

Dot Foods, Inc. Policies & Procedures - Consignment

EDI – Dot expects the Company to use EDI as requested. The Dot EDI team will provide more detail around implementation. The EDI documents that are needed for success are:

- **943 (Inbound Transfer)** – Company sends this document to communicate what they are going to be bringing into Dot's facility. Lot Code & Code Date information are shared via this document and are needed to be successful with traceability.
- **944 (Inbound Transfer Confirmation)** – Dot sends this document back to the Company when we have received in their transfer shipment and confirms QTY received.
- **940 (Transfer to Customer)** – Company sends this document to tell Dot what product to deliver and to which Customer.
- **945 (Customer Transfer Detail)** – Dot sends this document to detail the shipped PO information on the truck to the customer (shipping information, item detail, quantity, lots/dates).

EDI quantities must be communicated in CASES; our EDI system does not differentiate between other quantity qualifiers (ex. EA (each)). Failure to do so, and resulting inventory or order issues, are responsibility of the Company.

Company is responsible for sending 856 ASN to Customer

INBOUND TO DOT PROCESS - Inventory is brought into Dot's network through direction of the Company.

1. Company sends EDI 943 Inbound Transfer to Dot Foods indicating what is being shipped in or needing to be picked up.
 - a. Each transfer order must be sent with its own 943. Batching multiple orders under one 943 causes scheduling issues.
2. A "-CS1" order # is created in Dot's system
3. If the inbound shipment is Dot managed, Dot Transportation will attempt to use both the Company Transfer/Depositor Order # and the Dot "-CS1" order # to schedule a pick-up
4. If the inbound shipment is Company (Vendor) managed, Dot EDI will communicate the "-CS1" order # and the Company Transfer/Depositor Order # to the Company so that they can schedule a carrier to deliver the product. The Company/Carrier must schedule an appointment with Dot through Opendock Portal (additional instructions at bottom of document). Dot EDI will also communicate to the Dot Receiving DC to be ready for the incoming transfer.
5. Once inventory is received into our WH and finalized, a 944 Inbound Transfer Confirmation is sent to the Company.

Best practice is to have inventory received into our WH(s) at least seven (7) days before the outbound customer order delivery window date.

943 Timing Notes:

- If inbound shipment is Company managed/delivered, the 943 must be sent 72 hours prior to delivery.

- If inbound shipment is Dot managed/pick-up, the 943 must be sent at least seven (7) days prior to pick-up date, and pick-up date must be Monday through Friday (no weekends).
- If Company does not know lot codes/dates when 943 has to be sent, the Company can send a revised 943 to update lot codes/dates/SSCC# (we cannot accept Item or QTY changes via EDI at this time). *Dot's EDI team can provide specifics on this resend.*

LOADING PROCESS – Dot expects to be loaded within 90 minutes. If not loaded in 2 hours, Dot will bill-back \$150/hours for time in excess of 2 hours.

PALLET PROCESS – CHEP Pallets are required. All cases must be stretch wrapped on the pallet.

RECONCILED AS RECEIVED – Dot will receive in any undamaged product from the inbound transfer. Any damaged product on the inbound transfer is responsibility of the supplier.

INBOUND CONSIGNMENT & CORE POS TOGETHER - If Company sends Consignment and Core (Dot-owned/purchased) inventory on the same inbound load, they must separate inventories with separate pallets and pallet labels must indicate if it is "Consignment" or not (see example pallet label at end of PDF).

CUSTOMER ORDERING PROCESS - Inventory is removed from Dot's network through direction by the Company.

1. Company receives Order information from the Customer
2. Company sends the order information from the customer to Dot via 940 EDI Transfer to Customer Order.
 - a. Depending on the customer, they will have an ordering and sailing schedule of when orders must be placed – please ask Customer Service Representative (CSR) or Corporate Account Manager (CAM) for this information.
3. Dot CSR will review/accept the order or adjust as needed.
 - a. If Company is aware of changes to the order (QTY, item, or dates) please work with the CSR to coordinate. We cannot accept revised EDI 940s at the present time.
4. Order goes to Dot Transportation (DTI) to schedule the load to the customer
5. Once the order is picked and loaded, a 945 EDI Customer Transfer Detail is sent to the Company detailing the QTY, lots, dates, items on the load as shipped.
6. Dot will provide reporting via email/excel stating the final received quantity by the Customer which can be used for invoicing.

Recommendation– if Customer Invoice timing allows, use the EDI 945 to help create the EDI 856 to the Customer, but then Invoice/Remove Inventories with the follow-up reporting Dot sends that states final received QTYS by the Customer. This will help Company bill correctly and align inventory levels with our reporting.

DEDUCTIONS – Company will not take deductions from the MAR invoice unless approved by Business Development Manager (BDM). Supplier is expected to pay as the bill states and follow up on disputes separately. Unapproved Deductions can result in Customer Orders being Held.

CUSTOMER DISPUTES/DISPUTE MINIMUMS - If Company has a dispute with the Customer on the shipment of product, Dot asks that Company reaches out to the Dot Customer Service Rep to provide information about the dispute.

All Customer disputes must be communicated to Dot within 30 days of the Company being aware of the Customer's dispute; please provide proof of the dispute date in your communication.

CSR will pull Delivery Receipt/Proof of Delivery and share with Company if available

- If the freight allowance for dispute is under \$50 (calculated as gross freight allowance X gross pounds disputed) we will take no further action.
- If the freight allowance is over \$50 and we find that the dispute is correct, DR/POD is not available, or Dot can't prove where inventory went, we will credit the dollar amount to the Company's account.
- If we find the dispute is not correct, the Delivery Receipt is available and matches our billing, or Dot can prove where inventory went, we will take no further action (though Company can use Delivery Receipt, if available, to dispute with Customer).

RETURNS CREDIT – If Company catches through reporting that a Return of Product occurred, Company should reach out to Dot CSR to initiate a credit for those cases.

REQUESTING BACK-UP – Dot can provide back up of Bill of Ladings (BOLs) and Delivery Receipts (DRs)/Proof of Deliveries (PODs). Because pulling these back up documents is a manual process, we ask that Company follows the below guidelines for requesting them:

- Will pull Inbound BOL – if there is a dispute between what Company states was shipped/picked up vs. what we received and reporting does not clarify, we can pull.
- Will not pull Inbound BOL – if there is no dispute between what Company states was shipped/picked up vs. what we received, we will not pull.
- Will pull Customer DR/POD – if there is a dispute between what Dot stated as received by Customer vs. what Customer states as received, we can pull.
- Will not pull Customer DR/POD – if there is no dispute between what Dot stated as received by Customer vs. what Customer stated as received, we will not pull. We ask that you use the Consignment Report as back up in these situations.

FEES & FINES PROCESS - If Company is aware of Fees or Fines from Customer (ex. OTIF Accountability Scorecard Fees) related to Dot's operations, those must be passed to Dot within 30 days of receiving the Fee/Fine report by the Customer. The Company will work with the BDM and CAM to determine ownership of Fees/Fines and then issue credit if warranted.

REPORTS – Dot will provide reporting via email/excel to Company on a scheduled cadence providing visibility to Inbound, Outbound, QOH, and Adjustments. Additionally, Consignment Item Specs and Contact information are provided on the report. The Consignment Manager will assist in setting up and educating the Company on this reporting.

INVENTORY MANAGEMENT (SUPPLIER) – Company is expected to use provided reporting to maintain appropriate inventory levels at Dot – which includes staying above LOU Turns goal, avoiding Non-Available (past guarantee/expired) inventory, and avoiding Customer Cuts.

TURNS/OVERSTOCK BILLING - On a quarterly basis, we will review the overall Company Turns number by Product Line. If Turns are below 13, Dot will use the 12 Week Average Quantity on Hand, the 12 Week Customer Received Quantity, and the Cases per Pallet during the timeframe to determine how many Slot Positions are being used. We will compare that total to what the Slot Positions would be if a 13 Turns number was being hit.

The difference of those two values will be billed \$90 per slot per quarter. The estimated billing will be sent on the reporting Company receives so that Company is aware of the value, but billing will only be quarterly. The quarterly billing schedule will be sent to Company.

INVENTORY MANAGEMENT (DOT) – Dot moves inventory in an “FEFO / Productivity” manner. This means that we strive to pick product by code date but sometimes deviate from that order if it improves WH productivity and/or pallet positioning. If Company see major issues with pick order, please contact the Consignment Manager.

LOT CODES– Lot code accuracy can be improved if Company sends full pallet(s) of one (1) lot code per item with an accurate EDI 943. Lot codes from the EDI 943 must be present/visible on the physical case. A pallet can have multiple items on it, but to improve accuracy, those items can only have one lot code on that pallet.

Dot can accept mixed lot codes of a single item on one pallet, but we will use the most prevalent and/or soonest to expire code date as the lot/date for the whole pallet.

If Company identifies lot codes that are received incorrectly from inbound transfers or returns, please work with the Consignment Manager to correct. If lot codes/codes dates are not accurate/provided on the EDI 943, it is Dot’s discretion based on capacity on when they update lot codes in the system.

To help our warehouse identify the right lot code on the case, please provide an example (picture) of the lot code during launch.

INVENTORY RECONCILIATION & DAMAGE/LOSS - Dot’s warehouses cycle count pick slots regularly. When this is done, adjustments are made within the system and are available through reporting. Our reporting provides snapshots of your inventory and movement. We do not stop inventory movement in our warehouse to count all product.

If we find that we have lost or damaged inventory, we track those continuously and will credit the product cost for those cases on a quarterly basis. We expect the Company to determine the quarterly cadence of those reconciles and credit inquiries. If the timeframe chosen by the Company results in a net positive case count, we will pause the process and wait for more time to pass until a net negative case count has occurred.

The Company will work through an MAR process to receive Credit for those cases. Credit will be based on the cost Dot would purchase a case at or a truckload case per cost. Please reach out to the BDM or Consignment Manager to initiate this.

DAMAGE/DISPOSAL - If product is damaged and/or Dot is asked to dispose of product (Non-Certified), Dot may, in its sole discretion, dispose of the product in the way it sees fit.

- Non-Certified Disposal – Dot will dispose of product and Company will see completed activity on their reporting.
- Certified Disposal – Dot will deface product, dispose of it, and then provide a Certificate of Disposal to Company. Will also show on Company's reporting.

NON-CUSTOMER RELATED MOVES BILLING – if Company asks Dot to perform any of the following activities, it is Dot's discretion to bill up to \$1.10/case:

- Return to Supplier/Supplier Pick Up
- Converting Consignment Inventory to Core (Dot-Owned) Inventory
- Donation of Product
- Disposal of Product
 - An additional \$1/case if Company needs a "Certified Disposal" of product
 - If product becomes Expired, Dot will notify the Company, and if no response within 14 days, we will then automatically plan to non-certified dispose of the product and bill Company \$1.10/case.

**Please anticipate at least three (3) working days before any of these activities are completed/ready.*

FORECAST/PROMOTIONS NOTIFICATION – If Company is aware of promotions or forecast changes that will change inventory levels significantly, Dot expects to be notified within a reasonable timeframe to plan for transportation and warehouse capacity.

NEW ITEM NOTIFICATION – New items must be submitted to Dot at least seven (7) working days before the Transfer Order/ EDI 943 is sent to us. This allows us to setup the item correctly. Please submit these through this form – [Consignment New Item Form](#)

WEIGHT CHANGE NOTIFICATION – Because Dot's Consignment program is billed in Gross Pounds, Company will need to make sure they are communicating weight changes as soon as possible via email and GDSN so that Dot's billing is accurate. Inaccurate or not communicated weight changes will be at the responsibility of the Company.

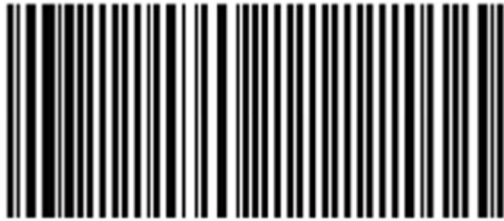
CHILD LABOR – Company will use reasonable efforts to assure that no products are manufactured with forced, prison, or child labor (defined as age 14 or the minimum working age within applicable jurisdiction).

PRODUCT RECALLS - If Company initiates a Recall of Product, Dot does not have responsibility to contact any Customer parties. Dot communicates shipping information via EDI 945 as well as scheduled reports. Company is expected to contact Dot to dispose of any affected inventory that is still in network.

CASE LABELS – All cases must have 14-digit GTIN numbers and barcodes on the exterior of the case,

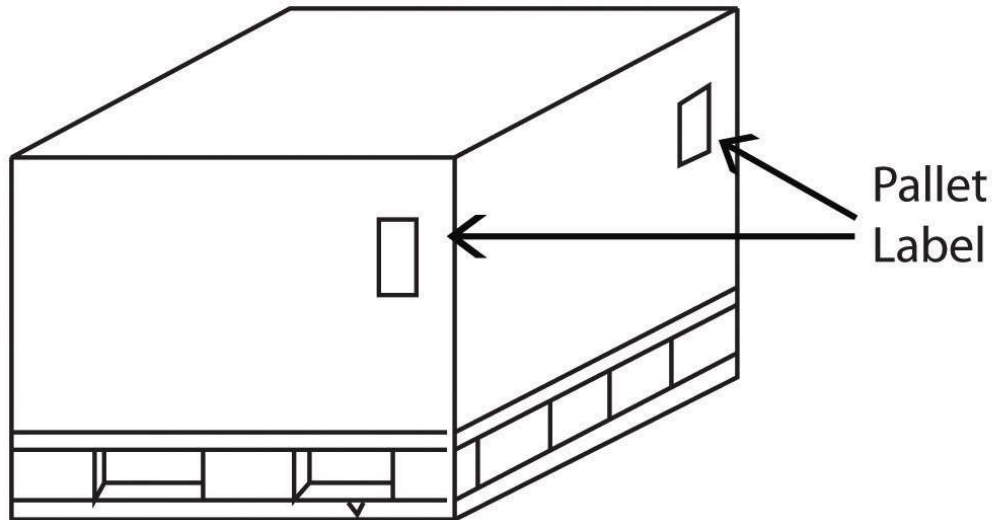
SERIAL SHIPPING CONTAINER CODE (SSCC) LABELS - Dot requires that all pallets be labeled with a Serial Shipping Container Code (SSCC) encoded in GS1-128 symbology. The SSCC (or license plate) will be scanned at receiving to match the product on the pallet to the data contained on the 943 – Inbound Transfer Request. Please include the word “Consignment” on the label.

SSCC Pallet Label - (Actual label size is 4 x 6, illustration not to scale)

REQUIRED →	SHIP FROM: DOT SUPPLIER ABC DRIVE QUINCY, IL 62301	SHIP TO: DOT FOODS, INC, 1 DOT WAY MT. STERLING, IL 62353	← REQUIRED
	CONSIGNMENT		← OPTIONAL
OPTIONAL →			← OPTIONAL
OPTIONAL →			← OPTIONAL
REQUIRED → Serial Shipping Container Code in GS1- 128 symbology	 (00) 0 0123456 000000001 8		

Please contact the label vendor for specifics regarding how to create pallet labels.

PLACEMENT - Each pallet will have one unique license plate number (LPN) with 2 License Plates Labels. When facing the front of the pallet (40" side), the LPN will be affixed on top of the stretch wrap on the front side and adjacent 48" right side of the pallet. The label should be placed 6 to 10 inches from the top and 6 inches from either vertical edge.



GS1 DOT (formerly the Uniform Code Council) GS1 is the global standards authority for item (UPC and EAN) and logistical numbering. In addition to managing numbering assignments, GS1 provides industry guidelines for supply chain identification. Every country has a regional organization and GS1 DOT is the non-profit organization in the United States. Dot's pallet label requirements are based on GS1 standards. For detailed information regarding GS1 Identification, visit <http://www.gs1us.org/>.

OPENDOCK PORTAL - All carriers will now schedule their inbound shipments online. This will require you to register and create a login & password while scheduling your next shipment to any Dot Foods facility. To get started, go to <https://opendock.com/app/login> and click on the Register for FREE button. After you are registered, enter the company name "Dot Foods" in the search box and then click on "Book Now" next to the correct location. From there, you will select the Dot Foods location and load type. Then choose an available date of your shipment appointment on the calendar and select the arrival time on the right. **Be sure to enter the Dot PO# and/or Consignment Order # (please type the word "Consignment" in the "PO Number" text box and then the PO#/TO# - Ex. Consignment 123456-CS1 Transfer123)** Then finalize your appointment. You will receive an email confirmation of your scheduled appointment.

After you have registered on OpenDock, you will be able to schedule shipments to/from any of the thousands of warehouses that use AppointmentPlus and manage the details of that appointment if needed without canceling the appointment.

Note: If you are a first time user it will require you to create an account. Once this account is created you can access at any time if you would need to reschedule and/or enter additional appointments