



FREIGHT MANUAL

Revised March 22, 2023



MANUAL IS FOR INTERNAL ADVANTUS, CORP. USE ONLY. IT IS NOT TO BE SHARED OR DISTRIBUTED OUTSIDE OF ADVANTUS CORP.

Table of Contents

Table of Contents	2
Purpose of the Freight Manual/Freight Density—Class and NMFC/FAK	3
Bills of Lading for Shipping to Customers and a Sample Bill of Lading	4-5
Preparing Boxes for Shipment, Shipping FedEx Package vs. LTL Common Carrier	6-7
FedEx Ground, FedEx Express, FedEx Multiweight, US Mail, and Service Maps	7-11
Oversize Packages	11
International Package Shipping (DHL)	12-13
Import Duties/Truck Shipping General Rules	14
Hazardous Material Shipments/Legal Shipping Terms Including FOB	15
LTL vs. FTL Shipping	15-16
Import Shipping by Ocean	16
Procedures for Booking Advantus Ocean and Air Freight	17-18
Rush Shipping by Ocean	19
Domestic Moves, Transfers, Shipments of Goods to Vendors for Finishing	19-20
Import Shipping by Air	20
Procedure for handling airfreight of goods that have to be airfreighted due to vendor	21-22
Export Shipping by Air	22
Expediting Contacts for Advantus Inbound Ocean Freight & Drayage	22-23
Courier Services in Jacksonville	23
LTL Carrier Sourcing / Central Transport Pallet Program Rules	23-24
FTL Carrier Sourcing	24-25
LTL and FTL quoting Do's and Don'ts	25
How to Get Copies of Freight Bills	25
Pallet Stacking Techniques placard	26
P.O. BOX ADDRESSES placard	27
Shipments over 10 Pallet Positions or 19,999 lbs. placard	28
LTL Shipments over 5 Pallets and Density of Loads rules placard	29
Accessorial Charges placard	30

Purpose of the Freight Manual

This manual will take you through the steps you need to know to ship from Advantus. It will also help you understand how to get raw materials and finished goods delivered to Advantus and/or our warehouses/customers for either our use or sale. It will start with a discussion of the nature of the freight we handle and teach you how freight is classified. It will show you what a bill of lading says and means. It will discuss how to pack an order and whether to ship it via FedEx (or another package carrier) or Truck (common carrier). You will see the various ways that freight charges are classified, including Prepaid, Collect, Third Party, and explain the concept of FOB Point and other terms. There will be a section devoted to classifying freight as hazardous since some of our products require special labeling. After you have familiarized yourself with this manual, it will be something you can keep as a reference manual. Since you are part of a team that is involved in actually shipping our products to our customers, your input is welcome. If there are parts of this document that you feel could be improved or information you would like changed or added, please email Charlie Frohman at cfrohman@advantus.com, and if appropriate, the manual will be updated.

Freight Density—Class and NMFC

All goods that are shipped have a freight classification. A freight classification (**CLASS**) is how trucking companies determine how dense freight is so that they can bill for transporting the goods. This is very important to these freight companies because they charge us by the pound for what we ship. For example, if you ship two pallets of feathers that weigh 200 pounds and someone else ships two pallets of steel rods that weigh 5000 pounds, the trucking company will bill you quite differently. The reason for this is simple. The trucker only has a certain amount of space in their truck, so they will charge less per pound to people shipping steel than to people shipping feathers. The freight company can put more pounds in a truck for shippers sending steel than for shippers sending feathers, so they give you a lower price per pound for shipping steel. How do they do this? A system has been set up to designate every type of product by its weight density; density is defined as how many pounds per cubic foot the goods weigh. In other words, are we shipping feathers, steel rods, or something in between?

This system used to classify freight is called the National Motor Freight Classification Code (NMFC). Everything that ships has an NMFC code. Currently, we utilize many NMFC codes for our freight. Items are assigned an NMFC code based on what the item is. In addition to this NMFC code, there are subclass categories assigned to each item based on its weight density. Therefore, a plastic storage box that is 2 pounds per cubic foot has a different Class than a similar plastic box with a density of 5 pounds per cubic foot. Both NMFC and Class are used to determine the cost of shipment by truck. Package carriers care only about weight unless the freight is over a certain amount of cubic feet and under a certain density; in that situation, they also charge more for low-density freight. Most Advantus items fall between Class 70 and Class 300 for their true classes.

FAK

Advantus currently enjoys what is known as an FAK discount. FAK stands for Freight All Kinds. It means trucking companies want the large volume of business we offer and are therefore willing to treat our freight classes as if they were lower classes than the freight's true class to give us a better rate basis.

Bills of Lading for Shipping to Customers and a Sample Bill of Lading

A bill of lading is the legal document used to ship goods via truck. Our Bills Of Lading are generated out of our system by our shipping team. All the information on the bill needs to be correct to make a successful shipment.




- Ship From: Also called the Consignor. In most instances, this will be Advantus Corp. from one of our locations.
- Ship To: This is where the order is going—called the Consignee. **A consignee address can never be a PO Box.**
- Customer PO #'s: This is our customer's purchase order #(s). Sometimes we do a DROP SHIP. A dropship means we ship something directly to our customer's customer. In that case, they give us yet another PO #, and it would be shown in the SHIP TO address. If there are multiple orders shipping on one Bill Of Lading, each of the customer's PO #'s must be shown on the bill of lading.
- Advantus Order #s. In this box are listed all the Advantus order numbers that are contained in the shipment.
- Date: The date will be printed in the "Ship Date" area at the top of the Bill of Lading and at the "Shipper Signature/Date" section at the bottom left by the report that makes the Bill of Lading. No human signature or date stamping is necessary.
- Prepaid/Collect: Prepaid means that the freight bill for the shipment shipping from an Advantus facility (including any of our facilities) will be charged to Advantus Corp. and Advantus will pay the trucker for the transportation costs. Inbound shipments where Advantus will pay the freight bill for shipments going to an Advantus owned facility (12th Street, Shawland, Victor Street, Petersburg) are considered Collect shipments. For both of these types of shipments where Advantus will be paying for the freight charges, the Bill Of Lading must show the Bill To address as one of the following:
 - If the shipment is coming by an LTL trucker that was rated on the TI (Transportation Insight) rating system, the "Bill To" address for freight charges will be

Advantus c/o Transportation Insight
PO Box 23000
Hickory, NC 28603
 - If the trucker is an FTL Trucker (Full Truck Load) (like CH Robinson/Corporate Traffic, etc.)¹⁾ You must put the G/L code or the Sales Order # on the Bill of Lading. Save the Freight Quote as described elsewhere in this document to the file. The "Bill To" address for freight charges will be

Advantus Corp.
Attn: Accounts Payable
12276 San Jose Blvd., Ste. 618
Jacksonville, FL 32223
- Collect shipments mean the entity receiving the freight will receive the freight bill and be responsible for paying the charges directly to the trucker. Regardless of whether we are shipping PREPAID or COLLECT, the system automatically signs section 7, which is the signature of the shipper. This protects us legally in case the consignee does not pay for a collect shipment. It also signs the Shipper signature section with "Advantus Corp." PREPAID does not mean that we are absorbing the cost of the freight charges; it just means that the recipient is not required to pay the charges directly to the trucker. We can do Prepaid and Add, which means we pay the freight charges and then bill the customer, or Prepaid Free Freight, which means we pay the trucker and do not bill the receiving party for the charges. Free Freight is a term we use internally to talk about whether the customer (or vendor) or Advantus is paying the freight cost; it has nothing to do with the Bill of Lading terms.
- 3rd Party: Some of our customers require that we bill someone other than the Consignee (recipient) for the freight charges. Often they use a 3PL (Third Party Logistics Provider) that negotiates better rates for them. If this is the case, special shipping instructions will be on file for the customer, the system will likely have a ship via code of RG (customer routing guide), and it will show the Bill To address for freight charges as a 3rd party address. These are considered Bill 3rd Party, and 3rd Party will be checked off. We would put whomever they tell us to bill the charges to in the "Bill Freight Charges To" section. If Advantus is shipping between two locations that are not owned by Advantus (one of our molders and a customer for example) **and** Advantus will be paying the freight bill, this is also considered 3rd party and the Bill To for freight charges will be as shown above depending on whether it is LTL (using TI (Transportation Insight) system) or FTL:

- In the body of the bill of lading, the system fills in the number of cartons, the description of the goods, and the weight of the packages shipped. We describe the goods using the proper NMFC classifications & sub-classes. Also filled in is the number of pallets that may be different from the number of handling units. Sometimes items like 8' Grip-A-Strip that are very large and are turned into virtual pallets. So in the example below, you see six (6) wood pallets of goods, and then there are five (5) more "virtual pallets" comprised of bundles of Grip-A-Strip.
- If necessary, required HazMat information will be put on the bill of lading. If required, the Chem-Tech 800# will be entered automatically on the Bill of Lading by having an "X" show up below the "HazMat" column
- When the goods are given to the trucking company the trucker must sign with very simple language and should only write the following—1) Their signature 2) The date

SAMPLE BILL OF LADING SHOWN BELOW—Printed from NetSuite

Date: 5/9/2022		BILL OF LADING		Page 1 of 1		
SHIP FROM Advantus Corp. 1818 Dock St. Petersburg, Virginia 23803 SID#:			Bill of Lading Number: 5207940 			
SHIP TO Jim 21 WELLESLEY LN DOWNINGTOWN, PA 19335-1288 2677168978 CID#:			CARRIER NAME: Old Dominion Trailer number: Seal number(s): Load Number: SCAC: ODFL Pro number: 01007557794 			
BILL FREIGHT CHARGES TO Advantus c/o Transportation Insight PO BOX 23000 Hickory, NC 28603 USA SPECIAL INSTRUCTIONS: This shipment can be delivered without an appointment. Advantus Corp. releases trucker of any responsibility for loss or damage due to delivering the goods to a residence without an appointment, email, or phone confirmation.			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading			
CUSTOMER ORDER INFORMATION						
CUSTOMER ORDER NUMBER	# PKGS	WEIGHT	PALLET/SLIP	ADDITIONAL SHIPPER INFO		
PO: 114-7783757-2703 446	1	101 lbs	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	Sales Order: 8225147		
ORDER(S) TOTAL	1	101 lbs				
CARRIER INFORMATION						
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION		
QTY	TYPE	QTY	TYPE	WEIGHT	H.M. (X)	
1	CTN	1	CTN	101 lbs		
1		1		101 lbs		
				SHIPMENT GRAND TOTAL		
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed on or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to not be exceeding _____ per _____."						
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. 14706(c)(1)(A) and (B).						
RECEIVED, subject to individually determined rates or contracts that been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to applicable state and federal regulations.			The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. <i>Chant Bradley</i> 5/9/2022			
SHIPPER SIGNATURE / DATE This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the U.S. DOT. <i>Chant</i>			Trailer Loaded: <input checked="" type="checkbox"/> By Shipper <input type="checkbox"/> By Driver	Freight Counted: <input type="checkbox"/> By Shipper <input checked="" type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/pieces	CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the U.S. DOT emergency response guidebook or equivalent document(s) in the vehicle. X <i>[Signature]</i> 5/9/22 Property described above is received in good order, except as noted.	
						
DEST <i>RXP</i> SHIP # <i>RIC</i> CUBE %		DATE <i>RXP</i> PKGS <i>RXP</i> EXPN# <i>RXP</i> BAY/UNIT <i>RXP</i> BSI/PC <i>RXP</i>				
Advantus 13397880 <i>SCA</i>						

Preparing boxes for shipment



It is critical that there be little or no air space in a carton once it is sealed. Cartons with air space will crush during shipment. All cartons must be taped smoothly (no exposed tape edges that can be ripped off) so that they make it to their destination safely. Keep in mind that ground or air packages may travel on over 8 miles of rubber belting before getting to where they are going. Be sure that packing list envelopes are applied smoothly to carton #1 in a multiple carton shipment or to an outside facing carton on a palletized shipment. **The packing list must not be attached over a seam in a carton.** If a carton bursts open and the packing list is on that seam, all the info will be lost. Attach packing lists on a seam where they are not subject to this. Shipping labels should not be applied over the seam or the tape where you tape the box closed.



HINTS

On FedEx/DHL package shipments originating at Advantus Offices (San Jose, Victor Street, Petersburg, Wyla or Advantus North— basically non-warehouse shipments) put an extra copy of the shipping label inside each of your boxes so that if the outside label is torn off, FedEx/DHL can still make Delivery by opening the box and finding the shipping instructions. This will save you from having your carton disappear permanently in an unclaimed carton warehouse.

Did you know that a tape gun is much easier to use if you first push down, affix the tape to the carton, and then pull back? This is a critical tip for good taping and can increase your taping efficiency by over 75%. It keeps tape off your fingers and your fingers away from the blade as well. You can view an amazing video on how to seal a carton properly using this link: <https://vimeo.com/155549114> This will save your hands from getting cut and cut your taping time in half. <file://advantus-files/shared/Training-General/How To Tape A Box.mp4>



Shipping FedEx Package vs. LTL Common Carrier

The main issue that decides whether we use FedEx Package or Truck to ship with is the cost of the shipment. It is easy to determine which method of shipping is cheapest by calculating the weight of the total shipment and then determining the shipping cost via the two methods. Sometimes a customer specifically designates that an order must go via a certain method— if that is the case, the analysis is not necessary. We should try to minimize freight costs even if the customer is paying since the customer will analyze their costs, and it is our job to help our customers cut their costs of doing business.

- 1) FedEx package costs can be calculated using the FedEx website. Enter all your package information into the FedEx website. You must log in to get our costs; otherwise, you get retail rates that are undiscounted. **Enter all dimensions to get an accurate quote.**
- 2) If you are shipping by FedEx air services, try to use a FedEx-provided carton if your shipment is over 1 pound as it will not be subject to dimensional weight charges like a brown carton will be. If it is 1 pound or under, using a FedEx box will make your shipment automatically count as at least 2 lbs. So if it is a really small box going air, then you can still write "your packaging," but check the dimensional cost vs. shipping in a FedEx box.
- 3) **DO NOT USE FEDEX RETURN SERVICE LABELS!** We do not get any discount, and these labels cost 2x what a normal shipment costs. Do not send these return service labels to a customer to use, and don't use them when an Advantus employee is traveling and shipping back to the company. Just print a normal label and send it to the customer or to the employee wanting to ship something home. **Labels only have a two-week shelflife, if you are planning on giving someone a label to use more than 2 weeks out, it won't work.**
- 4) To find the truck cost, you take the weights and the various NMFC classifications and put them in the program at the TI (Transportation Insight) website, TI (Transportation Insight) is our third-party logistics provider (3PL). Their website will give you a net cost to ship the order. If the FedEx cost is lower, use FedEx; if the truck cost is lower, use the Truck. Customer service can help get you the freight quote.

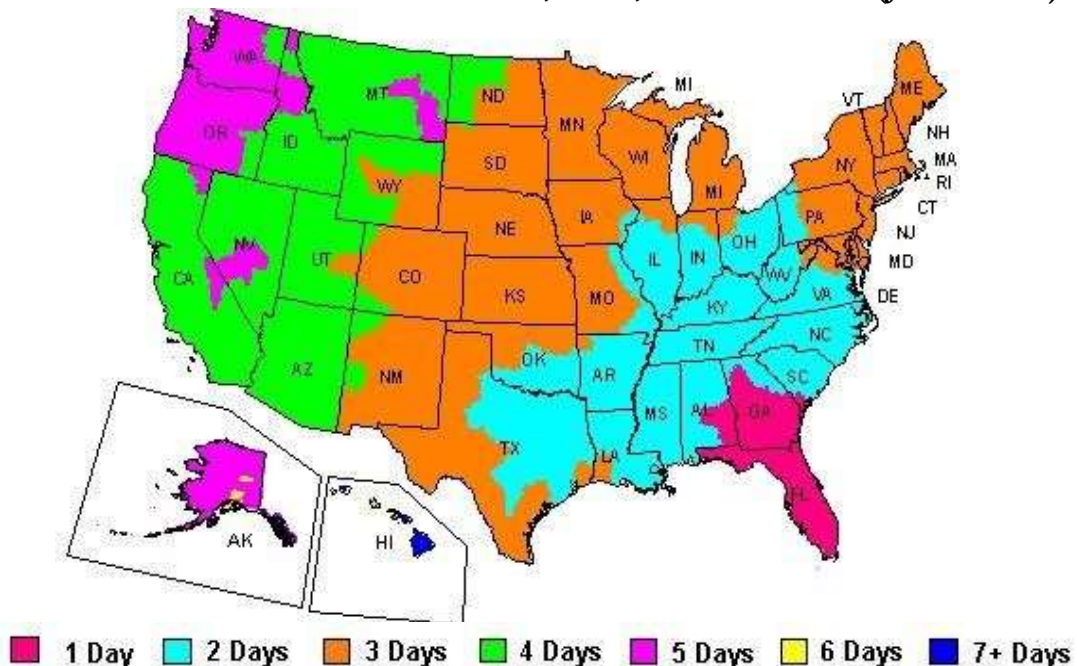
- 5) Be sure to check all accessorial charges like Delivery Appointments, Military Base Deliveries and School deliveries (aka Limited Access), Lift Gate Required, Appointment need, etc. so that you get the accurate rates. Customer service and sales teams have specific rules in their manuals about how to quote freight to customers.



- 1) One of the most important things with any package shipment is that the correct ship-to address is put in the system—in shipments from Advantus offices, it is critical to show who has shipped the package so that if the package is returned, to Advantus we will know who initiated the shipment. You must also select the accounting code to bill the charges to on each shipment you make. Your manager can help you if you are in doubt as to which code to use. Be sure to select "Perform detailed address check" on any address you enter to be sure it is a valid address. We pay **\$15** per correction if you make an error—that charge is per package! Check your addresses carefully and validate in FedEx.
- 2) Never ship to a PO Box via FedEx or UPS. Entering the recipient's name, you are shipping to, **AND** a delivery phone number is critical. Remember, if a package was coming to you and it just said "Advantus" and our address, how long do you think it would be before it found its way to your desk? Be sure to put in proper Suite/Apt./Floor/Room # information as well. Again, each error or omission will cost \$14 per package—leaving the suite # out is considered a wrong address. The company name is critical, as well as the person's name. Again, use the "Perform detailed address check" that is available from FedEx or UPS as you ship.
- 3) The US Mail is still in operation. If you are sending a letter to a customer, or a small part/sample, use the US Mail, the cost will be \$.57 versus \$9 for a ground package via FedEx. It can save over 90%! The US Mail is often the cheapest method of shipping products, especially Floating Luxuries items outside the 48 contiguous states. US Mail typically takes 3 to 4 days to the entire USA. First Class mail is pretty darn fast! There is nothing wrong with stamping a letter and putting it in the mailbox. We also have a www.stamps.com password for printing large value postage that also provides tracking.
- 4) When shipping from Advantus offices, print a second copy of your FedEx ship label and stick it inside your box before sealing it. This does **not** apply to warehouse shipments.
- 5) To save money, we can band packages (warehouse only) or consolidate cartons (office or warehouse—putting smaller cartons into a master larger carton) for shipment via package service. **CERTAIN CUSTOMERS LIKE AMAZON HAVE RULES REGARDING STRAPPING, BE SURE TO CHECK THOSE BEFORE DOING ANY BANDING OR BUNDLING OR CONSOLIDATING. Further instructions regarding banding packages at the warehouse can be found on the company Wiki and by checking with Compliance.**
 - a. It is normally more economical to have less total number of packages with each package at a heavier weight to save money when shipping by package service. Meaning two cartons, each weighing 5 pounds cost more to ship than one carton weighing 10 pounds. Ten cartons weighing 2 pounds cost much more to ship than one 20 pound carton.
 - b. Banding or consolidating should not create a package that is oversize. For the definition of oversize, see the section entitled "Oversize Packages." At the office, it is better to put multiple small packages into a larger carton to cut the number of cartons being shipped.
 - c. Packages that do not contain the same items may be banded together, but it is always preferable to reach a maximum of 40 pounds using bundles of one carton size if possible.
 - d. All packages that ship via FedEx Ground are subject to what is called Dimensional Weight. That means FedEx charges you either the true weight of the package or the Dimensional Weight, whichever is heavier. To calculate Dimensional Weight for ground shipments, you take the L x W x H in inches and divide by 228. If you simply input the true dimensions on the FedEx website, it will be done automatically for you.
- 6) Try not to put any label or packing list envelope on the taped joint where the flaps of corrugated come together; this is where a carton is most likely to pop open, and then the label/packing list envelope will be destroyed or lost.

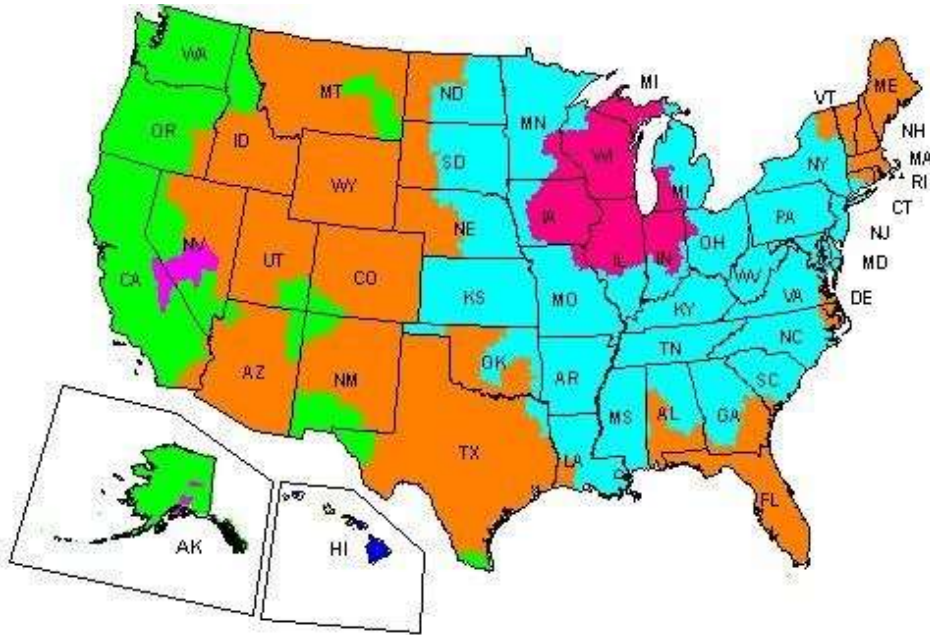
- 7) Using a FedEx envelope or padding shipping envelope to ship breakable items is a bad idea. Those envelopes do not protect items and will often not withstand the trip. **Use a box!** If you are shipping Ground, you save nothing by using a FedEx envelope but risk damaging your contents. Always use the smallest box possible for any shipment.
- 8) International small shipments 440 pounds (200kg) and under go with DHL and must be done with great care. A few tricky items need to be handled when shipping overseas. A commercial invoice must be created, and you must know the Harmonized Tariff Code for any items you are shipping. A value must be put in the system when making the shipment. If the goods are being sent over as samples, you must state this as you create the shipment, and you can use \$1 for each item's value. You must also know if Advantus or the recipient is paying taxes, duties, and fees associated with the order. Normally we pay these fees if we are shipping samples to a supplier but do not pay them if we are shipping to a customer. You must speak to DHL to get the full amount of the fees before quoting freight costs to an international customer. It is a good idea to print out the invoices and attach them to one of the cartons in the shipment. You should select DHL generation of invoices electronically, and they go with the shipment electronically as well. On your first shipment via DHL, ask for assistance from someone who has made an international DHL shipment previously.
- a. **Canada**—please note that due to the deep discounts we have with DHL, it is often cheaper to ship to Canada by DHL Express rather than by GROUND FedEx. When you see a rate quote on the FedEx website for GROUND shipping, you should add \$45 in additional fees to the quote as they add all sorts of fees on ground shipments to Canada. Therefore, if DHL (all fees are included in DHL quotes) is quoting you a price that is not \$45 more than GROUND, use DHL—it's actually faster and cheaper.
- 9) To calculate package weight for Air Shipments, use the air freight quote tool that is found on the Advantus Wiki.
- 10) FedEx Multiweight is available for large package shipments, FedEx automatically shops to see if individual package rates are cheaper or more expensive than Multiweight and FedEx will give you the lowest of the two rates. We are now using FedEx for almost all shipments up to 300 pounds where we pay freight.
- 11) **HOW TO SAVE MONEY. It is vastly more expensive—5 TO 10 TIMES MORE EXPENSIVE— to use EXPRESS rather than GROUND.** Below are the **Ground Service Times** from various Advantus locations.

GROUND SERVICE TIMES FROM 32207, 32223, 32256 and 32254 (Jacksonville)



All of Florida & almost all of Georgia (including Atlanta/Smyrna—SP Richards) are one day from Jacksonville. Dallas (Laura Gist, Michaels Stores Headquarters, reps RPA) are two days by Ground. Advantus North is three days by Ground from Jacksonville.

GROUND SERVICE TIMES FROM Wisconsin-Advantus North



■ 1 Day ■ 2 Days ■ 3 Days ■ 4 Days ■ 5 Days ■ 6 Days ■ 7+ Days

Minneapolis (Target) and Chicago are one day by Ground. Staples and all of Massachusetts are three days. Bentonville (Walmart) is two days. Delray Beach (Office Depot) is three days. Jacksonville is three days by Ground.

GROUND SERVICE TIMES FROM 23803 (Petersburg, VA—Seward)



■ 1 Day ■ 2 Days ■ 3 Days ■ 4 Days ■ 5 Days ■ 6 Days ■ 7+ Days

Jacksonville is two days by Ground. NY and Chicago are two days. Almost all of Texas is within three days by Ground.

- **FedEx Priority Overnight**—10:30AM service to most of the 48 states' locations. This is Macola Ship Via Code "6". This is considered "FedEx'ing something." It is expensive. Please notice where we can ship the next day via FedEx Ground. Express service should only be used if it is needed. Maps of service times are available on the FedEx website by entering your ship from zip code and are **included above this paragraph as well**. When you are shipping a package, you can check delivery times by clicking on the Rates and Service Times box on the right side of the webpage. Don't use Express if you have ample time to use Ground. By planning, you can avoid Express and can often save 80-90%!!!! **SOMETIMES PRIORITY OVERNIGHT IS CHEAPER OR VERY SIMILAR IN COST TO**
- **FedEx Standard Overnight**—service is similar to Priority but only guarantees afternoon delivery (to some locations, worse to many locations) the next day. **Sometimes this is more expensive than Priority due to our great discount on Priority. Don't use this service as it is likely only marginally cheaper but with much worse service than Priority.** You can use this service from your desk if it fits your needs and is economical. Often deliveries don't occur until 8 PM for residential.
- **FedEx 2 Day AM** can sometimes save money when you need quick delivery, but not tomorrow. As stated for second-day Express services, we usually prefer to ship via "FedEx 2 Day AM"— not the afternoon version, which is "FedEx 2 Day". **Often our Overnight service cost is lower than 2-Day due to our strong discounts.** Look on the FedEx website to check the rates. From your desk, you can use whatever fits your needs and is economical, but remember that the non-AM service may only get there by 5PM for busienns or 8 PM for residences. If you want to save a few dollars you can use the afternoon service, **if cheaper**, but for sales orders use AM. We don't want to save a few dollars and get it there so late in the day as to upset the recipient.
- **FedEx Express Saver** is a 3-day service to most of the country. However, more than 75% of the USA is within 3 days from Jacksonville by Ground, which is much cheaper— therefore, Express of any kind is a very expensive alternative if Ground can do the same job. Almost all of California is only 4 days by Ground & NY is 3 days by Ground. So you don't need to use Express Saver unless you are in a real hurry, and Ground does not do it fast enough. If the ground map above shows Delivery in 3 days, it is actually **more** likely to get there in 3 days with Ground than with Express Saver. This is because weather affects more Express shipments than Ground shipments. Especially in the winter. We once had an overnight Express shipment from Jacksonville to Miami get delayed for snow (in Memphis). A ground package would have gotten to Miami the next day, as there is no snow accumulation between Jacksonville and Miami (normally).
- **FedEx First Overnight (Emergencies only!) DO NOT USE THIS SERVICE EXCEPT IN EXTREME EMERGENCIES WITH MANAGER APPROVAL.** This is the most expensive service that FedEx offers. It is 8:00 AM or 8:30AM overnight service to most of the USA. No discount applies, and it is often 5x more costly than the 10:30 AM service (Priority Overnight). Do not use this without a manager's approval. For example, a 1-pound package to Los Angeles from Jacksonville costs \$85 to ship. **FedEx will be delivering between 6AM and 8:30 AM, if no one is at the receiving location at those times, FedEx may deliver the package later in the day and still charge you for this service.** You should make sure someone is there to receive the package from 6AM to 8:30 AM. You must also check to make sure that the location you are shipping to has this service available.
- Two 5-pound packages are more expensive to ship than one 10-pound package. If you can combine the goods in a single carton, you can save money.
- Shipping on a FedEx account number other than one belonging to Advantus. We can ship on either the recipient's account number or the number of our customer if they are shipping to their customer. We can also ship on our customer's, customer's account number. These numbers must be entered into the system as the shipment is being made.

- 12) When you ship via FedEx Ground or Express, you should put your email address and the recipient's email address in the system to track the package. You might as well let FedEx do notifications automatically rather than having to do tracking manually. We utilize a 3rd party logistics company to get us refunds on slow service and missed service guarantees. You do not need to do anything to get a refund for delayed shipments. You can pick which automatic notifications you and the recipient get. Here is what each notification means: **Shipped** means when the label is printed. **Tendered** means when the package is picked up by a FedEx driver. **The exception** is when there is trouble during transit (delays, etc.). **Delivered** is when the package is signed for. **Estimated Delivery** means you want an email telling you when the package is estimated to arrive at the destination. These notifications are free and helpful. **REMEMBER: YOU START COUNTING SERVICE DAYS THE DAY AFTER THE PACKAGE SHIPS, so if it says two business days, TODAY DOESN'T COUNT!** Tomorrow is DAY 1.
- 13) When shipping to a residence, be careful to understand that FedEx Ground Residential (Home Delivery) does not deliver on Mondays; they deliver on Saturdays instead. So if you ship something that says 1 Business Day and you ship it ground residential on Friday, it will likely deliver on Saturday at no extra charge. If you ship something ground residential and it says 2 Business days, and it goes on Friday, it is still Tuesday as they count Saturday as if it was Monday, then Tuesday is day 2. When in doubt, call 1-800-GO-FEDEX and ask when it will deliver. Don't assume.
- 14) Holidays—be very careful when your delivery time includes any holiday within the shipping times, call 1-800-GO-FEDEX to check on the actual delivery date as it can be tricky. Sometimes they don't deliver on certain holidays, and often they don't count holidays as delivery commitment days. Calling is the best way to protect yourself and get your package there when you need it there.
- 15) Saturday delivery—this has been turned off most people's FedEx options; however, sometimes it is necessary, get to a manager to get this done if you need to.



Oversize Packages

FedEx has very specific rules that penalize us if we ship packages that they consider oversize:

- Any package whose **longest** side is over 48" is charged an \$11.00 penalty (8' map rail or grip a strip, for example, get hit with \$11.00 per tube)
- Any package whose **second**-largest side is 36" or longer is charged an additional \$11.00 penalty
- Any package 96" or longer (8 feet) will be charged an additional \$145.00 penalty
- Any package over 50 pounds is now charged a \$31.50 penalty per package

To see if your packages adhere to their rules go to the FedEx.com website and enter all the dimensions (L-length, W-width, H-height, and weight) and see what the costs are. If the package is outside of their limits, the website will alert you to this by showing you the extra charges. It may also hit you with expensive charges for packages that are too long, too wide, or too heavy. So note what the site tells you your costs are and check with your manager on large packages (anything over 70 pounds or over 48 inches in length).

- There is a huge upcharge (\$145) when your package measures **130** inches in combined length and girth. What is combined length and girth? For this calculation, Length is the measurement of the longest side of the carton; girth is two times the sum of the other two dimensions of the package.
 - If a carton is 40 x 20 x 10, the length plus the girth is calculated as follows— $(40 + 2*(20+10))$, which is a total of 100. So in this example, it would not be oversize.
 - If you bundle 8' map rail, for example, and create a bundle that is 97" x 10" x 8", the calculation for length and girth is as follows— $97 + (2 \times (10+8))$, which is a total of 133. This would get hit with the oversize charge as well as it is larger than 130. The oversize charge is \$145.00.

- Try to avoid bundles that violate this length plus girth rule unless the bundling with the extra charge is still cheaper than shipping multiple packages. This is possible.

International Package Shipping to and from all Countries

 **DHL Shipping Process is described in detail on the WIKI**

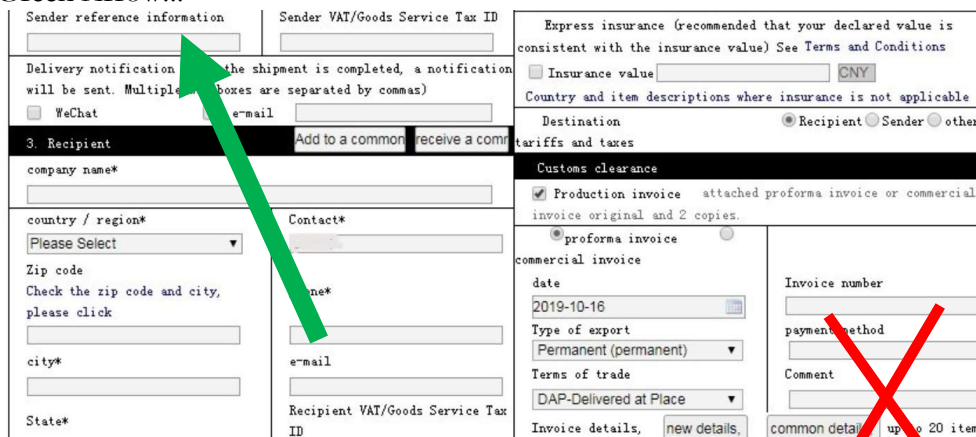
All international (countries other than the USA but does include Puerto Rico and sometimes Alaska/Hawaii) package shipments 440 pounds (200kg) and under (including paperwork going to banks) ship via DHL. For customer service, use the phone numbers or email shown below. ***To learn how to ship using DHL, go to the Advantus Wiki and search for the DHL Shipping.***

- All inbound to USA shipments of **440 pounds (200kg) or under** (actual or dimensional weight, whichever is greater) should go with DHL, and there is **no need to quote** them to Galaxy. The dimensional weight of a carton is determined by multiplying the L x W x H (all dimensions in inches) and dividing that result by 166. For example, a 10x20x30 carton is (10x20x30)/166; that's 36.14 pounds, which rounds up to 37 pounds. You need to calculate the dimensional weight so you will know the cost of your shipment before picking the shipping method. ***Enter the true actual weight and the actual dimensions in the DHL system to get an accurate quote.*** Don't just enter the larger of the two. Enter all the information. CON means Continental. OB is outbound, and IB is inbound.
- For quotes on shipments **over 440 lbs (200kg)**, log in to DHL to get quotes <http://www.dhl-usa.com/RateQuoteGPS> and also get a quote from Galaxy using the **Air Quote Template**. Galaxy and DHL require all the same info to get a quote. **That Air Quote Template is found on the Wiki.**
- Normally you should call the 800-225-5345 with problems. Ask them to have a specialist look into your shipment. You should get an answer within two hours. Tell them you want your shipment "Moving ASAP."
- Our representative is Mr. Colin Moore, colin.moore@dhl.com 864-243-7028
- Email Charlie Frohman if there is an ongoing issue with DHL.
- **Account #'s**
 - For shipments outbound from the USA, the account # is **848078845**
 - For shipments inbound to the USA the account # is **961024608**
- We have eliminated all DHL account numbers except the two shown above, each Advantus team member will have its logins, but regardless of your location, you will use the main account numbers. The billing zip code/main account zip code, if you are asked, is 32223—the zip code for WHQ (World Headquarters—San Jose Blvd.).
- ***If you are shipping international airfreight via a package carrier like DHL, the invoice the shipper provides to DHL must have the HTS tariff #'s for each item on the invoice. Otherwise, the shipment will be delayed and may not be able to be imported.***

The website address for logging in to DHL: https://sso.dhl-usa.com/sso/login_main.asp?hdnSiteId=1

Be sure to choose DHL Express. The process for shipping with DHL is explained on the Wiki.

- 1) When you ship an outbound DHL shipment, you will put the G/L code on the shipment as you currently do with FedEx. Those codes are required to make a shipment, and they are all loaded at the DHL site.
 - a. Here is where the G/L code should be entered on the DHL website for foreign vendors. It goes in the box labeled "Sender reference information". It does not go in the "comment" area. It goes where you see the Green Arrow!!!



The screenshot shows a DHL shipping form with several sections. A green arrow points to the 'Sender reference information' field, which is located in the top left section. A red X is drawn over the 'Comment' field in the bottom right section. The form includes fields for 'Sender VAT/Goods Service Tax ID', 'Express insurance', 'Country and item descriptions', 'Destination', 'Customs clearance', 'Production invoice', 'Proforma invoice', 'Commercial invoice', 'Date', 'Type of export', 'Terms of trade', 'Invoice number', and 'Payment method'.

- b. For inbound shipments, insist that your suppliers make their shipments on the DHL website, we won't accept handwritten airbills inbound— vendors will be fined going forward \$25 for each handwritten airbill. Please make sure your shippers are complying and using the DHL website. This is not optional.
- i. Tell your supplier to put the PO# in the reference field for inbound shipments if possible or give them a G/L code number if there is no PO# in the field called "Sender Reference Information" so that the shipment will be coded properly with no extra work needed. Uncoded shipments cause a lot of work for the Accounting team and this is not acceptable. ***WE WILL CHARGE VENDORS \$25 FOR ANY SHIPMENTS THAT DO NOT INCLUDE THE PROPER PO#(OR IF NO PO#, THE G/L CODE. THIS IS YOUR RESPONSIBILITY TO TELL THE SHIPPER.***
 - c. Tell your supplier to put your email address in the notify area on the shipments so you will be able to track your packages automatically.
- 2) Daily pick-ups are scheduled for WHQ only
- a. WHQ 12276 San Jose Blvd after 5 PM and before 7 PM
 - i. Put DHL packages in a separate pile from the FedEx shipments in the upstairs lobby.
 - b. Advantus North and other locations can call DHL for a pick-up at +1-800-225-5345 (1-800-CALL-DHL); they need two hours typically for a pick-up. This can be done online as well. Only do it once per day as it costs \$3.
- 3) Please advise Charlie Frohman if you encounter ongoing service issues with DHL. cfrohman@advantus.com
- 4) If an overseas vendor states that DHL does not pick up in their specific area, tell them to take the package to DHL at its closest spot to them. We had this problem with FedEx as well. We are saving too much money with DHL to allow vendors to dictate how to ship when we pay. If they prefer another courier company tell them to pay the bill. ***REMEMBER—WE ARE THE CUSTOMER!***
- 5) We are saving over 50% by using DHL. **Do not use FedEx for international shipments except with email approval from Charlie Frohman.**
- 6) DHL's rates are so low that you should even try small shipments that might have gone LCL previously. They may be more economical to ship via DHL package service, even heavier weights than 440 lbs. (200kg). Remember, each non-DHL LCL shipment (that is not consolidated) will have the following charges in addition to the ocean freight:
- \$150 minimum delivery charge from the port and roughly \$150 in charges for customs clearance & \$150 in overseas charges
 - So with \$300 in extra charges, many shipments will get here faster and cheaper by Air than LCL, sometimes this will even be cheaper than a consolidation if the shipment is small enough
- 7) **SAMPLES:** If a shipment is just samples, be sure to check that you fill that in for the customs purposes and tell your suppliers to fill that in on their shipments as the duties are lower or non-existent. Even samples need their HTS #'s filled in. **Sample shipments should value the products at \$1 only for each piece.** For shipments of merchandise on PO's that are not samples, be sure to state the actual PO cost of the items. Be sure you have the right HTS# for any international goods and provide those #'s to the shipper to fill in on shipments. Remember, DHL is clearing the customs for us, not Galaxy. HTS #'s should be used on both merchandise and sample shipments to clearly define what is shipping.

DHL NEW RULES AND HOW TO SAVE MONEY ON DHL—READ THIS!!!!

- 1) On any one airbill, you should never ship in excess of 285kg (625 pounds).
- 2) This means if you want to ship 400kg (880 pounds) from a vendor you should break the shipment into multiple shipments so that no airbill exceeds 285kg. Our rate per KG goes way up at the 285kg (625 pounds) level on a single airbill. It may be more work for the shipper but if they don't do this you will pay a **MUCH** higher price PER KG for shipping over 285kg on a single airbill.
- 3) When you ship with DHL, and tell your vendors to do this, ship using the 12:00 Noon service as it gives us better ability to file claims for missed service guarantees.
- 4) Remember the limits are based on the higher of actual or dimensional weight. Dim weight is calculated by LxWxH in cm's and divide by 6000. Or LxWxH in inches and divide by 166. **USE WHICHEVER IS HIGHER.**

Import Duties

- All items imported into the USA from foreign countries are subject to Import Duties. These are similar to taxes in that they are collected by the US Government and normally are a percentage of the value of the goods—for example, the duty on any item classified as luggage is typically 17.6%. Sometimes duties are a certain value per unit, for example, it might be \$.20 per pair of scissors. Or it could be a combination, 5% of the value of a watch plus \$.55 per watch.
- Each country is potentially treated uniquely by customs. Countries like Syria, N. Korea, and Iran have special very high duties. Some countries have special agreements with the USA that lessen or eliminate the duties on products made in their countries; those countries include Mexico, Canada, many Caribbean, African, and South American countries, Egypt, Israel, Jordan, and others. The entire US customs duty schedule can be found at this link <https://usitc.gov/tata/hts/bychapter/index.htm>
- There are also special duties called Anti-Dumping duties and Countervailing Duties. These are on a variety of products that the US Government has decided require special treatment. These include paper clips, lined ruled pads, ribbon, and many other items. It is important to know if a new category of items is subject to these special types of duties before calculating their landed costs. Product Development determines if items are affected by these types of duties.
- Some items have duty rates that are 0%, just as some countries have 0% duty on many items. Regardless of whether the duty rate is 0%, there are two additional duties (Fees) that the government collects on imports:
 - 1) The Harbor Maintenance Fee is .125% on all ocean imports.
 - 2) The Merchandise Processing Fee is .3464% on all products regardless of the method of import.
 - So even if an item has 0% duty, it faces .47% in duty if it comes by the ocean (.35% if by air).



Truck Shipping General Rules

- Truck Shipments are generally palletized
- Always maximize the # number of pallets in a truck by loading the truck with pallets 40" front to back and 48" left to right. Trucks hold two 48" pallets left to right; a 53' trailer holds 30 pallets single stacked if you follow this rule.
- Palletized loads must be secure when we ship them (stretch wrapped tightly to the pallet with the top layer sealed)
- Lighter objects should be stacked on top of heavier cartons.
- Pallets must be packed with cartons not crushing each other and able to withstand weight added to the top of them
- Pallet Covers (Corrugated Deck Sheets) must be used if cartons will have their ends in between boards of the pallet
- Strict attention to all the shipping rules set out by each customer must be followed. Compliance has these rule guides/routing guides, and they are being integrated into the instructions that print with each customer's orders.
- Trade Show shipments are treated in a unique manner, and there is a Trade Show Freight Checklist that has been developed and is available from Marketing. **IT IS CRITICAL THAT THE TRADE SHOW FREIGHT CHECKLIST IS FOLLOWED AS MANY CARRIERS DO NOT DELIVER TO CONVENTION CENTERS NOR PICK-UP ON WEEKENDS.** FedEx Freight, Southeastern Freight, AAACooper, and many other non-union carriers cannot deliver to most convention centers.

Hazardous Material Shipments

Many of the Read Right cleaning chemical and air duster items need to be labeled for shipment in a special manner. You may not Express Ship dusters—no overnight shipping on dusters and that includes Express Saver 3 Day. Dusters and other HazMat items may not be strapped/bundled or combined in larger cartons.

Legal Shipping Terms

Freight Terms identify the party responsible for the payment of freight and are usually expressed as Prepaid, Collect or Third Party. Some useful terms to know are as follows:

Shipper (aka Consignor) means the person/company that is doing the shipping. It means the party listed as the "Ship From" party on the Bill of Lading.

Consignee means the party listed as the "Ship To" party on the Bill of Lading—the actual recipient

Prepaid means that the shipper will get the freight invoice and pay the freight bill to the trucker.

Collect means that the consignee has the freight payment responsibility; they will have to pay the delivery driver if they don't have an account set up, or they will get an invoice if they do have an account.

Third-Party establishes that a party who is neither the consignor nor the consignee will be billed for the freight. If Advantus is shipping from a vendor of ours to a customer of ours, this is considered Third Party. If Advantus' customer is going to get the freight bill at an address other than the "Ship From" or "Ship To" address that is also Third Party. If the shipment originates or terminates at an Advantus owned facility, it is not Third Party. It is either collect or prepaid.

Pre-pay and Add typically means that the shipper advances the freight charges to the carrier and then bills the owner of the delivered goods.

Terms of Sale/Purchase identifies the point where the passage of title occurs and is typically expressed as "FOB, stated point or place." In their most simple and usual expression, they appear as FOB Origin or FOB Destination. FOB is an old English legal term that means Free On Board.

FOB Origin means that title to the merchandise passes at the time and place of pick-up or shipment at the Consignor.

FOB Destination means that title to the merchandise passes at the time and place of Delivery. Most of Advantus' large customers demand that we ship to them FOB Destination when we ship Prepaid. If we ship Collect and the customer picks up from us, the FOB Point is our loading dock

LTL vs. FTL Shipping

"LTL" is defined as Less Than Trailer Load, FTL stands for "Full Trailer Load." Trucking companies define these terms differently than you might expect simply by reading the terms. It is critical that you understand the difference. LTL discounts do not apply to shipments that qualify as FTL. LTL carriers like XPO Logistics LTL, FedEx Freight, YRC, and AAACooper do not give discounts to us on shipments that meet any of the following disqualifiers—so if your shipment meets any of these criteria, it will not get a discount and instead will be billed at an outrageously high rate.

Here are the things that disqualify an LTL shipment from counting as LTL; these will make it count as FTL, and you may not ship that shipment with an LTL carrier or you will pay an extreme penalty.

- 1) If your shipment exceeds ten (10) standard pallet positions in a truck (7 in the case of FedEx Freight), it is not able to ship via standard LTL! They may be able to ship with an LTL carrier if you get a special VOLUME QUOTE. The pallets have to be 40"x48" to count as one pallet. If they are larger than 40" x 48", they count for more pallets. For example, a pallet that is 60" will count as 1.25 pallets (longest side of 60" divided by 48" = 1.25 PALLETS). Do not ship any shipment via LTL carrier that exceeds TEN 40x48" pallet positions on the floor of the truck. Sometimes a 6 pallet shipment can exceed 10 pallets if the pallets are oversized.

The penalty for violating these rules can run as high as \$10,000 per shipment!!!!

- a ***FedEx's limit is 7 pallet positions. Not 10. FedEx's weight limit is only 14,999 pounds NOT 19,999.***
- b **ODFL's** limit is the normal 10 pallet positions and 19,999 lbs.
- c **YRC's** limit is the normal 10 pallet positions and 19,999 lbs.
- d **XPO's** limit is the normal 10 pallet positions and 19,999 lbs.

- 2) If your shipment is below the following weights shown in the table below for each given # of pallets, you will likely need to split the shipment assuming that the customer does not have rules forbidding that. The rule is once you get to 6 pallets, you must be shipping 650 pounds per pallet to avoid issues. If the weights are below, you will be penalized for shipping via LTL and must bring this to the attention of the Shipping Manager to determine the proper way to make the shipment. You may need to split the shipment into two shipments with each **below** 6 pallets. For example, you should see if a 15 pallet inbound shipment would be cheaper to bring in on 3 separate shipments of 5 pallets. The best way to determine this is by getting quotes. They must literally ship on different days because if they ship on the same day as the trucker will combine them and penalize us. See table below:

ALL LTL CARRIERS: (this is 650 pounds per pallet)

# Of Pallets	Minimum Weight of Shipment Including Pallets
6	3900 pounds
7	4550 pounds
8	5200 pounds
9	5850 pounds
10	6500 pounds

If your shipment is lighter than this, the trucker may simply bill Advantus for these higher weights.

- 4) Splitting a shipment into two half-size shipments is not permitted by some of our large customers. So if a shipment is too large for LTL or too light based on the chart above, you must contact the Advantus Compliance Dept. to determine if there are any potential penalties for splitting a shipment up. If there are no penalties for shipping a split shipment, you make two bills of lading and ship on different days (if you ship to the same address on the same day the multiple shipments will be consolidated by trucker into one bill of lading, and you will end up getting penalized--HEAVILY). Therefore, any shipment that ends up requiring 11 or more pallet floor positions must be shipped with either an FTL carrier or a broker who is putting the shipment into a combined load(if splitting was not an option). Again, the limitation is pallet positions in the truck as calculated by linear feet.

Import Shipping by Ocean

Virtually all of our import shipments are coordinated through Galaxy Customs Brokers. Our contact there for most issues is Ms. Tabna Kanhoye tabnak@galaxyfrt.com. A separate list of forwarders for virtually every port we ship from is available to anyone needing to send it to a vendor from Supply Chain. We use different forwarders in most cities for Full Container Loads (FCL), Less than Container Loads (LCL) and Airfreight. LCL is billed by the cubic meter or by the pound, **whichever is costs more**. FCL costs are based on pricing we have for getting the full container from its foreign port to the USA port.

We normally import goods from overseas via Ocean Carriers. Our ocean freight forwarder, Galaxy, has contracts in place that get us discounts with these ocean carriers. When goods export from foreign ports, there are rules and regulations that the shipper must follow to ship to us. All these shipments are handled through Galaxy, and Galaxy's website enables you to track shipment progress and get critical information on each shipment. Twice a month an update on our ocean rates is emailed out to interested parties in the company. Containers are delivered from the dock by a Dray carrier. Our current Dray carrier in Jacksonville is AirVan, and our contact is Mr. Steve Wright. AirVan delivers our containers to 12th Street and Shawland.

We try to use 40' High Cube containers (40HQ) as they are the most cost-effective method of shipping ocean freight. We try to avoid 45' containers because they are 25% more expensive than a 40' HC container while providing only 12% more space. 45' containers are harder to get. 45's can be used if a factory that we don't ship from often has a shipment that is too large for a 40'HC. We try to avoid 20' containers because they cost only slightly less than a 40'HQ or 40' container but have less than ½ of the capacity. 40' standard containers have 17% less freight in them than a 40'HQ container and cost the same.

Procedures for Booking Advantus Ocean Freight and Airfreight

- 1) Advantus does not need to approve bookings if they are for 40'HQ containers coming to Jacksonville, all water. Similarly, if there is a 45' container from a vendor that we don't use regularly that has more freight than would fit in a 40'HQ Galaxy can authorize a 45' container without asking Advantus for authorization. We also do not need to approve 40' standard containers coming to Jacksonville all water if there is no easily consolidated freight that can be put in it, and the vendor does not have more freight to fit in the container. Galaxy will not ask for Advantus approval before arranging booking. If there is a problem after the booking is made, Advantus will still have the ability to cancel/amend the booking when it reviews booking confirmations.
- 2) Booking confirmations will still be sent to Advantus, but they will come without the need for approval by Advantus. *Advantus Supply Chain Management will review the confirmations daily but will only reply to Galaxy if there is an error in the confirmation. That reply from Advantus to Galaxy must occur within 1 business day of the booking confirmation being received by Advantus.* Booking confirmations from Galaxy will be sent bookings@advantus.com
- 3) Advantus should also be verifying all bookings on the Galaxy shipping information spreadsheet that is sent each day and looking for any potential errors or problems.
- 4) 20', 40' or 40' HQ or 45' consolidated containers do not need to be approved even if they are light, meaning, when we have multiple vendors putting goods into a container; and it is less than full, that container is authorized to ship every two weeks from Northern China (usually Ningbo) or Southern China(usually Yantian). Meaning, if the first booking date of goods that will be consolidated is January 1, then by January 15' those goods need to be moving by the best method as chosen by Galaxy.
 - a. For critical/urgent shipments, Advantus needs to communicate the urgency to Galaxy as well as the vendor. In this manner, Galaxy will know what shipments should not be held. When communicating to Galaxy about an urgent shipment, the PO#, vendor name, and contact information for the vendor should be included so that Galaxy has as much information as possible regarding the urgent shipment.
 - b. **Under no circumstances** should goods should be allowed to wait more than 2 weeks from the ready date at the factory to ship date, even if that pushes the freight to LCL. **FREIGHT CANNOT WAIT PAST TWO WEEKS!** We also do not want to create the work here at Advantus that would be required to monitor this nor ruin our expected lead times in our system—that would lead to increasing our on hand inventory levels, which is counterproductive and extremely costly.
 - i. If LCL shipments are made, they should be coordinated by Galaxy without Advantus approval, and the default method of LCL shipment is via NYC with rail/truck delivery handled to Jacksonville by Galaxy.
 - ii. If Galaxy knows that no other freight is going to be coming from a given port that can be combined with an LCL shipment, they are authorized to ship the LCL freight without waiting to see about other freight.
 - iii. There is no reason to delay freight when nothing is coming in the future.
 - c. If a potential LCL shipment is urgently needed, this should be communicated to Galaxy so that they will not hold the LCL shipment and cause it to be delayed if they are trying to build a full container to Jacksonville. Galaxy will do the LCL approvals without input from us.
 - i. Normal priority LCL shipments go to NYC, which is cheaper than going through Los Angeles and have a water transit time of 32 days; then, there are 3-4 days to "devan" the container, then 7-10 days via inland carrier to Jacksonville. If a shipment has been made LCL heading towards NY and then is suddenly needed sooner, it can be sped up by using Advantus' LTL carrier from NY and getting that Bill of Lading information to Galaxy. That will take the 7-10 days truck time down to 4-5 days on our LTL carrier. 43-47 days from factory to Jacksonville if we don't use our LTL trucker.
 - ii. Urgent LCL shipments can save 10 days overall by going through Los Angeles all water, and that is about a 15 day transit time. They would then face 3-4 days to "devan" and then 7-10 days to Jacksonville via an inland carrier. Again, if it is desired to move even quicker, you can specify to Galaxy to use Advantus' LTL carrier and cut the 7-10 days transit to 4-5 days via LTL carrier. Bill of Lading info must be provided to Galaxy. 30-35 days from factory to Jacksonville if we don't use our LTL trucker. LCL through Los Angeles is usually much more expensive than through NY.

- iii. None of these LCL shipments need to move through Port Logistics, or any other Advantus hired West Coast warehouse. These shipments move normally through CFS (Container Freight Stations), and Galaxy arranges everything.
 - iv. If you are trying to move the goods faster and you provide a Bill of Lading to Galaxy, be sure to put the trucker's phone # on the Bill of Lading so that the warehouse involved can call in the pick-up of the goods. This is only for super rushes, not normal LCL shipments
- 5) 20' containers and LCL shipments must be approved by Charlie Frohman cfrohman@advantus.com. Whoever is requesting the container must work with Supply Chain and they will get the approval from Charlie. Tom Zhou performs this function for Wyla shipments from China tom@wylachina.com by email. When Tom requests a 20' container or LCL shipment from Galaxy, Galaxy checks to see what other shipments might be combined with his request as Tom does not have visibility to all the other non-Wyla division vendors that Advantus is working with.
 - 6) There should always be consolidation opportunities from Taiwan from the vendor Malzine so 20' containers and partial 40's should always be grossed up to full 40'HQ containers by working with Malzine (Mary—this is something you'll need to work with the vendor on and give Galaxy contact info for Malzine so they can know we'd like to do this with them.
 - 7) When there are delays or if a vendor cancels a booking—that information should be emailed to bookings@advantus.com by Galaxy – do not send the information to a list of recipients. The person monitoring the bookings email at Advantus will notify the proper persons within Advantus.
 - 8) **AIRFREIGHT** and other special shipment situations will be handled through Galaxy. Advantus will notify the overseas vendor, and a copy of that information will go to Galaxy with clear instructions regarding the level of speed we need as well as all the details that the airfreight quote sheet has. Booking approval would be requested for these specials by an email to bookings@advantus.com from Galaxy. If a vendor is going to be responsible for the cost of the airfreight, they must still book through Galaxy and let Galaxy handle the full Delivery to our facility. We will then debit the vendor for the full cost (including all charges) of the airfreight. By doing this, we keep control of the freight, and it doesn't end up stranded in a city we didn't want it to go to. That is quite common with Chinese air forwarder quotes, it might only get as far as Seattle, and then you are stuck even though they quoted to your door.
 - a. Make sure the overseas vendor agrees by email to reimburse all costs.
 - b. Make sure they know that we will debit them for the cost on the first payment after the airfreight invoice is received.
 - c. Supply Chain Management (or Product Development on first orders) should tell accounting to put the vendor on credit hold if they are not an everyday vendor so that there will be sufficient funds owed to the vendor to cover the airfreight expense
 - 9) Savannah, GA. Many shipments come through this port since JaxPort is not deep enough(7/13/22). Starplast from Israel ships to us via “Door Delivery” which means they pay for the cotnainer to get all the way to our dock in Jacksonville. Other vendors we use a dray agent to get the containers to Jacksonville from Savannah.

Rush Shipping by Ocean

Any rush or other issues with import shipping should be addressed to Supply Chain Management (SCM). They can work to bring goods in via an expedited method. We have a choice of expedited methods depending on how quickly you truly need the goods to arrive.

Fast Ocean Shipment for FCL shipments using Los Angeles Cross Dock. Port Logistics is a company we use that takes containers from the pier on their own trucks, palletizes the ocean freight, and can then immediately ship the goods to a customer or Jacksonville (or another location). Goods may not be "warehoused" there, Port Logistics must only be used for cross-docking/immediate forwarding. No inventory may be stored at all in Los Angeles for any amount of time. Full truckload quotes must be obtained and can be gotten from the FCL Los Angeles Quote group. We normally don't allow Port Logistics to quote on the FCL freight (but sometimes they do if we can't find a trucker). The fastest ocean service is with Matson lines, but they only service Shanghai to Los Angeles. You save time as their ship is 1 day quicker on the ocean, but they guarantee 24-hour unloading at their own terminal in Los Angeles. The West Coast is closer to China. Transit times are about 17 days faster than to East Coast ideally. This is a less expensive option compared to air (see next paragraph) and allows you to get the goods to a US warehouse where they can then be shipped to a customer faster than if you shipped all the way to Jacksonville but cheaper than if you aird the goods in. Keep in mind that during busy seasons, and due to the slow unloading at the Port of Los Angeles, the actual savings in days is now about 7 to 10 days. Sometimes if you are in Christmas Peak Season (July through October) it actually takes more time than shipping all water to Jacksonville. There is also an option called Cosco Fast Track that is 13 day service from Yantian to Los Angeles and then guarantees your container will be available to pick up at port within 24 hours. This is usually about \$600 to \$800 more per container than regular ocean service to Los Angeles.

Fast FCL to East Coast: If you need to get a full container to Jacksonville in an expedited manner, the best way is to still ship it all water to Jacksonville. Due to frequent port delays in LA it is quite dangerous to try to do a full container into LA and then have it trans-loaded to ship to Jacksonville. The best-case scenario is likely to save 10 days, but there will be an additional \$5000 in freight to move the truck to Jacksonville from the West Coast and the extra costs of the handling.

Super-fast LCL to East Coast: If you have an LCL shipment of goods coming from Asia that needs to get to Jacksonville extremely quickly but not by air, we can bring it through Los Angeles and have one of our LTL truckers pick the goods up at the Container Freight Station (CFS). That is not Port Logistics, and you can work this out with Galaxy. We provide the LTL Bill of Lading, but it will ship from the CFS, usually Imperial CFS.

Split shipments of freight coming to West Coast—THIS IS A REALLY BAD OPTION. You cannot take some of the goods to Jacksonville and ship some of the goods elsewhere from the CFS. It is all or nothing. Container freight stations are not able to pick and pack accurately. If you need a partial pick and pack and a partial forwarding to Jacksonville, you need to use the option of Port Logistics, but that will add days to your procedure. In this case, Port Logistics will have to wait for the CFS to sort the goods, and then Port Logistics will pick them up and then take them to their location to sort and ship. Very dangerous procedure.

Domestic Moves, Transfers, Shipments of Goods to Vendors for Finishing

When goods are moving domestically between Advantus locations or from a warehouse in another city to an Advantus location, the following procedures should be followed:

- 1) Bills of lading should be prepared by Advantus Supply Chain department—no one else, no manual Bills of Lading should be produced at our warehouse locations. The Bill of Lading must clearly state all pertinent information especially the trucker, trucker phone # (if shipping from a non-Advantus warehouse), SCAC code, and how the charges are to be billed (Collect, Prepaid, or 3rd Party). If a Transfer Order put the G/L code on the Bill of Lading under the Transfer Order #.
- 2) We need to get quotes from truckers ahead of time, so we can see what our costs will be.
- 3) We use multiple FTL (Full Truckload Carriers) for quote purposes. We must know the freight cost so that accounting can pay the bills when they arrive. When using an FTL carrier to ship goods to 12th Street or another Advantus facility, the shipment should show the proper ship-to Advantus location address, list the warehouse it left from as the shipper with that address, freight pay code is "Freight Collect" & the bill to address is

Advantus

Attn: Accounts Payable

12276 San Jose Blvd, Suite 618
Jacksonville, FL 32223

If it is an LTL shipment, the bill to address for the freight charges must be as shown below, and the shipment should be classified as "Freight Prepaid" if leaving our facility or "Freight Collect" if it is coming to an Advantus facility. Bill to address for the freight charges on the Bill of Lading is. This is not 3rd party.

Advantus c/o Transportation Insight

PO Box 492410

Lawrenceville, GA 30049

- 4) A packing list needs to be supplied to the shipper to put with the shipment, so they know what to ship, and we can receive in properly in Jacksonville.
- 5) The Packing List, Bill Of Lading, and Freight Quote should be sent to the following receiving@Advantus.com & ap@advantus.com.

Import Shipping by Air

Air shipments from Asia that are less than 440 lbs. (200kg) should ship via DHL on our import account #. You must make sure that you are calculating the dimensional weight total as well as the actual weight total. Remember that you are paying roughly \$3.52 per pound (\$7.75 per KG) for air shipments over 440 as of 7/5/22 via Galaxy and with the Emergency Surcharge DHL is near \$10/kg. For shipments less than 440 lbs. (200kg) use DHL. It is just critical that the weight used to make this is decision is the greater of real or dimensional weight. For shipments over 440 pounds (200kg) get a quote from Galaxy as well as DHL. When you are making comparisons be sure to simply enter the true actual weights of each carton and the true dimensions to get the quote from the DHL website. To get the Galaxy quote fill in the Air Freight Tool spreadsheet <S:\Purchasing\Freight\Air Freight Tool.xlsx> Fill in all lines on the two tabs of the form that are TAN in color. The sheet does the rest of the work. The estimator is set at \$4.40/kg (Normal cost per kg for airfreight). During the Covid crisis the rates went from \$4.40 on average to \$20 per kg and have fallen back to around \$7.75/kg. Supply Chain updates the estimator, do not save the spreadsheet locally on your computer.

Dimensional weight is calculated as LxWxH divided by 139 for DHL and divided by 194 for Galaxy. So it is important to give all quoting companies the full details as it gets quite complex. Don't tell them what the dimensional weight is, just give them the dimensions and they will calculate with their divisor. For DHL you can use the LxWxH in cm's then divide by 6000 to get the dimensional weight in kg. If shipping between 70kg and 285kg, DHL charges \$10/kg door to door DUE TO EMERGENCY service charges. Nothing extra.

When quoting Air shipments over 440 lbs. (200kg) from Galaxy, you must be aware of two or more levels of air service: Premium (direct), Standard, and Deferred of various amounts. You should get a quote on all possible service levels so you can choose the service level that is appropriate. This is spelled out on the Air Quote Template. DHL is normally 2 to 3 days from Asia. When using DHL, specify **EXPRESS WORLDWIDE IMPORT**

Deferred—usually 3 to 5 days but in rare instances can take 10 days if there is tight availability on the airlines—if it absolutely, positively has to be there this can be a risky choice, but this is the desired choice for most of our airfreight needs and is 30% to 40% cheaper than regular air service

Premium or Standard Air Service—usually 2 to 4 days, but the Delivery is "guaranteed." These shipments are not subject to being bumped off planes, but both are very expensive. 99 times out of 100 Deferred, or some type of Deferred, regardless of what it is called, is the way to go.

The forwarder we are using for air quotes is Galaxy. Galaxy will send you a quote after you fill in all the information you are required to fill in. They will return to you with multiple service levels quoted. Many times Chinese forwarders quote great rates, but the freight takes weeks to get to the destination. It can get stuck in an airport on the West Coast or in another country on the way here and take a long time to get to us. **ALL AIRFREIGHT COMES IN VIA GALAXY or DHL.**

Procedure for handling airfreight of goods that have to be airfreighted due to the fault of the vendor:

When a vendor has through their errors or negligence caused a shipment to be so late that we need to get goods airfreighted to one of our USA locations, this is the procedure for handling that.

- 1) Determine an issue occurred, which requires us to airfreight goods at the vendor's expense. Such an issue can be one of the following
 - a. Vendor forgot to put goods on a ship
 - b. Vendor said they put goods on a ship and the shipment arrives and the goods were left out
 - c. Vendor experiences delays and the ship date for goods is delayed
 - i. More than 15 days past the original promised date when the order was originally confirmed when the order was placed
 - ii. More than seven days past when the vendor stated the goods were going to ship (when the order was supposed to be ready)
 - d. Any other delay caused by a vendor. This doesn't apply to issues that are caused by Advantus.
- 2) We advise the vendor via the form email that the goods in question will need to be airfreighted at their (the vendor's expense), and we share what caused the problem with the vendor, their broken promise, they forgot to ship the goods, etc. We want to advise them, so they know what they did wrong. If a vendor refuses, the issue must be escalated up to whoever has the primary relationship with the vendor. For example, Wellong refusal from Pola would go to Charlie.
 - a. They are told that they must use our forwarder (DHL or Galaxy). No exceptions, using a vendor-supplied airfreight forwarder has always been a recipe for failure. Our systems only work properly to monitor only when we control the freight from departure to Delivery. No exceptions unless you obtain written approval from Charlie Frohman.
 - i. If 440 lbs. (200kg) or under (dimensional or actual, whichever is greater), we will give the vendor the import account number that is in the Advantus Freight Manual.
 - ii. If 440 lbs. (200kg) or over pounds (dimensional or actual, whichever is greater), SCM will determine the most economical/appropriate manner to ship the goods (DHL or Galaxy) and advise the vendor.
 1. If by DHL, we will give the vendor the import account number that is in the Advantus Freight Manual.
 2. We must give the vendor the full Galaxy Freight Forwarders list, which Supply Chain has. They will determine the proper office to service their shipment. Seamaster is not used for airfreight.
 - iii. We must monitor the shipment so that accounting can be advised of the full cost of the freight so the vendor can be properly debited
 1. Accounting must be made aware by an email to import@advantus.com that an airfreight debit will be coming for the particular vendor so that they can put the vendor on payment hold so there will be money available to debit when the freight bill is calculated
 2. Give accounting as much detail as possible but certainly include PO#, expected ship date, ship method (DHL/Galaxy)
- 3) Once the shipment is invoiced, Accounting will debit the vendor for the full amount of the freight cost; this includes clearance, Delivery, airfreight, and all charges that either DHL or Galaxy bills us for other than the duty.
- 4) Replacement goods
 - a. If the goods are a replacement for goods that were defective they must still be cut a PO with the normal purchase price. It is not allowable to import goods with a \$0 value just because they are a replacement. You must state the normal value of the goods on the PO and all paperwork and pay the duty on that value.
 - b. Because we will be getting invoiced for goods that we already paid for, you have to work with accounting as they will have to simultaneously put in a debit memo for the vendor that includes
 - i. The original cost of the defective goods. By doing this, the money already paid will now become a debit memo that offsets the invoice the vendor will send us for the replacement goods.
 - ii. The original duty amount. We will have to pay the duty for both the original defective goods and the replacement goods. By debiting the vendor for the goods and the duty, we will have complied with

the US Customs laws and accounting will have properly accounted for the goods. ZERO DOLLAR INVOICES ARE NOT ALLOWED.

EMAIL FORMAT TO VENDOR REGARDING AIRFREIGHT COSTS TO PAID BY VENDOR

Dear _____:

On our PO#(#'s) _____, your company _____, failed to _____ (describe issue) and therefore Advantus is now in a backorder or out of stock position and must insist that your company ship goods to us via air freight and your company will have to pay those costs. Advantus will advise you what air freight forwarder to use based on the weight and cube of the shipment. You are not permitted to use your forwarder because Advantus' inbound tracking system cannot handle outside forwarders. In addition, we have found that many times airfreight that is controlled by overseas forwarders does not get delivered properly to Advantus. Sometimes there appear to be savings by booking with a local overseas forwarder, but the savings go away when the goods are not available for Delivery in the USA without payment of additional fees that are charged to Advantus. Advantus will advise you the approximate cost of the airfreight before shipment and then debit your next payment for the airfreight amount. We understand that air freight is expensive; the best way to avoid expenses like this is to ship on time based on what you had previously advised us would happen.

It is the goal of Advantus to service our customers at the highest level possible. Only with accurate shipment information from our supplier partners are we able to accomplish this. Thank you for your understanding in this matter.

Thank you,

Your Name

Export Shipping by Air

Exporting shipments by air up to 440 lbs. (200kg) use DHL. Do not palletize shipments as you will pay a fortune for the pallet to get delivered. But DHL does allow pallets. Over 440 lbs. (200kg) compare DHL & Pilot Air Freight. Pilot has offices nationwide, but our relationship is with them in Jacksonville. You can find their contact info in Macola or email your quote request to jax@pilotdelivers.com. The same info is needed for export air shipments as for import air shipments. Fill out the Air Quote Template and send it to Pilot.

Expediting Contacts for Advantus Inbound Ocean Freight & Drayage

JaxPort to our Jacksonville locations (12th Street, Shawland, and Gun Club Road): Dray means taking a container from the port to our warehouse. From JaxPort, we use **AirVan** to accomplish this. First person to reach out to at AirVan is Mr. Robert DeJesus, +1.904.741.4930 ext 2002, his cell # is +1.904.676.6234 and his email is rdejesus@airvaninc.com. Ms. Sarita Maldonado at AirVan is the second contact to use, smaldonado@airvaninc.com. The General Manager of AirVan is Mr. Steve Wright. His email is swright@airvaninc.com, and his phone number is +1.904.741.4930, and his cell # is +1.904.699.1045. He can be contacted if you are frustrated that you are not getting answers. You will likely never need to talk to anyone but Robert or Sarita. They are excellent.

Issues with Galaxy Freight, customs issues, container issues, bookings, etc.

Galaxy Freight handles our ocean and air bookings inbound. There are various people/departments and contacts at Galaxy that we all deal with daily. However, when things are going wrong, it is not sufficient to only contact the person you normally do business with; you must ratchet up the issues before they become major problems. For problems you need to contact Tabna Kanhoye at Galaxy. Her phone is +1.718.215.8037; her cell is +1.718.751.5346; her email is tabnak@galaxyfrt.com. Tabna checks her emails about 20 hours a day and seemingly works non-stop. If an issue is escalating and even Tabna can't solve it you can get with the owner of Galaxy, Mr. Ed Goldstein. Email Ed directly at edg@galaxyfrt.com. Issues not getting solved by both of them can be elevated to Charlie Frohman.

Courier Services in Jacksonville & Moving Items between Facilities

Courier services in Jacksonville are extremely low priced compared to other methods of moving things around. We use Priority Courier, 904.346.3474—our account number is 4673. It is much cheaper to use Priority Courier than drive yourself to a facility and drive back. To get from WHQ to 12th Street likely involves a cost no lower than \$60 in gas/travel expenses/time. Priority has low rates, even for pallets of goods. Priority Courier has different levels of service from 1 hour rush to overnight service. Use the most economical service that fits your needs. Same day must be called in by 10AM for delivery by 5PM. **It is rarely a good idea to have anything moved in a rental truck or using the Advantus pick-up truck as the cost is almost always higher than just using Priority.** If it is 2 cartons or less, FedEx ground is cheaper than using the courier and will get the goods to us by the next business day. **DO NOT USE 1 OR 2 HOUR SERVICE IF YOU DON'T NEED IT THAT QUICKLY.** Overnight service is cheapest and gets it there tomorrow. Same day ordered by 10AM is excellent is as cheap as overnight. **When you call Priority you must give them 1) a name of who the goods are going to, not just an address like 12276 San Jose 2) a sales order # or a G/L code #, if the person requesting you to courier something doesn't give you a G/L code # and you don't have an order #do not do the shipment for them.** Remember FedEx Ground will get a package anywhere in Jacksonville in one day for \$9.99 up to 41 pounds and for only \$11 up to 50 pounds. So the courier is cheaper only on 3 or more cartons.

Service Levels for Priority Courier as shown below

Same Day: Must call in by 10AM—delivery by 5PM. Cheapest level of service (\$24 for a few boxes)

Next Day: Same cost as Same Day but works for pickups called in after 10AM and these get delivered the next day (\$24 for a few boxes), remember that FedEx Ground will get 2 boxes to anywhere in Jacksonville for \$20 tomorrow as well.

Regular—Delivery within a 3 hour window from time of call to pickup (\$30 or so)

Priority—Delivery within a 2 hour window from time of call to pickup (\$40 or more for anything)

Direct—MOST EXPENSIVE FOR CRITICAL SHIPMENTS ONLY. Delivery within a 1 hour window from time of call to pickup. (\$55 for even one carton)

LTL and FTL Carrier Sourcing—Freight Cost Quoting

For LTL quotes, use the TI (Transportation Insight) website and Central Transport. Central Transport (not Central Freight) works best, usually for very heavy shipments. ***Do not put our phone # on the Bill of Lading as this will make us have to pay for a delivery appointment.*** We do not require an appointment for deliveries. Freight quotes from the TI website do not have to be saved as they are searchable, Central Transportation quotes should be filed just like FTL quotes(see below).

For **FTL quotes**, save the quote in the file at Shared/Purchasing/Freight/Freight quotes and be sure to name the file with the 1) Advantus Sales Order # or Advantus Purchase order #, 2)the name of the quoting company (CHR, CorpTraf etc.), 3) the amount. The file has a date so that is not needed. So it should look like this: "PO#12345 CHR \$1500", or "Sales Order 1234567 CorpTraffic \$1240".

- For TI (Transportation Insight) quotes, you must use their website, if you need training talk to your manager.
- We also can use Central Transport for LTL shipments www.centraltransportint.com; they charge us by the pallet.
 - Login is cfrohman@advantus.com, and password is shipping.
- For FTL quotes we only use CH Robinson, Corporate Traffic, and Traffictch. The FTL quote group in Outlook should have the email address of all three for sending quotes out.

Central Transport Pallet Program Rules—

To get the pallet rates, pallets should be 50" tall **maximum** including the pallet—this is for a maximum 48" x 48" pallet. That is not a typo; they allow 48x48 to count as a standard pallet. **# OF PALLET'S MUST BE SHOWN ON THE BILL OF LADING, if you don't put that on the Bill of Lading we will be charged the wrong rate.** **When getting your quote from the Central Transport website, make sure you don't check off that you need a delivery appointment.**

- If you ship over 51" tall pallets Central charges us 1.75 times the rate shown on their website unless you are shipping in what they call a "One Day Lane." That is mostly all of Florida and anywhere else they list on their website as a 1 Day Lane from Jacksonville. Maximum height is 96" in One Day Lanes (you can see the 1 Day

lanes as you will see a big **1** in the "Days" column when you get a quote from their website. You will get the pallet rate without the 1.75x add on for over 51". Pallet length and width cannot exceed 48" in either direction.

CENTRAL TRANSPORT - MY CENTRAL

Home Change Password Sign Out Track Account Details Invoice Correction Rate Quote

User: cfrohman@advantus.com Customer: ADVANTUS CORP

I am the: Shipper Shipment Date: 12/7/2018

For rates on shipments of 7 or more pallets, please call our Rate quote department at (586) 467-1900.

Zip/Postal Code	Type	Service Center	Phone	Days
Origin: 32223	Direct	322 - JACKSONVILLE - FL	(586) 467-1900	1
Dest: 37027	Direct	372 - NASHVILLE - TN	(586) 467-1900	

# of Pallets	Weight	Rate per Pallet	Charge
1	1111	\$85.00	\$85.00

Charges

Shipment Total:	\$85.00
Discount (0.00%):	
Sub Total:	\$85.00
Fuel Surcharge - Item 575 (24.60%):	\$20.91

Service Options

Tariff: PPA-CT PALLET (11/20/2017) Total: **US \$105.91**
CN \$142.98

Will you be tendering multiple shipments to CT on 12/7/2018? Yes No

- You can only ship up to 6 pallets per day, per consignee address, at the pallet rate shown in the Central Transport system. Any pallet over 6 pallets will be charged at two times the rate shown on the website.
 - If you have more than 6 pallets, you can split the shipment over two or more days or email Central for a spot quote, and that quote number must be on the Bill of Lading. If you are shipping more than 19,999 pounds get a spot quote as well.
 - Spot quotes are available from cs.ratequotes@centraltransport.com. Make sure you have the following information:
 - LxWxH of every pallet (**# OF PALLETS MUST BE ON THE BILL OF LADING!!!**)
 - Weight of the total shipment
 - Ship from and ship to zip
 - HazMat if it is on the shipment
 - Special requirements (liftgate/appointment/inside delivery/school/hospital/military base/hotel)
- This pallet program works for the following 3 scenarios:
 - Prepaid shipments leaving an Advantus location –Bill of Lading should be marked Prepaid
 - Collect shipments coming to an Advantus location --Bill of Lading should be marked Collect
 - 3rd party where Advantus is not the shipper or consignee if Advantus is in the 3rd party bill to. This scenario requires the Bill of Lading to be marked "3rd Party" for the billing option.
 - The billing address for all of these three scenarios is

Advantus Corp.
Attn: Accounts Payable
12276 San Jose Blvd., Ste. 618
Jacksonville, FL 32223

FTL Specific Information

Full Trailer Load shipments: FTL means any shipment that is too large to qualify as Less Than Truckload. It does not mean that the shipment takes up a full 53' trailer. Each LTL trucker has its own rules regarding what counts as FTL versus LTL. If you are shipping **more than 10 pallets or more than 19,999 pounds**, you must get a quote from the FTL Group Distribution list that is set up for the company in Outlook. You cannot ship 11 or more pallets, or 20,000 or more pounds by LTL carrier. We will get fined heavily by the trucker if you do this(usually about 5x the rate that you get on the rating software. LTL carriers are the companies listed in the LTL section of this manual. When you email for a quote, put the group in the BCC field and make sure you give the trucker all the relevant information, # of pallets, weight, dimensions of pallets, zip from, and zip to. Do not get FTL quotes from Transportation Insight (our 3PL—they are always expensive). **DO NOT PICK TRUCKERS YOU HAVE SIMPLY USED IN THE PAST, THE TRUCKERS IN THESE GROUPS ARE SELECTED AND PUT IN THE GROUPS FOR A REASON!** The current FTL truckers we authorize for use are

Corporate Traffic, CH Robinson and Traffictech. No one is permitted to add a trucker for FTL trucking without getting authorization from Charlie Frohman.

LTL and FTL Sourcing Do's and Don'ts

Do not use Intermodal (aka Rail) when the goods are needed in a time-sensitive situation (like Wyla Halloween) or if there is a potential hurricane. You could end up with a very late shipment. Do not use any company unless they are in the FTL Freight Quote Group for that location. We have cut the group to Corporate Traffic and CH Robinson for most locations, Los Angeles has one additional source associated with Port Logistics. When you get a price quote, that is the final price. *Any* deviation from the original quote must be approved by Amy Muellner or a VP in Advantus—even if it is just \$1 difference. When the trucker causes an increase in cost to be necessary, they need to pay it. We had a trucker who didn't make their pick-up on a Friday in Los Angeles, and then when we had to ship Monday they asked if we would agree to pay more for a two-person crew to get the goods here faster. They made the error on the Friday. **DO NOT JUST TAKE THE TRUCKERS EXCUSE, FOLLOW UP AND SEE IF THE TRUCKER IS TELLING YOU THE FULL TRUTH! IF THEY MADE THE ERROR THE TRUCKER SHOULD PAY THE EXTRA COSTS—NOT ADVANTUS!**

EVEN IF A CUSTOMER SUPPLIES US WITH A BILL OF LADING, YOU ARE RESPONSIBLE FOR MAKING SURE IT IS PRINTED PROPERLY.

For example, if a customer sends you a Bill of Lading, and they say ship on our account, but the Bill of Lading they provide shows "Prepaid," that is an error as Advantus as shipper will get billed. If they say Bill 3rd Party but show no 3rd Party Address we will get billed. You have to fix this with the customer, even if they provided it. **If the Bill of Lading says "3rd Party", there must be a bill to address in the Bill Freight Charges box.**

Preferred LTL Carriers as of July 13th, 2022

- 1) XPO Logistics LTL (SCAC Code CNWY)
- 2) YRC LTL (SCAC Code RDWY) and their accelerated service for faster delivery times
- 3) Old Dominion Freight Lines LTL (SCAC Code ODFL)
- 4) FedEx Priority LTL (SCAC Code FXFE)

These are the 4 choices plus YRC Accelerated that will show up in a rate shop done on Transportation Insight's site. Sometimes you will see less options because certain truckers do not go to certain destinations.

How to Get Copies of Freight Bills

Please use the following contacts to get copies of carrier freight bills. Please do not reach out to Accounting for copies of carrier freight bills. These bills are readily available from either our 3PL, Transportation Insight, or our FTL carriers themselves. If you have the PRO# (for LTL shipments) or a copy of the Bill of Lading (for FTL shipments) here are the contacts to get copies of invoices.

For LTL carrier invoices: (any carriers we rate via Transportation Insight—YRC/ODFL/XPO/FedEx Freight)

Transportation Insight: Reach out to Leigh Spangler, Lspangler@t-insight.com. Do not waste time trying to get the invoices from the carriers themselves, often they won't provide them to us.

For FTL carrier invoices:

CH Robinson—reach out to Mindy Farnham melinda.farnham@chrobinson.com

Corporate Traffic—reach out to advantus@corporate-traffic.com

Traffic Tech—reach out to midwestops@traffictech.com

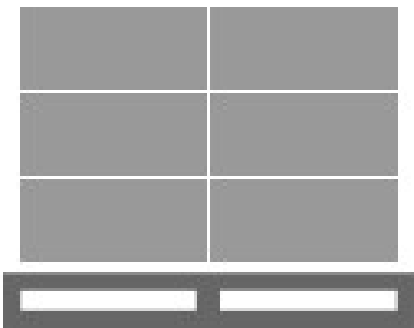
For Central Transport invoices:

You can simply log in to their website and look up invoices either paid or unpaid and you will see the invoices. Instructions for logging on to Central are in this Freight Manual.

PROPER PALLET STACKING TECHNIQUES FOR MOST MERCURY LUGGAGE ITEMS AND OTHER ITEMS THAT FIT THIS WAY ON PALLETS AT OTHER LOCATIONS.

ALIGNED

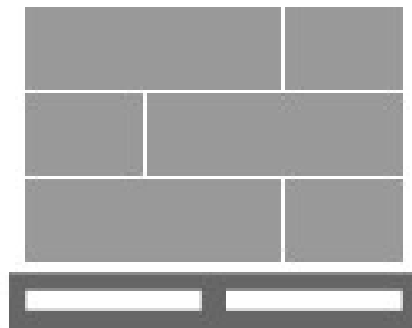
BEST



IDEAL PALLET PACK

STAGGERED

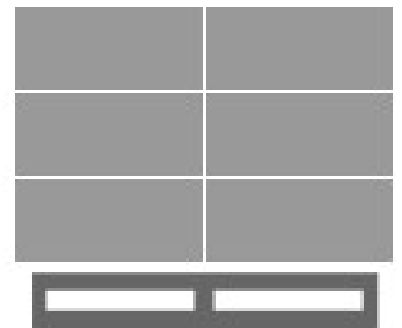
ONLY IF NECESSARY



33%+ WEAKER

OVERHANG

TRY TO AVOID THIS



40%+ WEAKER

TO DELIGHT OUR CUSTOMERS OUR PRODUCTS MUST ARRIVE IN PERFECT CONDITION. OUR JOB IS NOT DONE UNTIL OUR CUSTOMERS ARE 100% SATISFIED. IF YOU DON'T LIKE WHAT YOU SEE ON THE PALLET, THE CUSTOMER SURELY WILL NOT BE SATISFIED.

P.O. BOX ADDRESSES

NO TRUCK SHIPMENTS TO P.O. BOXES



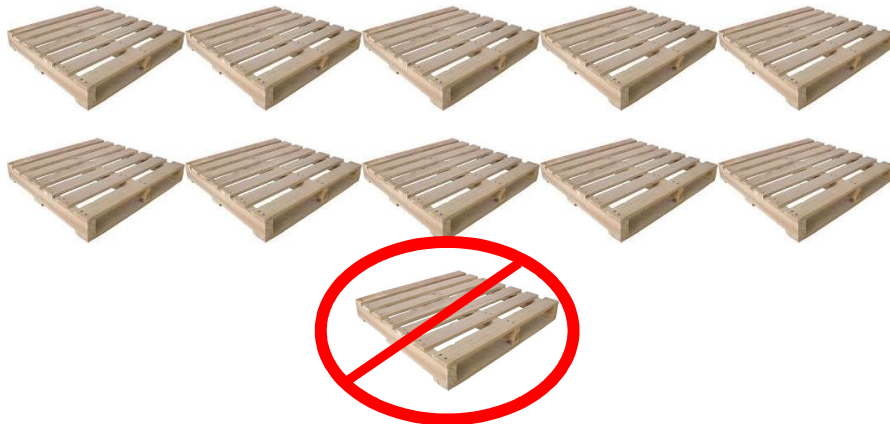
**NO FEDEX/UPS PACKAGE SHIPMENTS
TO P.O. BOXES**



PO BOXES ARE ONLY OK FOR U.S. MAIL



SHIPMENTS OVER 10 PALLET POSITIONS OR 19,999 POUNDS MAY NOT GO LTL



~~20000 POUNDS~~

No shipments may be made via an LTL carrier (YRC / XPO / FedEx Freight/etc.) if it takes up **11 or more** pallet positions (40x48 pallet positions) in a truck OR if it weighs 20000 pounds or more. The only exception to this is if the shipping manager has received a Volume Quote from the carrier, and the quote acknowledges that we are shipping the pallet count. Meaning the **quote must show** 11 or more pallets or 20000 or more pounds on it. Shipments can be split if customer allows that (***check with compliance***) or ship the order via FTL carrier. Split shipments must ship out on different days!

LTL SHIPMENTS OVER 5 PALLETS

No LTL (SEFL, YRC, FedEx Freight, etc.) shipment may take up more than ten (10) pallet positions or weigh 20,000 pounds or more without getting a volume quote from a trucker.

Shipments from 6 to 10 pallets have minimum weight requirements. If you are below the weights shown (including pallet weight), you need to

- **Get a volume quote from an LTL carrier and from CH Robinson or Corporate Traffic and put that quote # on the Bill of Lading**
- **Split the shipment if allowable** (*Need to check with Compliance to see if the customer allows splitting—split shipments must be shipped on different days or you must get a volume quote!*)

6 Pallets—3900 pounds

7 Pallets—4550 pounds

8 Pallets—5200 pounds

9 Pallets—5850 pounds

10 Pallets—6500 pounds

Accessorial Charges



Add \$50 to any Prepaid LTL freight cost that the system calculates when shipments are made to any of the following addresses:

- **Military Addresses**—includes base stores, military distribution centers, and consolidation points.



- **Schools**—schools are considered limited access locations; this includes colleges, universities, any address with SCHOOL in the name



- **Appointment needed**—any shipment that requires a delivery appointment other than SP Richards, Office Depot, and Essendant should get \$30 added to the cost. Do not add for these three customers.
- **Liftgate Needed**—Any delivery requiring a liftgate

