed with rails
Beds	Headboard legs should always be packed with the headboard
Office Desks	Hardware must be packed with base
Dining Tables	Hardware must be packed with base
Dining Tables	Leafs must be packed with top
Hutch/Mirror	Hardware must be packed with hutch or mirror
Upholstery	Legs must be packed with each individual item
Media Walls	Hardware must be packed with console

Parcel Shipping Requirements

To ensure Living Spaces is able to deliver a consistent level of quality to all customers, it is very important that all suppliers follow the packaging standards listed below. This will ensure that all customers regardless of the delivery method will receive undamaged merchandise upon delivery.

All products that meet the UPS Parcel shipping requirements must follow the packaging standards listed below. These standards are designed to ensure that we can offer and deliver our wide assortment of merchandise to as many customers as possible within the United States. Below is a list of the UPS parcel shipping requirements, these requirements can also be found at www.ups.com. Living Spaces has developed a user-friendly tool that will help you determine if a new product meets the parcel shipping requirements. Please reach out the Supplier Relations Manager for a digital copy of the of the Parcel shipment tool.

“UPS has established specific weight and size limits for the packages that you send with all UPS services. The restrictions below only pertain to individual packages. There are no limits to the total weight of your shipment or the total number of packages in your shipment. Shipments larger than the limits listed below will require the use of our UPS Freight services or UPS Worldwide Express FreightSM.”

- Packages can be up to 150 lbs.
- Packages can be up to 165 inches in length and girth combined.
- Packages can be up to 108 inches in length.
- Packages with a large size-to-weight ratio require special pricing and dimensional weight calculations.

Product Transit Testing for Parcel Shipping

To reduce damages caused during shipping, we require certain products pass a transit test protocol using standards adopted by the International Safe Transit Association (ISTA). Test protocols are based on the size and weight of the carton and the type of delivery method being used. Pallets are not considered to be part of a product’s packaging and will not be included in the transit test.

In general, if your package falls within the parcel shipping requirements listed above your product must be transit tested to meet the requirements as listed on ISTA 3A Series: Packaged-product for parcel delivery system shipment 70kg (150 lb) or less. More details regarding ISTA and product transit testing can be found at www.ista.org.

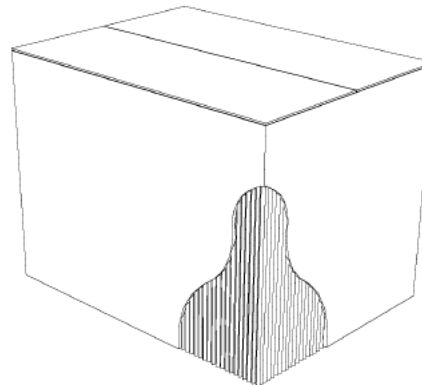
Carton Strength

The carton strength must be adequate for the weight and the stacking strength required to support the full weight of the pallet of boxes (if box is on the bottom layer). The following box strength requirements are based on packaging industry standards as well as our own experience. Living Spaces will accept either Burst Strength (lbs. per square inch) or Edge Crush as a form of measuring acceptable carton strength.

Carton Weight (LB)	Carton Weight (KG)	Bursting Test (lbs per sq inch)	Edge Crush Test (lbs per inch width)	Corrugated Combined Board
0-30.0	0-13.0	200	32	Double-wall
Greater than 30	Greater than 13	275	44	Double-wall

Flute Direction

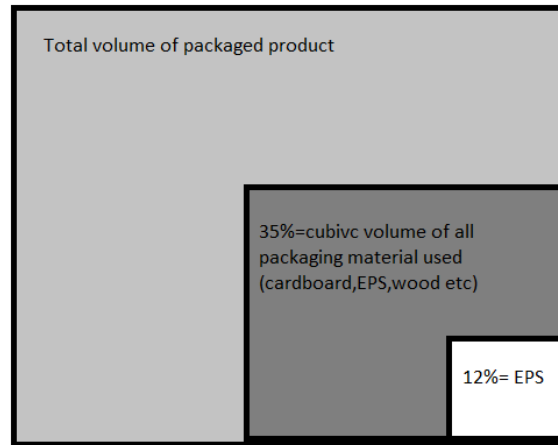
To prevent damages that may occur due to compression, when carton is positioned in the shipping direction the flute must be in a vertical direction. On the next page is an illustration of properly positioned carton flutes.



Packaging Reduction Requirements

Living Spaces strives to implement business practices that will achieve our goals while being sensitive to our environmental impact. We take important steps to improve the packaging materials we use with the goal of protecting purchases as well as the environment. In recognition of our commitment to the environment we ask that suppliers meet the following packaging guidelines.

- For square and rectangle packs, the total amount of packaging material must not exceed 35% of the total carton volume. For flat packs, the total amount of packaging material must not exceed 50%. Due to product fragility, exceptions can be made by Living Spaces.
- Living Spaces prohibits the use of EPS (Styrofoam) and any material made from styrene as a packaging material for all products. Exceptions can be made by Supplier Relations Manager. If approved, EPS (Styrofoam) must not exceed 12% of the total carton cube. As an alternative, Living Spaces prefer that suppliers use honeycomb, multi-wall corrugated or plant based cushioning (i.e. mushroom packaging).
- Packaging materials made from recycled content and/or that can be recycled after use is preferred.
- All products must pass any applicable transit tests.
- Packaging materials must protect the product and not result in an increase in damages.



Case Goods



Wood pallet protection on floor side



Corrugate corner blocks required on all corners



A-Wood pallet protection on floor side
 B- Leg protection
 C-Built out corrugate protection on all corners
 D-Airspace must be filled with foam and cardboard



A-Protection on drawer corners



A- Protection on pulls or handles



Hardware and loose parts need to be easily identifiable with red ribbon or marked as hardware on carton

Revision Date: March 2019

Upholstery

- Living Spaces prefers that Upholstery be shipped fully cartonized when applicable.
- Upholstered items that are packaged in a poly bag are required to be packaged with a cardboard end cap over each end.
- Domestic upholstered items being shipped with legs installed must be protected by a corrugate or plastic wrap.
- Upholstery being shipped overseas in a poly bag without the legs installed must have proper protection and a red ribbon that identifies where the legs are located.
- Wood to wood contact on legs and parts is not allowed.
- All upholstery is stored/racked on its end as shown in the picture below



Rugs / Floor Coverings

- All rugs must be rolled tightly ensuring that the ends are aligned and the rug is not “telescoping”.
 - Rolled rugs must be secured with stretch film or ties, at each end.
 - Rugs that cannot be rolled must be bagged and boxed.
- All rugs must be poly-bagged with a minimum of 5 mils (.005”) thickness. Larger rugs (i.e. greater than 5’x8’) must have a higher mil thickness to not allow rips / tears during shipping.
- Rugs 8’ x10’ or greater must be double bagged or have a polybag thickness of 8 mils or greater.
- Rugs must be packed snug in the polybag. Any excess material must be folded over and taped down securely.
- The ends must be heat sealed or secured shut with zip ties (or similar closure) and taped down to the bag.
- The width of the poly tubing must be sized to fit tightly around the rolled rug. The ends of the poly tubing must be sealed, taped, or secured flush to the ends of the rug roll. We cannot accept rugs that have tassels; knots or handles of poly tubing that extend beyond the end of the rug roll.
- Please roll the rug in a compact and tight manner, this enables us to reduce our shipping charges.
- When rolling a rug, please roll so the smallest dimension is the length. For example, when rolling a 5’ x 8’ rug, roll the rug so the length is 5’.
- Each rug must be individually folded or rolled. Do not roll multiple quantities of rugs in one roll.
- Rugs must be palletized by PO # and ship to location. (See sample image below)
- Labels must be placed on the end of the rug. (See sample image below)



Palletized rug shipment



Label placement for rugs

Additional Packaging Requirements

- All items need to have proper corner protections and are required to be packaged in the appropriate size box for transportation.
- Location of hidden components or hardware packs must be marked with red tape to make them easily identifiable.
- All items including packaging must be free of wood to wood contact.
- Corrugated corner blocks must be used to protect against corner damage.
- Items containing glass or mirrors must be marked as FRAGILE GLASS.
- Cartons must be clearly marked as 'Front' and 'Back'.
- Airspace must be filled with cardboard to prevent items to move/shift in carton.
- All case goods must use a minimum of 200 lb. carton strength

Labeling Requirements

Pre-Labeling Requirements

Living Spaces requires all suppliers to pre-label shipments with custom barcode labels to improve the receiving process. This helps eliminate operator mislabel and improves efficiency.

Below are examples and instructions for the Living Spaces In-house Stock and Special-order labels.

Failure to comply with the pre-labeling requirements will be subject to charges as per the chargeback schedule included in the operations guide.

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- Labels must be sized to fit a standard 4”x 6” label
- Labels must scan and be free of smudging, markings or tears that may interfere with the bar code
- Special order product labels must contain the Customer details and specific Special-Order product information. The barcode, as seen in the examples below, must be Code 128 (Font name: BC C128 HD Wide)

EDI Standard Labels

A Stock purchase order is identified in the BEG 02 segment as PO type “SA”.

EDI 850 example BEG*00*SA*PO-0002038121**20170502~

Below is an example of our existing in-house Stock product label. It is our expectation that the labels you attach prior to shipping to Living Spaces will replicate the format and will be sized to fit a standard 4”x 6” label. All fields are passed through in the EDI (850) purchase order document.

The barcode is transmitted in the LIN03 segment of the 850 as follows:

LIN**BN*0000000000000676384~

Label Barcode: **0000000000006763848**

The checksum (Last digit) is not transmitted through EDI. This is added by the barcode generator on your end.

The barcode (License plate) number is unique and crucial to be successfully scanned into our system. The last number (8 in this instance) is a checksum that will be added automatically by your barcode printer. These are transmitted in the LIN03 that we send over via EDI and are unique for each individual piece. Note: The same barcode (License plate) will never be used more than once. If quantity 20 of item A are being shipped, each piece will be labeled with a unique barcode.



EDI Standard Label Field Mapping

Label Field	EDI Data Field
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Sku: 93874
51*BL*SEAL~

PO1*1*1*EA*000016.63**SK*93874*VC*513876-

Model Number: 513876-51
51*BL*SEAL~

PO1*1*1*EA*000016.63**SK*93874*VC*513876-

P/O: PO-0002038121

BEG*00*SA*PO-0002038121**20170502~

Description: RANDOLPH TERRACE
QUEEN MATTRESS

PID*F****RANDOLPH TERRACE QUEEN MATTRESS~

Special Order Info:

Leave Blank

Barcode: 00000000000006763848

LIN**BN*0000000000000676384~ (Note: The label must contain the provided 19 characters plus the check sum for the full 20-digit barcode number)

Supplier: SEAL
51*BL*SEAL~

PO1*1*1*EA*000016.63**SK*93874*VC*513876-

Print Date (the date under SEAL): 05/02//2017 Dynamic Date when the label is printed

93874	
Model Number: 513876-51	P/O: PO-0002038121
Description: RANDOLPH TERRACE QUEEN MATTRESS	
Special Order Info:	
Collection:	Serial #:
 <small>00000000000006763848</small> 00000000000006763848	Vendor: <h1 style="margin: 0;">SEAL</h1> Print Date: 05/02/2017

EDI Special Order Label

A Special-order purchase order is identified in the BEG 02 segment as PO type “OS”.

EDI 850 example BEG`00`OS`PO-0002001337``20170611~

Below is an example of our existing in-house Special-order product label. It is our expectation that the labels you attach prior to shipping to Living Spaces will replicate the format and will be sized to fit a standard 4”x 6” label. All fields are passed through in the EDI (850) purchase order document.

The barcode is transmitted in the LIN03 segment of the 850 as follows:

LIN**BN* 0000000000000390969~

Label Barcode: **00000000000003909690**

The checksum (Last digit) is not transmitted through EDI. This is added by the barcode generator on your end.

The barcode (License plate) number is unique and crucial to be successfully scanned into our system. The last number (0 in this instance) is a checksum that will be added automatically by your barcode printer. These are transmitted in the LIN03 that we send over via EDI and are unique for each individual piece. Note: The same barcode (License plate) will never be used more than once. If quantity 20 of item “A” are being shipped, each piece will be labeled with a unique barcode.



Special Order Label Mapping

Label Field

EDI Data Field

Living Spaces Sku: 69696

PO1*1*1*EA*000016.63**SK*69696*VC*D3698-13R*BL*UMAE~

Order Info:

N1*RQ*SO-0367202~

N2*CUSTOMER~

N3*123 FAKE ST~

N4-LA MIRADA*CA*90638~



Supplier Operations Guide

Product Info: Second and Third PID segments
 PID*F****fabric/finish: Bella Chocolate~
 PID*F****Bella Coffee (Large Toss Pillow) x2, Tate Sable (Large Toss Pillow) x2~

P/O: PO-075770 BEG*00*OS* PO-0002001337**20170611~


Description: GLAMOUR RAF TUX SOFA First PID segment
 PID*F****GLAMOUR RAF TUX SOFA~

Barcode: 00000000000003909690 LIN**BN* 0000000000000390969~ (Note: The label must contain the provided 19 characters plus the check sum for the full 20-digit barcode number)

Supplier: UMAE PO1*1*1*EA*000016.63**SK*69696*VC*D3698-13R*BL*UMAЕ~

Model Number: D3698-13R PO1*1*1*EA*000016.63**SK*69696*VC*D3698-13R*BL*UMAЕ~

Print Date (the date under UMAE): 06/11/2017 Dynamic Date the label is printed

69696	
Model Number: D3698-13R	P/O PO-0002001337
Description: GLAMOUR RAF TUX SOFA	
Order Info: SO-0367202 CUSTOMER 123 FAKE ST LA MIRADA CA90638	Product Info: Fabric/finish: Bella Chocolate Bella Coffee (Large Toss Pillow) x2 Tate Sable (Large Toss Pillow) x2
Collection:	
 00000000000003909690	Vendor: UMAЕ Print Date: 06/11/2017

LIVING SPACES CHECK DIGIT BARCODE ALGORITHM

Example 1 – BN sent in the 850: “000000000000676384”

Revision Date: March 2019

1. Add the odd number digits: $0+0+0+0+0+0+0+7+3+4 = 14$.
2. Multiply the result by 3: $14 \times 3 = 42$.
3. Add the even number digits: $0+0+0+0+0+0+6+6+8 = 20$.
4. Add the two results together: $42 + 20 = 62$.
5. To calculate the check digit:
 - a. Divide the sum, from step 4, by 10 ($62 / 10$)
 - b. Take the remainder of ($62 / 10$), which is also known as (62 modulo 10)
 - i. **If remainder is not 0**, subtract the remainder from 10. Therefore ($62 / 10$) = 6 remainder 2; $10 - 2 = 8$.
 - ii. If remainder 0 then Check Digit is Zero
6. Check Digit = "8"
7. Barcode = **00000000000006763848**

Example 2 – BN sent in the 850: "0000000000000390969"

1. Add the odd number digits: $0+0+0+0+0+0+0+9+9+9 = 27$.
2. Multiply the result by 3: $27 \times 3 = 81$.
3. Add the even number digits: $0+0+0+0+0+0+3+0+6 = 9$.
4. Add the two results together: $81 + 9 = 90$.
5. To calculate the check digit,
 - a. Divide the sum, from step 4, by 10 ($90 / 10$)
 - b. Take the remainder of ($90 / 10$), which is also known as (90 modulo 10)
 - i. If remainder is not 0, subtract the remainder from 10.
 - ii. **If remainder is 0**, then Check Digit is Zero. Therefore ($90 / 10$) = 9 remainder 0.
6. Check Digit = "0"
7. Barcode = **00000000000003909690**

Living Spaces Label Printer Specifications

Zebra Printer model 105SL

SKU: 10500-2001-1070

Manufacturer: Zebra

Description: 105SL 203DPI

Cost: \$2,200

Zebra Thermal Transfer Paper Label Roll

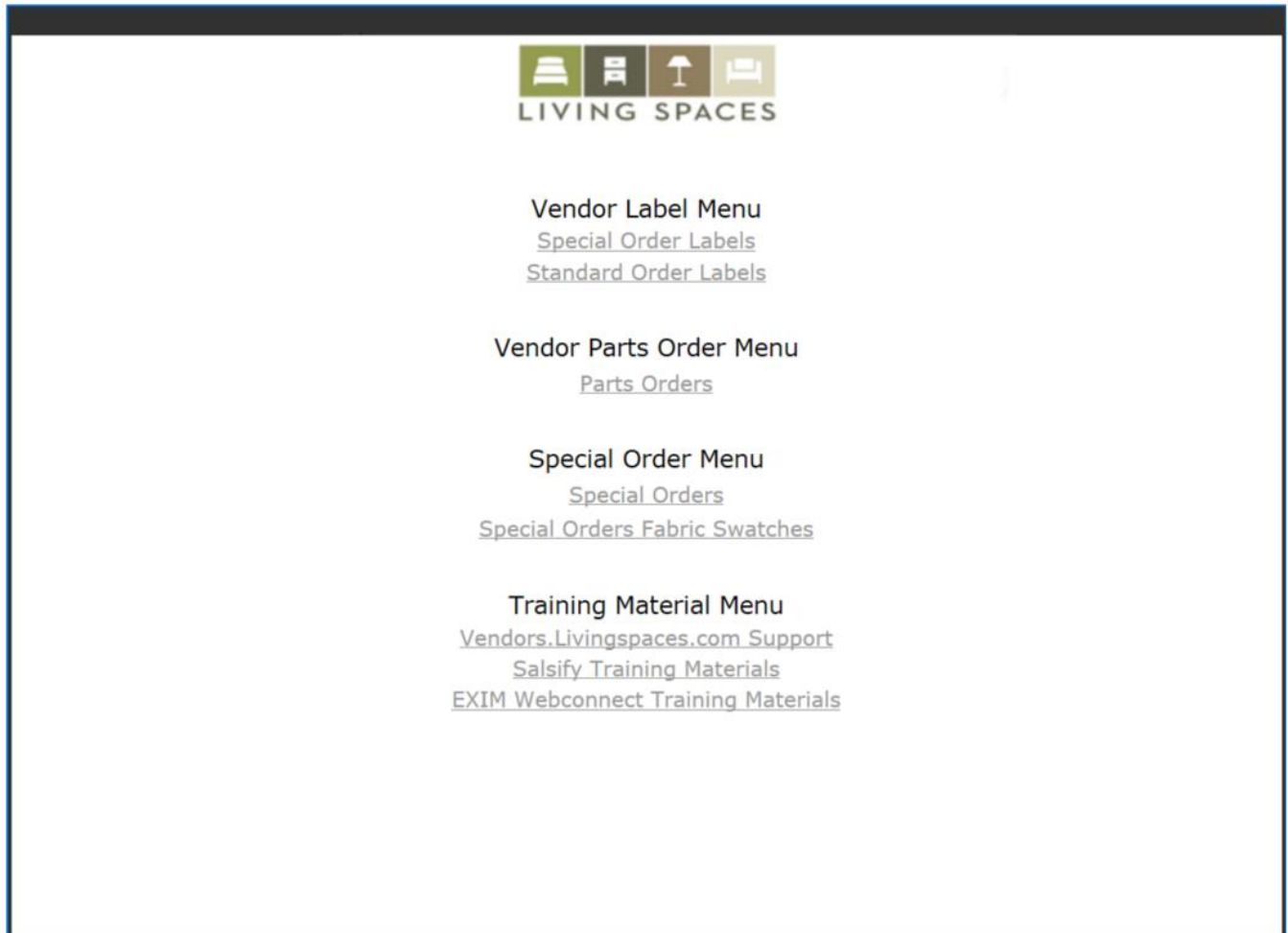
Description: 4 inches continuous, 500' Thermal transfer paper label roll

Cost: \$30 per roll

Web Portal Labels

The Living Spaces link below can be used as an alternate option to print out the barcode labels for both stock orders and special orders. Both are formatted to size and displayed in a PDF format.

<http://suppliers.livingspaces.com/>



Click on the “[Vendors.Livingspaces.com Support](#)” button for additional information on how to print the labels, how to setup the Zebra printer, and see contact information for any technical questions. Once the Zebra printer has been set up, it is easy to print out the barcode labels. Click on the “Standard Order Labels” link for stock orders and then enter in the PO # and your four-letter Supplier Code. (Typically, the first four letters of your supplier name). The labels will pop up in a PDF format, click the print button and select the Zebra printer. Labels will print in perfect formatting for each piece on the order. The “Special Order Labels” link can be used to print out the 8” x 11” customer label. Enter in the PO # and your four-letter Supplier Code. (Typically, the first four letters of your supplier name).
Note: The suppliers.livingspaces.com will not generate the special order 4x6 label shown on page 4 of this document. The 4x6 special order label has been approved for suppliers printing these from zebra printers.



Drop Ship Packing Slip

This type of PO is identified in the BEG 02 segment as PO type "DS".

EDI 850 example BEG`00`DS`PO-0002007555``20150112~

This packing slip will be sent with each order that is ship to the customer



Order Date: 1/12/2015

Packing Slip

Order #: SO-002640551
 CUSTOMER
 123 FAKE ST
 IA MIRADA CA 90638

Number of Items: 1

Line Num	Item	QTY	SKU
1	2 PIECE SET CERAMIC VASE	1	69696

EDI Drop Ship Field Mapping

The data for this pack slip is pulled out of the 850. Here is a sample of the data fields.

```

ISA*00**00**12*8772667300*12*3106311166*150114*1632*U*00401*000289018*0*T*>~
GS*PO*8772667300*3106311166*20150114*1632*291018*X*004010~
ST*850*292018~
REF*CO*SO-002640551~
BEG*00`DS`PO-0002002891**20150112~
DTM*002*20150112~
N9*ZZ*NTE*General Notes~
MSG*Living Spaces expects its suppliers and vendo~
MSG*rs to know and comply with all local, state a~
MSG*nd federal laws, standards and regulations re~
MSG*lating to product manufacturing, labeling and~
MSG*safety including, but not limited to, CPSIA,~
MSG*CA Prop 65, CA Title 20, CA Reg 93120~
  
```

Order #:

Order Date:



Supplier Operations Guide

N1*BT**92*01~
 N1*ST*CUSTOMER*92*87~
 N3*123 FAKE ST~
 N4*LA MIRADA *CA*90638~
 PO1*1*1*EA*000005.60**SK*69696*VC*69678 (6/BOX)*BL*UMAE~
 LIN**BN*906969610326~
 PID*F****2 PIECE SET CERAMIC VASES~
 PID*F****fabric/finish:2pc Ceramic Vase~
 PID*F****DROPSHIP~
 CTT*1~
 SE*15*292018~
 GE*1*291018~
 IEA*1*000289018~

Customer Name
 Street Address
 City / State / Zip Code
 Line Num / QTY / SKU
 Item

Drop Ship Packing Slip Field Relation

Drop ship "DS" 850 Packing Slip Relation



Label Placement

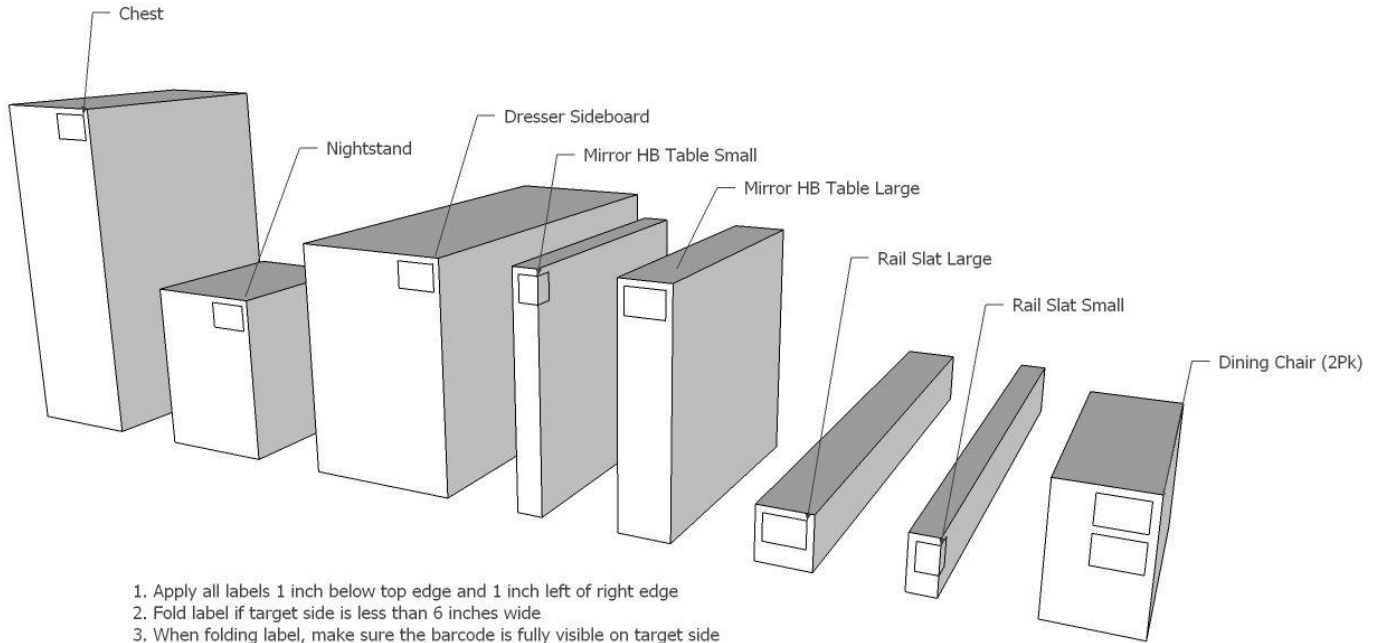
Having a consistent standardized labeling process allows Living Spaces to standardize our receiving process and create efficiencies within our supply chain. For this reason, it is imperative that all of our suppliers follow our label placement guide below. All cartons received with labels that do not meet our requirements or that are not placed correctly will be subject to chargebacks as listed on the chargeback schedule.

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Case Goods

Living Spaces 2015 Labeling Standard Update



1. Apply all labels 1 inch below top edge and 1 inch left of right edge
2. Fold label if target side is less than 6 inches wide
3. When folding label, make sure the barcode is fully visible on target side
4. For multi-pack cartons, apply one label for each item (dining chairs will have 2 labels)

Upholstery

The UPC label must be located on items as follows:

Sofa, Loveseat and Sectionals	Back side of Sofa (behind the backrest)
Sleepers	Back side of Sleeper (behind the backrest)
Recliners	Back side of Recliner (behind the backrest)
Ottomans	Side of the ottoman

Below is an image showing the correct placement of the bar code label for upholstery product.



In addition to the UPC label the following product identification must also be included when applicable.

- All Special orders must clearly show customers name and address on an 8x11 special order label. This label can be printed from our supplier portal. Please refer to images below.
- All Special Orders must be shipped with a colored sticker identifying that item s as special order. Please refer to the image below with a pink label.



Special Order Label on Sofa

Pinks Special Order Label



Sample Special Order Label

Shipping Requirements

Packing List Requirements

The packing list is a valuable tool used by our warehouse staff to ensure that your product is received accurately and efficiently. For domestic shipments there must be one packing list per shipment sent to Living Spaces.

Packing List Specifications

- Date
- Ship From Information
- Sold to Information
- Ship To Location
- Living Spaces Item Number
- Living Spaces Item Name
- Living Spaces PO Number
- Total Quantity shipped per SKU
- Total Cartons shipped
- Total Units shipped

Packing List Placement

Please make sure that the packing list is attached to the lead carton of the shipment and that it can be easily identified by the warehouse receiving staff as shown below. Additionally, the driver delivering the shipment must have an extra hard copy of the packing list that can be handed to the receiving team when the shipment is delivered.

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Floor Loading and Pallet Loaded Requirements

All shipments must be stacked by 1 PO only. If it is necessary to stack with multiple PO's the PO's that:

- All shipments whether floor loaded or palletized must be loaded in a manner that will prevent damage to the product that is being transported. The supplier will be responsible for the cost of damaged goods due to improper trailer loading.
- Heaviest product must always be loaded on the bottom layer of the trailer to prevent damage to the product on the bottom.
- The supplier must make every attempt to load same SKU together in trailer.

Palletized Shipments Direct to Stores

- Accessory shipments that are being shipped direct to the stores must be palletized by PO and shipping location.
- Each PO and ship to location must be easily identifiable on each pallet.
- Each pallet needs to be individually shrink-wrapped to prevent PO's being mixed together.
- Each item in the carton must have its own label, for example if a pillow is shipped as a case pack of four, there must be four labels on the carton (one for each pillow).
 - Not labeling these items correctly may result in payment delays due to incorrectly received quantities. (See example below)



6 pillows are packed in this box so it requires 6 labels

Seals

Utilizing seals to secure the product in a trailer or container helps Living Spaces maintain shipment integrity. Additionally, there are two primary purposes of a security seal. One purpose is to resist tampering and the other purpose is to provide proof of tampering. For these reasons, Living Spaces requires that a high security seal is affixed to all FTL shipments regardless of shipping origin or destination.

Direct Container Shipping Requirements

If shipping with our carrier:

Living Spaces requires that Living Spaces be listed as the Importer of Record and listed as the Consignee for all container shipments. Additionally, Damco will be listed as the notify party. The booking agent will remain as Haeshin Consulting.

Consignee

Living Spaces Furniture, LLC
14501 Artesia Blvd
La Mirada, CA 90638
United States

Notify party

Damco Customs Brokerage
5011 Firestone Place
South Gate, CA 90280
Lucy Garcia / Living Spaces Team

Booking Agent

Haeshin Consulting
24224 Crenshaw Blvd
Torrance, CA 90505
United States

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1. We will request docs 2 days after ETD (Estimated Time of Delivery) for containers being imported by Living Spaces.
2. Supplier must provide all shipping docs to Living Spaces (commercial invoice, packing list, Lacey - if applicable, and bill of lading).

Commercial Invoice

- a. Must list all SKU's and quantities on container
- b. Must list invoice total (before discount)
- c. All replacement parts must be listed as "Parts" and must have a value greater than \$0 USD
- d. Invoice subtotal total must include the value of parts. Invoice grand total must show the value of parts being deducted for all part that are free of charge as listed in the image below
- e. Must list Living Spaces PO number
- f. Must list container number
- g. Must list seal number

PILLOWS	10	\$5.00	\$50.00
seat cushion cover	1	\$5.00	\$5.00
toss pillows	3	\$5.00	\$15.00
<hr/>			
TOTAL:	67		\$9,687.00
		DEDUCT SERVICE	\$70.00
		<hr/>	
			\$9,617.00

Packing List

- a. Packing list must list item quantities and carton count
- b. Parts must also be listed on packing list as well as declaring their carton count. See image below.
- c. Must list the container number
- d. Must list the Living Spaces PO number

Item#	Description	Materials	HTS Code	Qty	Ctns
21537	Uph Stool Diamond Bk 2in	Wood	9401.61.2010	56	28
21538	Uph Counter Stool 2in	Wood	9401.61.2010	68	34
21559	Uph Chair Diamond Bak 2in	Wood	9401.61.2010	50	25
21557	Uph Side Chair 2in	Wood	9401.61.2010	64	32
21558	Uph Arm Chair 2in	Wood	9401.61.2010	52	26
21542	Double Ped Din Table-Top	Wood	9403.40.9040	17	17
21543	Double Ped Din Table-Base	Wood	9403.40.9040	17	17
CPART	15859-3006	Wood	9403.90.7000	1	1
CPART	15859-3008	Wood	9403.90.7000	1	1
TOTALS				326	181

Lacey Act (if applicable)

- a. Must have the Estimated Date of Arrival filled out (MM/DD/YYYY)
- b. Must list container number
- c. Must list Bill of Lading number
- d. Must have "Living Spaces Furniture, LLC" as the consignee name
- e. Must have "14501 Artesia Blvd., La Mirada, CA, 90638" as the consignee address

Bill of Lading

- a. Must have the correct container, BOL, and carton count listed
- b. Must have "Living Spaces Furniture, LLC" as the consignee name
- c. Must list Damco as the notify party

3. All documents must be submitted in PDF format (1 Purchase Order per attachment)

4. Documents must be provided the Monday before the ETA's received week.

Freight Forwarder Shipments

For direct container shipments being shipped via Freight Forwarder you must have the supplier listed as the Importer of Record and Consignee, Living Spaces is to be listed as the notify party only. The supplier is responsible for clearing customs with their own U.S. Customs Broker.

Commercial Invoice

- a. Must list all SKU's and quantities on container
- b. Must list invoice total (before discount)
- c. Must list all parts and state that they are parts that may have been included on shipment and MUST have a value greater than \$0 USD
- d. Must show invoice total including parts and then showing the invoice total with deducting the parts
- e. Must list Living Spaces PO number
- f. Must list container number
- g. Must list customs broker fees (Entry/ISF/Broker Fees/HMF and MPF Duties)

Additional Direct Shipment Requirements

- a. Email order confirmations must be sent within 72 hours after PO's are submitted (1 PO per attachment)
- b. Supplier must communicate all shipment delays
- c. Initial order lead times not to exceed 90 days
- d. Re-order lead times are not to exceed 60 days
- e. We have the right to cancel any PO up to 30 days prior to the estimated ship date
- f. We have the right to make edits to a PO up to 30 days prior to the estimated ship date

Supplier Invoice Processing

The following are instructions for invoice processing. Please include the following information when transmitting an invoice. Only one purchase order per invoice is allowed.

- Ship from information
- Ship to information
- Unique invoice number
- Invoice Date
- Purchase order number
- Purchase terms
- Living Spaces SKU Number
- Item Description
- Quantity ordered
- Quantity shipped
- Ship Date
- Unit Price

- Extended Price
- Additional Charges or credits (freight, discounts, etc.)
- Total price

All invoices must be sent electronically.

Parts Invoices

All parts invoices must be sent to apinventory@livingspaces.com or you may mail them the below address.

Living Spaces
Attn: Accounts Payable
P.O. Box 2309
Buena Park, CA 90621

Inquiries

Please send any questions or payment inquiries to apinventory@livingspaces.com. Please reference the Purchase Order number and the invoice number in question.

Return to Supplier

Merchandise will be returned to Supplier for the following reasons:

- Merchandise not ordered
- Merchandise found to be substandard, defective or not in sellable condition

To enable Living Spaces to manage RTV's consistently across our organization, we have outlined our RTV process below.

In the event where a Return to Supplier is needed, Living Spaces will request a Return Authorization (RA) from the supplier.

- The supplier will have 3 business days to respond with a decision of the RA request.
 - The Supplier will be responsible for authorizing the return and have the merchandise picked up from our locations by the carrier of your choice at the supplier's expense.
 - If your carrier does not pick up the merchandise within seven days after the RA is approved by the vendor, Living Spaces will arrange for the merchandise to be returned to your facility or disposed of. We will ship via our carrier of choice at the vendor's expense.
 - The supplier will also have the option to authorize the payment of the RTV product but request that Living Spaces dispose of the merchandise in lieu of returning it to the supplier. If this option is selected, the Supplier will be responsible for all disposal fees incurred.
 - Under certain circumstances Living Spaces may replace a customer's product due to a defect that is beyond repair. If this occurs, we will ask for a credit from the supplier and present the technician report and pictures of the damage in lieu of the actual product.

If we do not hear back within 7 business days, Living Spaces will assume that our RA request has been approved and will return the product in the RA with a carrier of our choice at the supplier's expense.

Living Spaces will NOT consolidate all RTV merchandise to one location. The Supplier is responsible for making arrangements to have all product picked up from all of our Distributions Centers and will be responsible for all transportation cost.

The Supplier must provide the following information for all Return Authorizations (RAs):

- Supplier/Company Name
- Return to Address
- Return Authorization Number
- Carrier the supplier has selected to pick up and date of pick up

Living Spaces will also chargeback any labor costs incurred to pick, stage, and repair any product at the rate of \$50 per hour.

Furniture Quality

Required Standardized Parts

In an effort to streamline our part replacement process and deliver consistency in the quality we deliver to our customers, Living Spaces has developed a list of required standardized parts that are to be used on our merchandise by category. Any exceptions must be approved by a product manager before the product is manufactured.

Sectional Brackets

Living Spaces requires that all sectionals come standard with brackets installed. Modular sectionals and standalone sectional pieces may be exempt from requiring brackets (see exceptions listed below). Please make sure to obtain a written exemption from the merchant if in each instance when a sectional will not include sectional brackets. Below is a picture of the bracket that is most commonly used in the furniture industry and meets Living Spaces requirements.



Exceptions

Exceptions may apply for modular sectional that come with:

- Alligator clip style sectional bracket

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- Legs that include a rubber leg tip to prevent the sectional from sliding.

Drawer Slides

All Case goods items that require drawer slides must follow the specifications listed below. If you feel you cannot meet these requirements, please reach out to your product manager and the supplier relations manager.

Good/Better- (Entry Level and Mid-Tier Price Point Items)

Specifications

Slide Type: Euro Slide

Mount Type: Bottom Mount

Color: White

Examples:



Best-(Top Tier Price Point Items)

Specifications

Slide Type: 12mm Ball Bearing Slide

Mount Type: Side Mounted

Color: Black/White/Silver

Examples:



Single under mount drawer slides like those seen in the picture below are not allowed.



Attachment Hardware for Beds

All beds must use quick to assemble hardware such as those listed below. All beds must be free of bolts and require no tools for assembly in order to reduce assembly times at the time of delivery. If an exception is made and a bed requires that you use bolts the supplier must follow the bolt specifications from the “Hardware/Bolts for Beds and Dining Tables” section below.

Specifications

HAFELE- BERLINER BED FITTING, 127MM
 271.33.090 BED FITTING, BRIGHTENED STEEL
 STEEL
 MOUNTING TYPE: MORTISED

Specifications

HAFELE- TOMMO BED FITTING, 120MM
 271.09.930 BED FITTING TOMMO, GALVANIZED
 MOUNTING TYPE: SURFACE



Hardware/Bolts for Beds and Dining Tables

ALLEN BOLT- 5/16"- 18 x 40MM



ALLEN BOLT- 5/16"- 18 x 50MM



ALLEN BOLT- 5/16"- 18 x 60MM



SPRING WASHER- 5/16"- 18 x 12MM



FLAT WASHER- 5/16"- 18 x 19MM



ALL THREAD BOLT- 5/16"- 18 x 90MM

HEX NUT- 5/16"- 18 x 15MM

ARC WASHER- 40MM

OPEN WRENCH- 12MM

WOOD SCREW- 30MM



ALLEN KEY- 4MM

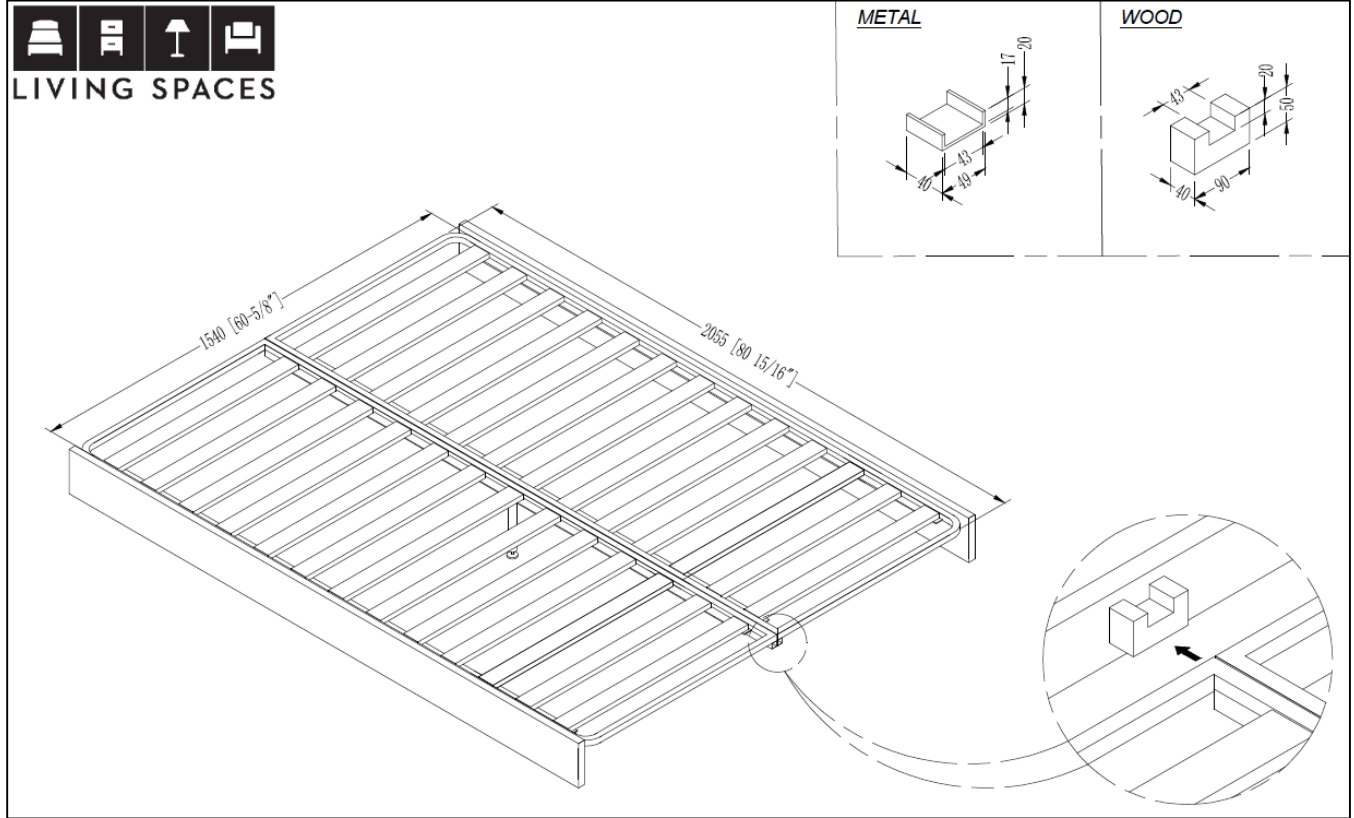


Universal Steel Bed Slat System

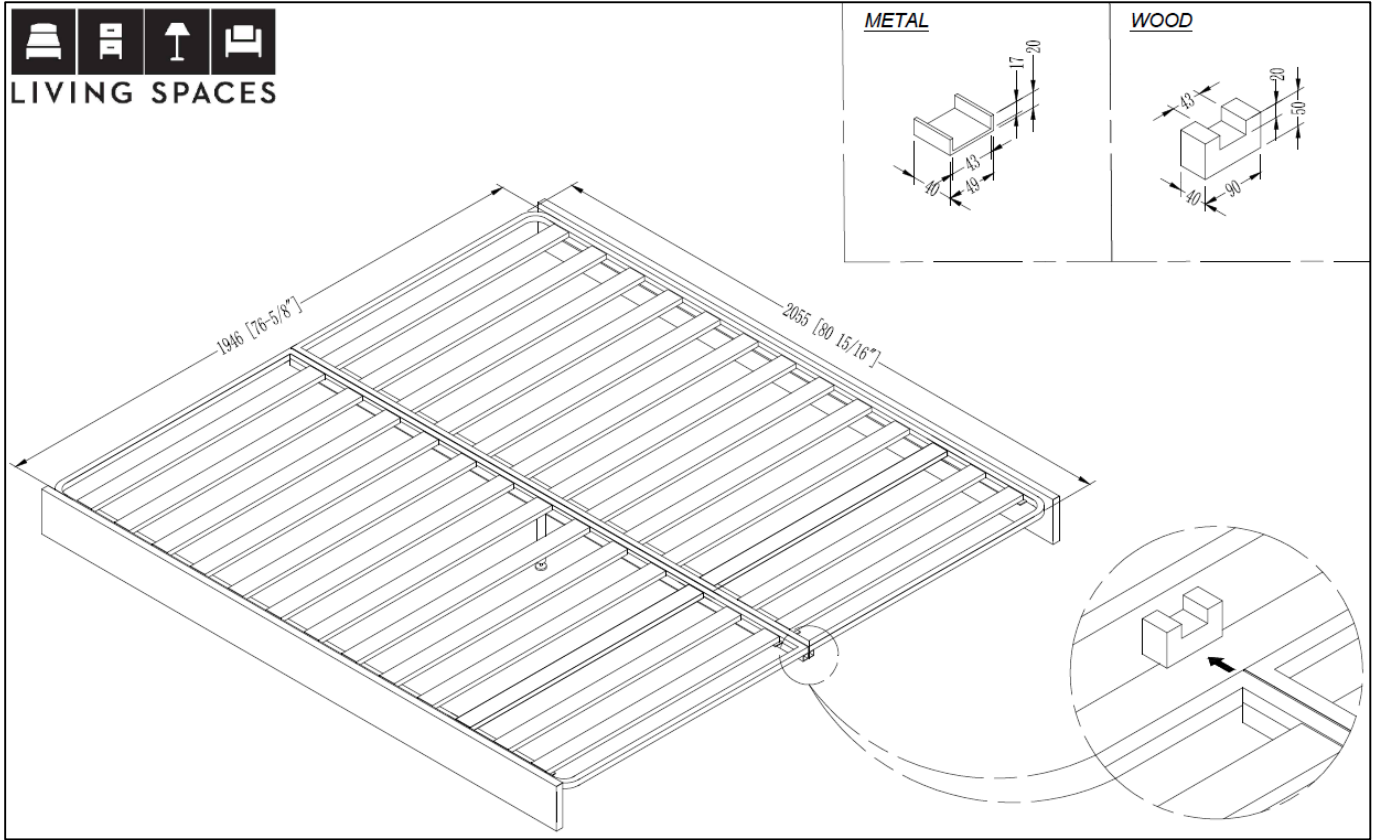
Living spaces will source the bed slat separately. However, we expect our bed suppliers to build the bed to the specifications below so that the universal bed slat will fit all beds based on the size as shown below. The bed must have a cleat on the rails that will support the steel slat as well as be equipped with a metal or wood U-mount on the headboard and footboard in order to provide support for the steel slat frame.

Best-(Top Tier Price Point Items)

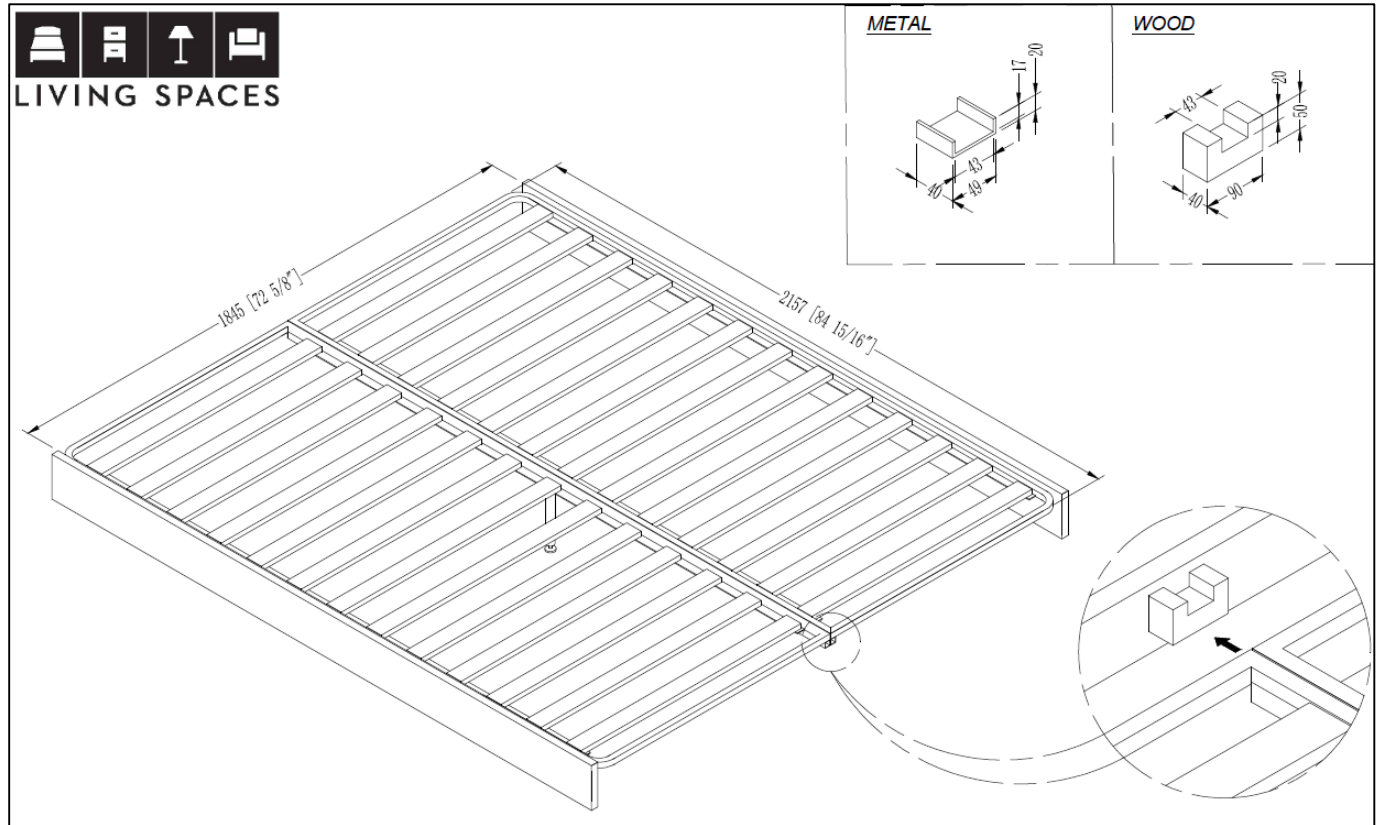
Queen Specifications: see drawings below for dimension requirements



King Specifications: see drawings below for dimension requirements



Cal King Specifications: see drawings below for dimension requirements



Case Goods

1. Drawers must open and close freely.
2. Doors must align properly and open and close freely.
3. Joints and seams must be sealed and tight.
4. Items are to be free of lifting veneer.
5. Items are to be free of warped or cracking wood.
6. Finish must be consistent and free of any drips or scratches.
7. Items must be free of mold or infestation of insects or any organic matter.
8. All glass table tops must be free of cracks, chips or any defect.
9. All drawer slides and parts must be in compliance with the approved parts list issued by Living Spaces.
10. Finishes must be even and consistent in color and sheen. They must be free of dirt, dust, and orange peel effect and free of milling, buffing marks, packing marks, and core depressions.
11. Finished surfaces must be free of nicks, scratches, season splits, foreign material, abnormal blemishes, unsightly burn-ins, runs, bubbles, and machining marks.
12. Backing material must be of good quality material, securely fastened to ensure stability of the case. Case backs must fit flush with edges of the side panels and top of case.

13. Clearance distance around doors and drawers must be uniform.
14. All case goods must be free of lifting veneer, season or windshake splits and warping.
15. Marble and cement top must be free of chips and cracks.
16. All case good must be free of splits, poor factory repairs, lacquer runs and other visible defects.

Upholstery

1. All joints must be secure and free of any separation.
2. All fabric and leather must be free of tears or scratches.
3. All seams must be straight.
4. All cushions must align correctly.
5. No loose threads must be visible.
6. All visible wood must be finished.
7. Frames must be free of any knots, splits and anything that could compromise the frame structurally.
8. All covers must be free of pulls, mis-weaves and off-shade color streaks.
9. All loose threads, lint and dust must be removed before shipping.
10. All exposed wood must be properly finished in accordance with standards outlined in case goods.
11. Fabric dye lots must be consistent in color and shading.
12. No visible color variation between pieces in the same group or within a piece itself is permitted.
13. If a center leg is required for frame support, a warning label or hangtag must be attached to the item.
14. Cushions are to be aligned and spaced equally between arms and backs with tolerance not to exceed ¼" on front facing cushions (front and back).
15. Sectional pieces must match to within ¼" in height, pitch, and parallel alignment for the back frames.

All Items

1. Hardware must be marked and easily identifiable with red or orange ribbon.
2. All components that are not packed with together require its own SKU and carton label to help identify the issue.

Contacts Page

Name	Position	Extension	Email
Merchandising			
Luke Parker	Executive VP of Merchandising and Vendor Relati	001-265	Luke.Parker@livingspaces.com
Carlos Perez	Vendor Relations Manager	001-332	Carlos.Perez@livingspaces.com
Anthony Nevarez	Merchandise Operations Manager	001-257	Anthony.Nevarez@livingspaces.com
Melanie Byers	Textile Sourcing Manager	001-255	Melanie.Byers@livingspaces.com
Paul Yaldezian	Product Manager-Upholstery	001-267	Paul.Yaldezian@livingspaces.com
Angela Green	Product Manager-Upholstery	001-227	Angela.Green@livingspaces.com
Ariana Israel	Product Manager-Case Goods	001-262	Ariana.Israel@livingspaces.com
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Chrsitie Brophy	Product Manager-Outdoor and Accessories	001-261	Christie.Brophy@livingspaces.com
Cynthia Diaz	Product Manager-Accessories and OTB	001-268	Cynthia.Diaz@livingspaces.com
Brett Thornton	Director of Revive		Brett.Thornton@livingspaces.com
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Rialto-DC			
Warehouse- Rialto			
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Parts Department- Rialto			99partsgroup@livingspaces.com
Quality Department			99QualityControl@livingspaces.com
Receiving Department			99Receiving@livingspaces.com
Phoenix-DC			
Steven Kempton			Steven.Kempton@livingspaces.com
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Receiving Department			94Receiving@livingspaces.com
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Pflugerville-DC			
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Quality Department			92QualityControl@livingspaces.com
Receiving Department			92Receiving@livingspaces.com
Grand Prarie-DC			
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Parts Department			
Quality Department			
Receiving Department			
Accounting			
Accounting			
Accounts Payable			AccountsPayable@livingspaces.com

Chargeback Schedule

The purpose of chargebacks is not to generate revenue for Living Spaces, but to recover operating expenses that are incurred as a result of correcting supplier errors. This policy allows us to provide feedback to our suppliers, ensures cost recovery and helps supports more efficient practices.

If a supplier has not met our quality or shipping requirements, Living Spaces will charge a rate of \$50 per labor hour for any labor hours that are incurred.

CB Code	Non-Compliance Issue	Chargeback Expense
General Terms and Conditions		
CB001	Merchandise not ordered	\$100 per incident
CB002	Fill Rate less than 90% at PO line level (855 vs. Invoice)	\$100 per incident
CB003	Supplier shipped a canceled order	\$100 per incident + freight charges
Data Entry/In River		
CB004	Inaccurate SKU data entered into In River	\$100 per SKU
CB022	Missing assembly instructions	\$100 per item
EDI		
CB005	EDI 855 not received with 24hrs of EDI 850	\$100 per incident
CB006	EDI 810 not received within 24 hours of ASN	\$100 per incident
CB007	No ASN Received for Shipment prior to PO being delivered	\$100 per incident
CB008	Invalid /Unusable 855	\$100 per incident
CB022	Inaccurate ASN/BOL quantity	\$100 per incident
CB009	Invalid /Unusable 856	\$100 per incident
CB010	Invalid /Unusable 810	\$100 per incident
Shipping		
CB011	Incorrect or Missing Packing Slips	\$100 per incident
CB012	BOL missing required information	\$100 per incident
CB013	PO Shipped after PO Ship Date	\$100 per incident + freight charges
CB014	Late Special Order	\$100 per incident
CB015	Partially shipped special order	\$100 per incident
CB016	Merchandise shipped to incorrect location	\$100 per incident + \$5 per carton
Labeling		
CB017	Duplicate carton label used	\$5 per label
CB018	Contents does not match carton label	\$5 per label
CB019	Labels not legible, scan able or easy to read	\$5 per label
CB020	Carton labels not on correct side of carton	\$5 per label
CB021	Missing carton labels	\$5 per label
CB022	Incorrectly labeled Special Order	\$100 per incident

Conclusion

Thank you for taking the time to review our supplier operations guide. We hope that this guide helps clearly identify Living Spaces operational requirements. If there are any requirements that you feel you cannot comply with, please reach out to the Supplier Relations Manager. We are confident that together we can find a win/win solution for us and our suppliers. Thank you for continued support, we look forward to working with you as a supplier.

*Please note that the Living Spaces Supplier Operations Guide is subject to change as deemed necessary by Living Spaces. Suppliers will be responsible for re-submitting the Supplier Operations Guide Acknowledgement Form every time a new version is published.