

Menards Vendor Compliance Policy – Domestic Vendors

OVERVIEW

On a monthly basis your performance will be evaluated. Fines, if any, resulting from this policy will be deducted each month. These deductions will provide all the detailed information and give you an understanding of your current standing with Menards. Menards Vendor Compliance Policy is also available at <https://partners.menard-inc.com>. In addition, there is a reports menu available on our Partners site <https://partners.menard-inc.com> that will be updated daily where you will have access to the pending fine details in regards to on time shipments. Pending fines are available for a minimum of 4 weeks to be reviewed on our website. Once fines are removed from the website and deducted from your account, any claims disputing these fines will be denied. Keep all your documentation to validate your dispute.

PERFORMANCE CATEGORIES

On Time Shipments - Shipments not received 98% complete by the PO due date are not tolerable and will be addressed per occurrence. An occurrence is defined at a line item level and will be enforced as follows:

Fine for Late Shipments:

- 1-2 days late includes weekends: No Fine
- 3-7 days late: 10% of the dollar value of the late quantity
- 8-14 days late: 15% of the dollar value of the late quantity
- 15 days late or more: 25% of the dollar value of the late quantity

Quantities not received on time and are cancelled are subject to fines detailed above.

New Store Shipments – Shipments to New Stores that are not at the store 100% complete by the due date is not tolerable. Any new store purchase order that is not shipped 100% complete and is over 2 business days past due will be fined. An occurrence is defined at the line item level.

Fine: 100% of the dollar value of the late quantity. Upper limit of fine is \$5,000.

Quantities not received on time and are cancelled are subject to fines detailed above.

Carriers - Shipments arriving at Menards Distribution Centers via a Non-Preferred Hauler will be addressed on a per shipment basis. A current preferred haulers list is available at <https://partners.menard-inc.com>.

Fine: \$300 per violation (*Exceptions can only be made with written approval from Menards.*)

All small package deliveries must arrive via FedEx Ground. Any small package deliveries received from a carrier other than FedEx Ground will be subject to a \$50 fine. (*Exceptions can only be made with written approval from Menards.*)

Misshipped items - Any shipments delivered with incorrect product, non-approved substitution of an item, or product labeled for another retailer.

Fine: Vendor agrees to provide above product 100% free of charge.

Over Shipments– Menards has the option to deduct 25% of the dollar value of any overages shipped to Menards or require Vendor to pick up any overages at Vendor expense. Vendor is also responsible for any storage fees that apply to these overages.

I have read this page: _____

Date: 6/9/2010 13

ADDITIONAL HANDLING CATEGORIES

Shipments - All shipments must conform to a unified standard such that our team members can handle every shipment efficiently and accurately. To implement, standards for packing lists, accurate destinations, and packaging have been established as follows:

Packing List: Any missing, illegible, or inaccurate packing list
(Multi-trailer shipments must have a packing slip on each trailer.)
Fine: \$150 fine per PO per shipment.

Invoicing: Any invoices sent to the wrong location.
Fine: \$50 fine per invoice.

Any duplicate billing of merchandise.
\$500 fine per occurrence.

Destination: Any load delivered to the wrong Distribution Center
Fine: First pallet \$135, each subsequent pallet on the shipment \$50.
Labor to redirect pallets charged at \$50 per hour (minimum labor charge \$50).

Packaging: All pallets and or cartons must arrive as agreed to or according to requirements listed on the purchase order. Specific violations may include:

- Not palletized or slip sheeted, or incorrect quantities on pallet or slip sheet.
- Incorrect master/inner carton quantities.
- Wrong size or poor quality pallets.
- Lack of stretch wrap.
- Skus mixed in cartons or on pallets. Exception: Skus can only be mixed in cartons or on pallets if it is remaining quantity after all single sku pallets or cartons have been maximized.

Example: 100 qty fit on a pallet and the order is for 130. The 30 remaining qty can be mixed with other product that is not able to maximize a pallet.

- Purchase Orders mixed in cartons or on pallets.
- Incorrect product or non-approved substitution of an item.
- UPC labels missing, incorrect or not able to be scanned.
- Load arrived frozen or spilled.
- Pallet/Carton not marked or labeled as required.
- For Palletized by Yard shipments, mixed yards on a pallet.
- Using Leased pallets.
- Product labeled for another retailer
- Carton not meeting weight and dimension requirements
- Carton bound by metal straps

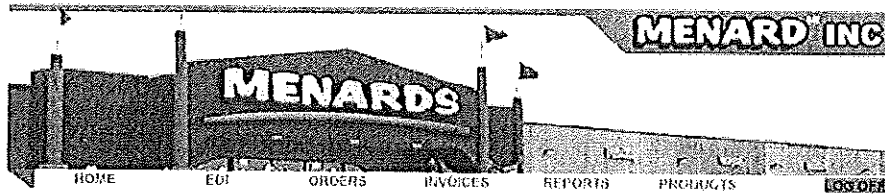
Fine: Billed at \$50 per hour plus materials for the work required to resolve the problem.
Materials will be billed at the following rates:

- Pallets \$10 each
- Stretch Wrap \$10 per roll
- Labels \$1 each

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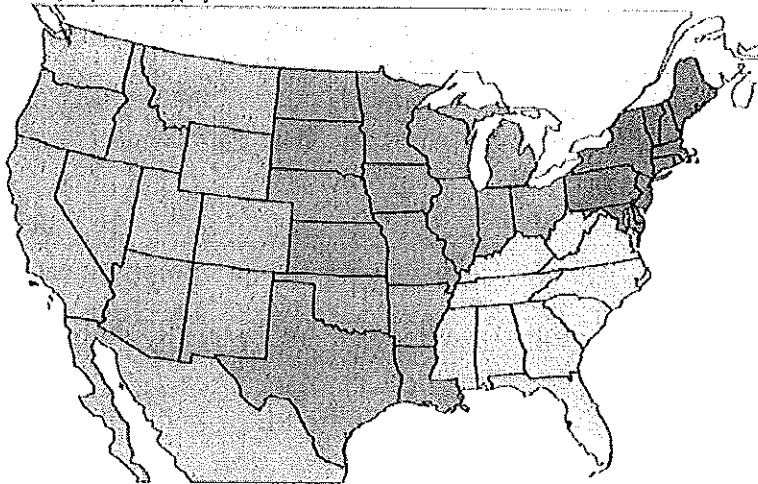
Date: 6/13/2010¹⁴



PREFERRED HAULERS

1. Select a DC you are shipping to: **EAU CLAIRE DC** | Select DC

2. Select a Region you are shipping from:



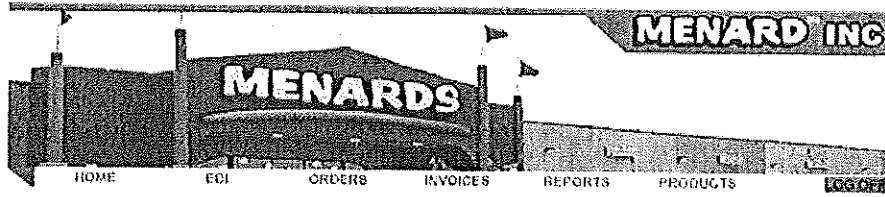
3. Select a Carrier Type: **LTL** | Truckload | Container

North East Preferred Haulers

Carrier	Type	Contact	Phone #	Email
ABF FREIGHT SYSTEM INC	LTL	RANDY FOFI HUBER	800-610-5544	rfh@abf.com
CON-WAY FREIGHT	LTL	STEVE ZIMMERMAN	608-372-7383	
DAYTON FREIGHT LINES	LTL	DEB TESSMAN	604-603-3342	dtessman@daytonfreight.com
ESTES EXPRESS LINES	LTL	TANYA MURRY	804-353-1600	tmurry@estes-express.com
FED EX	LTL	KARL DORDAL	612-358-2542	krdordal@fedex.com
MAYFIELD TRANSFER CO.	LTL	CICK HEINE	763-788-9592	chaine@mtc.net
OLD DOMINION	LTL	ERIC GABRIELSEN	715-359-2350	eric.gabrielson@old.com
S&A	LTL	JENNIFER STURMANT	878-542-3924	jsturmant@s-a.com
STANDARD FORWARDING	LTL	MIKE LAW	309-235-7332	mike.law@standardforwarding.com
YRC INC.	LTL	TOM SHIPMAN	952-893-3747	tsherman@yrc.com

Can't find a hauler that is just the right fit for you? Would you like to see if a hauler can be added to our preferred hauler list? Use the following info to contact us at each respective Distribution Center: [click here](#)

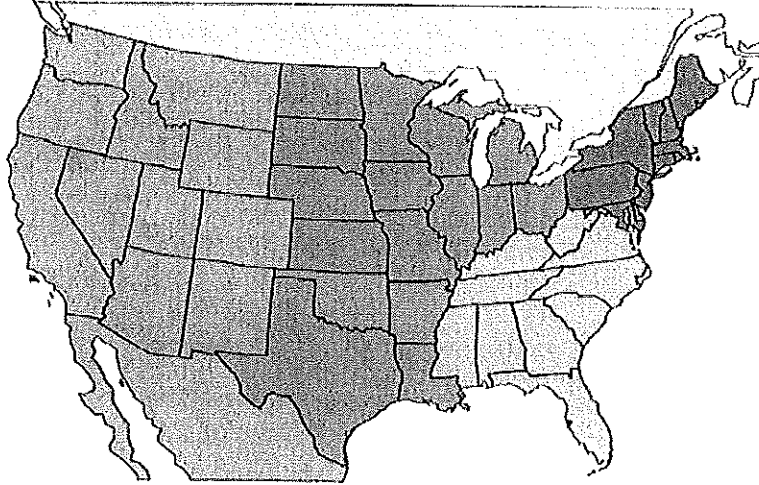
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PREFERRED HAULERS

1. Select a DC you are shipping to: **SHELBY DC**

2. Select a Region you are shipping from:



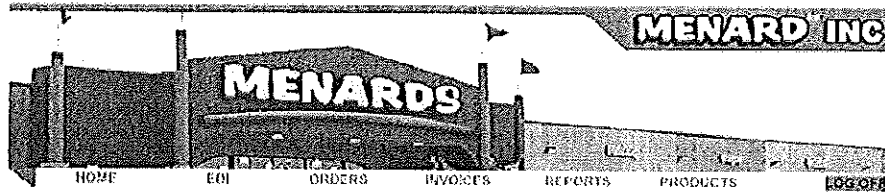
3. Select a Carrier Type: **LTL** | Truckload | Container

North East Preferred Haulers

Carrier	Type	Contact	Phone #	Email
ABF FREIGHT SYSTEM INC	LTL	MICHAEL BERGER	800-422-5584	mberger@abf.com
CON-WAY FREIGHT INC.	LTL	CHRISTI ZIMMERMANN	800-680-4991	christizimmerman@con-way.com
DAYTON FREIGHT LINES	LTL	MIKE RUSSEL	800-660-5102	
DOHREN	LTL, Truckload	AVRON HOSTE	309-558-2126	ahoste@dohren.com
ESTES EXPRESS LINES	LTL	JARED PHILLIPS	712-343-4332	jphillips@estes.com
FED EX	LTL	JOEL WILCOX	690-359-3951	joelwilcox@fedex.com
FRANK R. RING, INC	LTL	ALLAN RING	712-328-8563	allanring@frankring.com
LAKEVILLE MOTOR EXPRESS	LTL, Truckload	GREG CARLSEN	712-358-0284	gregcarlsen@lakevillemotor.com
OLD DOMINION	LTL	SCOTT LAMBERT	808-872-7006	scott.lambert@old.com
SAIA	LTL	JENNIFER STURDIVANT	678-542-3924	sturdivant@saia.com
STANDARD FORWARDING	LTL	MIKE LAW	309-235-7322	
USF HOLLAND	LTL	CRAIG JACOBSMA	888-340-6411	craig.jacobsma@usf.com
YRC INC.	LTL	JOE MEN	402-659-7425	jmen@yrc.com

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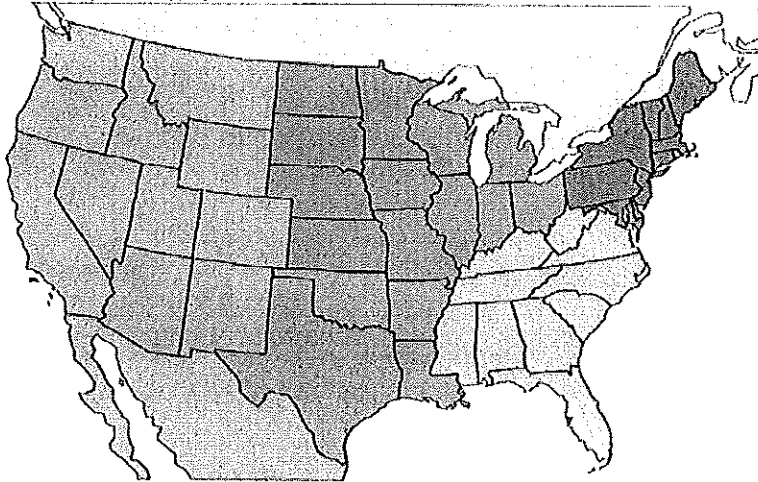
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PREFERRED HAULERS

1. Select a DC you are shipping to. PLANO DC

2. Select a Region you are shipping from:



3. Select a Carrier Type: | |

North East Preferred Haulers

Carrier	Type	Contact	Phone #	Email
ABF FREIGHT SYS INC-PLANO	LTL	SCOTT LANGFORD	630-366-0695	slangford@abf.com
CONWAY CENTRAL XPRESS-CCX	LTL	DEB HUNDI	600-544-2831	hundi@conway.com
DAYTON FREIGHT LINES	LTL	MIKE RUSSELL	600-860-5102	mrussell@dayton.com
ESTES EXPRESS LINES	LTL, Truckload	TANYA MURRY	804-353-1900	tmurry@estes.com
FED EX	LTL	KARL DORDAL	651-373-8120	kdordal@fedex.com
LAKEVILLE MOTOR EXPRESS	LTL	JOELLEN ZARLIMBA	877-232-8540	joellen@lme.com
OLD DOMINION	LTL	JIM COCHRANE	773-322-1976	jcochrane@old.com
SAIA	LTL	JENNIFER STURDYANT	600-765-7247	sturdyant@saia.com
STANDARD FORWARDING	LTL, Truckload	MIKE LAW	303-235-1332	mlaw@standard.com
USF HOLLAND	LTL, Truckload	FRANK VITACCO	615-207-4800	fvitacco@usf.com
YRC INC.	LTL	BOB SEGREN	898-842-3202	bsegren@yrc.com

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