



Chain Drug Consortium

2011 Import Logistics Guide

Published: 3/7/11

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CHAIN DRUG CONSORTIUM OVERVIEW

Chain Drug Consortium LLC consists of **6** retail drug store chains purchasing key focus items together under one name – Chain Drug Consortium LLC. By grouping together, the Members increase their purchasing power and amount of product purchased from a supplier.

Our program is based on the practice of aggregating the purchasing needs of our Members who still retain their identities as it pertains to banking, shipping, and receipt of goods.

Benefits to the Supplier:

1. The Consortium brings retail Members to the table that may not have been able to or chose not to purchase from a particular supplier in the past; ultimately increasing the amount of product a supplier sells.
2. The Consortium consolidates many products into full containers ultimately benefiting the supplier. Consolidated production means increased business.

Chain Drug Consortium Contact Information

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ORDERING PROCESS

Outlined herein is the sequence of events that will produce a smooth transition from the beginning of the order to the receipt of the goods.

- 1) After the Consortium Members review your selected product for quotation, you will need to prepare
- 2) **(9) Sets of quote sheets of the selected items for each of the 6 Consortium Members and the 2 Associate Members. Additionally, you will need to prepare a Working Spreadsheet (template provided by the Consortium office) to include a summary of all items quoted. One CD with the quote sheets and the spreadsheet is needed for the CDC Import Office.** Upon receipt of the Vendor Spreadsheet, the Consortium Coordinator will upload the Working Spreadsheet to SecureSheet™ for Consortium Member population of their desired order quantities. After all the quantities have been populated, the Working Spreadsheet **then becomes a Pre-final Spreadsheet.**
- 3) **The Pre-final Spreadsheet is then sent to you for review.** It will contain quantities from each ordering Member and will give you the opportunity to preview, correct any discrepancies that may exist and make comments **before** the order is finalized. Load configurations must be made available from Supplier upon request. **You need to return the Pre-Final Spreadsheet, via email, within the timeframe requested. No response signifies acceptance of the orders as is. Changes to the Pre-Final spreadsheet must be made in the Vendor Comment Column ONLY.**
- 4) Upon receipt of your Pre-Final Spreadsheet, the same Pre-Final Spreadsheet will be uploaded to SecureSheet™ for Members of the Consortium to review and adjust based on Vendor Comments.
- 5) **Upon Member acceptance of the Pre-Final spreadsheet, the Consortium will then convert the Pre-Final to a Final Spreadsheet and upload the Final Spreadsheet to SecureSheet™ and e-mail a copy of the Final Spreadsheet to the Vendor.**
- 6) **Within seven days, each Member of the Consortium then issues a Purchase Order** to the Vendor with individual quantities, item numbers, UPC codes and retail prices as well as any specific instructions.
- 7) The supplier then has **seven days** to submit an **Order Confirmation** and either a **Wire Transfer Information Form or a L/C Information Form** back to each Consortium Member placing an order. The form is available on page 18 of the Logistics Guide. The Order Confirmation should confirm individual quantities, item numbers, and UPC codes and verify any specific instructions.
- 8) Upon receipt of the Order Confirmation and payment instructions, each ordering Member has another **seven days to initiate their own financial arrangement.** The order is filled and the cartons are marked per each ordering Member and shipped to the specified port of entry unless the individual ordering Member's profile indicates otherwise. **Damco Logistics, our freight forwarder in each country, will direct the logistics for all product movement. (see Freight Forwarding Information section).**

IMPORT QUOTE SHEET INSTRUCTIONS

Chain Drug Consortium Quote Sheets are required to accompany each individual item being presented for purchase consideration. A current version of the CDC Import Quote Sheet is available in excel format from the Consortium Import Office. Please complete the Quote Sheet by filling in the shaded areas only. All necessary formulas are already in place to calculate the freight rate and estimated landed cost. Each Quote Sheet **MUST** be filled out in its entirety and must provide a clear photo of the item in the space provided to be considered for purchase. Each Quote Sheet must be typed; no handwritten sheets will be accepted. Each Quote Sheet must be numbered in sequential order by filling in the “Sequence #” in the upper right corner of the Quote Sheet. This same sequence is to be followed on the Vendor Spreadsheet. *An example of a completed Import Quote Sheet is on the following page.*

Print or copy using 8 ½ x 11 white paper, 3 hole punch and collate into 9 sets. Each Consortium Member and the Associate Members must receive a color copy of each quote (9 copies total) by the requested date as specified by the Consortium office. **Please also provide one CD with all information for the CDC Import Office.** If your company has not done business with a particular Member of the Consortium, the submitted Quote Sheets must include the Vendor Wire Transfer/LC Information form, which is included in this Import Logistics Guide.

Below are detailed definitions of the Quote Sheet fields.

<u>Advising Bank</u>	Bank used for Letter of Credit	<u>Sequence #</u>	The # in order that represents each item on the Vendor Spreadsheet
<u>Method of Payment</u>	Wire Transfer (preferred) or Letter of Credit	<u>Vendor Name</u>	Your Company Name
<u>Address Information</u>	Bank Address	<u>Address Information</u>	Your Company Address and contact information
<u>EDI Compliant</u>	Yes/No – Do you have EDI Capabilities?	<u>CTPAT #</u>	Your CTPAT Certification #
<u>CTPAT Certified</u>	Yes/No – Are you CTPAT Certified.	<u>Re-Quote</u>	Yes/No - Is this item a Re-Quote from a previous year?
<u>Vendor Item #</u>	Manufacturer Item #	<u>Inner Box Dimensions</u>	Use (L) x (W) x (H) format in inches
<u>Factory Name</u>	Factory that will manufacture the item and where it will ship from	<u>20' FCL pieces</u>	Indicate how many pieces maximum can be shipped in a standard 20' container
<u>UPC Code</u>	12 Digit UPC Code	<u>40' FCL pieces</u>	Indicate how many pieces maximum can be shipped in a standard 40' container
<u>Item Description</u>	Full description of item as it will appear on the PO and Invoice	<u>Inner Box Qty</u>	Indicate the number of pieces in the inner pack, if there is not an inner pack indicate zero (0)
<u>Product Dimensions</u>	Use (L) x (W) x (H) format in inches	<u>Master Carton Qty</u>	Indicate the number of pieces in the Master Carton
<u>Material Composition</u>		<u>Cube of Master Carton</u>	In Cubic Feet
<u>Breakdown</u>	List material composition	<u>Carton Weight</u>	In pounds
<u>Item Package Type</u>	Box, Display, Clip Strip etc.	<u>Carton Dimensions</u>	Use (L) x (W) x (H) format inches.
<u>Inner Packing Material</u>	Depict inner packaging material – Cardboard or Polybag	<u>Packaging</u>	List proposed/existing package type i.e., hang tag, blister pack, etc.
<u>Color Picture of Item</u>	Must be a clear colored picture	<u>Battery Included</u>	Yes/No - Battery Type
<u>FOB Port</u>	The closest Port where the factory intends to deliver product for consolidation/shipment	<u>Product Liability</u>	
<u>First Cost Each per Unit</u>	List FCL and LCL First Cost	<u>Insurance</u>	Yes/No Amount insured in US \$
<u>Harmonized Tariff #</u>			
<u>Plus Duty % Item</u>	Indicate the percentage rate for the duty of each item		
<u>Minimum Quantity</u>	Indicate the Minimum Order Quantity Required for production		

IMPORT QUOTE SHEET

Quotes are valid for 90 days from date of receipt					Sequence #						
Chain Drug Consortium Import Quote Sheet											
Advising Bank					Vendor Name						
Method of Payment					Address						
Street Address					Phone/Fax						
City, State, Zip Code					Contact						
Country					E-mail						
Are you EDI compliant?		Yes		No		CTPAT #					
Are you CTPAT Certified?		Yes		No							
IMPORT PRICE QUOTE											
CPSIA FORM MUST BE SENT WITH SHIPMENT PER Logistics Guide											
Vendor Item Number		Factory Name		Freight Cost per Cu.Ft. US \$		FOB POINT		FOB Cost, Per Each (in US\$)			
UPC Code 12 Digit (Assigned by manufacturer)				\$2.25				FCL LCL			
Description				First Cost Each Per Unit							
				Less 1/2 of 1% Defect. Allow.							
				Net First Cost Each Per Unit							
				Plus Ocean Freight Per Unit							
Product Dimensions (LxWxH in Inches)				Tariff Number							
Material Composition Breakdown:				Plus Duty % Item		0.000%		\$0.000 \$0.000			
Item Package Type:				Estimated Landed Cost Each							
Inner Packing Material: Cardboard Polybag											
Color Picture of Item				Minimum Quantity:				Container Quantity			
				Re-Quote Y/N				20' FCL Pcs			
				Inner Box Dimensions (LxWxH)				40' FCL Pcs			
				INNER BOX QTY (pcs)							
				MASTER CARTON QTY (pcs)							
				Cube of Master Carton (Cu. Ft.)							
				Carton Weight (lbs.)							
				Carton Dimensions (L x W x H in inches)							
				Packaging (Peg, Box, etc.)							
				Battery Incl. Y/N (Battery Type)							
				Product Liability Ins Y/N (All Consignees to be named as Additional Insured)							
				Amount \$USD							
				Product Liability Insurance							

This is an example of our Import Quote Sheet. The Chain Drug Consortium will provide you with an Excel Template of the Quote Sheet upon request.

Member Contact Information

All communication to the Members of the Chain Drug Consortium should be directed to the attention of the following personnel. A complete listing of Member information is available on pages 30-35 of this Logistics Guide.

Bartell Drugs

Ron Miller

Justin Richter

Kinney Drugs Inc.

Mike Hatch

Joe Kajdas

Hi-School Pharmacy

Rick Meyer

John Crawford

Vincent Trade (Farmacias Carol)

Carla Curiel

Roberto Castro

Kerr Drugs Inc

Anthony Harris

Ken Patterson

Lewis Drug

Doug Schroeder

Navarro Discount Pharmacies

Jennifer Lemos

USA DRUG

Carl Wheeler

Tracy Timbrook

IMPORT SPREADSHEET INSTRUCTIONS

Vendor Name															
Address															
City, State, Zip															
Phone/Fax															
Contact															
E-mail															
Rep/Broker															
Rep Email/Phone															
Seq #	Factory Name	Mfg Item #	12 Digit UPC No Spaces	Description	Category	Case Cube	Inner Pack	Master Case Pack	Pcs in 20' Cont	Pcs in 40' HQ Cont	MOQ	FOB Point	FOB Cost	Duty %	

- quote sheets and spreadsheets must be prepared as instructed by Import Director
- E-mail spreadsheet only to Import Director
- Different instructions will be provided in China.
- A current Member list can be found in this Guide on pages: 30-35
- Incomplete or Incorrect Quotes/Spreadsheets will hold up the process.

The Chain Drug Consortium Spreadsheet summarizes the items considered for purchase in the same sequence as the Quote Sheets using the information from the Quote Sheets. The Spreadsheet is used by all Members for population. This sheet must accompany the Quote Sheets in order for Members to order. **This sheet must be e-mailed to the Import Coordinator prior to mailing to all Members.** All columns with Green Headings must be completed. Please do not alter the spreadsheet format in any way. Do not add columns or delete columns.

Below are detailed definitions of the Spreadsheet fields.

- Sequence #** The # from the Quote Sheet in order
- Factory Name** Short name of the Factory that will manufacture the item and where it will ship from
- Manufacturer's Item #** The item # used for ordering purposes
- 12 Digit UPC Code** All items must be assigned a UPC # prior to the Consortium's order Finalization. Please enter this number with no spaces or dashes (example: 649216123459)
- Description** Enter a full description of the item as it should appear on the PO and Invoice. Include details such as # of items in as assortment, color etc.
- Category** Indicate the Category in which the item should be grouped. Categories are listed on the next page.
- Case Cube** Master Case in Cubic Feet – No Symbols, numbers ONLY!
- Inner Pack** Indicate the # of pieces in the inner pack, if there is not an inner pack note 0
- Master Case Pack** The # of pieces in the Master Carton
- # of Pieces in a 20' FCL** How many pieces max can fit in a 20' FCL
- # of Pieces in a 40' FCL** How many pieces max can fit in a 40' FCL
- MOQ** Minimum Order Qty required for production
- FOB Port** The closest Port where the factory intends to deliver product for consolidation/shipment
- FOB Cost** The first cost of the item in pieces, not sets. Numbers only, no \$ symbol needed. **Please DO NOT enter more decimal places than your system can handle, Members will use this cost on their PO's.** We only need the max of 3 decimal places, if you list more that is what will be used.
- Duty % HTS CODE MUST BE CORRECT** Indicate the percentage rate for the duty of each item in decimals (ex. 2.670)

CATEGORY GUIDELINES

Halloween

Lighting
Masks/Costumes/Wigs/Make-up
Outside Décor
Inflatables
Toys
Plush
Novelties
Bags
Housewares
Candy
Indoor Décor
Miscellaneous

Christmas

Gift Bags/Tags/Boxes/Bows
Boxed Cards
Lighting
Plush
Trim-a-Home
Trim-a-Tree
Trees
Candy
Outside Décor
Inflatables
Indoor Décor
Housewares
Miscellaneous

Easter

Baskets and Grass
Indoor Décor
Outdoor Décor
Eggs
Plush
Toys
Lighting
Candy
Miscellaneous

Harvest

Baskets
Candles
Outdoor Accessories
Housewares
Décor
Miscellaneous

Valentine

Bags
Lighting
Floral
Indoor Décor
Candles
Plush
Candy Holders
Miscellaneous

Spring and Summer

Beach Chairs
Summer Furniture
Coolers
Fans
BBQ Grills and Accessories
Footwear
Swim and Dive
Outdoor Décor
Lawn and Garden
Miscellaneous

Packing and UPC Label Instructions

1. Member will use the CDC pricing label (*see Page 11*) and placement instructions to follow.
2. All items MUST have a UPC label.
3. If the item already has the UPC label printed on the package, then the Consortium will require a pricing label to be attached to the item. Each Consortium member will have different placement instructions to follow. (See each member section for more information). The supplier must furnish this label at its expense.
4. If the item has no 1. All items must be pre-priced (unless instructed otherwise). Each Consortium UPC printed on the package, then the Consortium will require a UPC label attached to the item on the bottom of the packaging.
5. Each Consortium Member will provide all required Retailer's item numbers and retail price when the final consortium worksheet is complete and each member sends the supplier a purchase order.
6. If the item package weight is or exceeds Twenty-Five pounds (25lbs) a perforated UPC code sticker is to be applied. This sticker has two of the same UPC code on it and one (1) can easily be removed.
7. Any violation of the above mentioned standards may result in implementation of the Fines outlined on Page 22.

Items packaged in a Colored Box

When an item is packaged in a colored box, all pricing labels should be affixed to the front top right hand corner of the item package. The UPC label should be affixed to the bottom of the item package.

Items packaged in a Brown or White Box

Items should never be packaged in a brown box unless the box is intended for shipping purposes only. Items packaged in a white box must have a pre-approved full size color picture of the product affixed to the front of the box. The picture must be proportionate to the size of the box.

Note: If the item comes as a set, the price label must state “per Set”. If the items is a “try me” it must be packaged so the try me button can be easily accessed.

PRICING LABEL INFORMATION

Chain Drug Consortium Label Information

All price labels must be in proportion to the size of the package.

Information

Package Width

Package Height

Label Height .75 (Label Width)

Label Width = .15 (Package Width)

Package Width (cm)
Package Height (cm)
Label Width (cm)
Label Height (cm)

Example

Label Width

Label Height

Package Width is 12 cm

Package Height is 15 cm

Formula for Label Size

Package Width = 12 cm
Package Height = 15 cm
Package Width 12 cm x .15 = Label Width 1.8 cm
Label Width 1.8 cm x .75 = Label Height 1.35 cm

Peggable Product

Header Card Width

Header Card Height

Header Card Width = 19.5 cm
Header Card Height = 6.5 cm
Label Width = 2.9 cm
Label Height = 2.19 cm

Product Labeling

Process Yellow
PMS 485
Black

Member SKU#
Last Digit of Shipping Year

Helvetica Condensed
Black Oblique

Job #1557

All labels must be in proportion to the size of the package
This label format will be used by ALL Consortium Member Retailers

PRICING, PACKING AND UPC LABEL INSTRUCTIONS

1. **The Vendors Distribution Line can be used whenever possible.** Otherwise the Distribution Line must be printed on all packaging and product labels as follows.

Distributed by:

Chain Drug Consortium, LLC.

Boca Raton, FL 33431

Made In _____

2. All items that are made of cloth and considered clothing must state on the packaging the make up of the cloth, i.e., 100% cotton; 50% cotton/50% wool.
3. All items that could be dangerous or hazardous must contain appropriate warnings. These items might include candles, tools, knives, toys, etc.
4. Pricing: if the item is part of a set please add the two words “per set” to the retail price immediately after the retail value on the label.

CARTON MARKINGS

All Chain Drug Consortium Member Retailers will use the same template format (see the following page). All information must be complete, accurate and easily readable. All packaging must be adequate to properly protect the product and withstand the normal handling operations associated with warehousing, cross docking and delivery functions.

All seasonal merchandise must bear seasonal case labels (not provided by the CDC). The labels should be appropriate in color, six inches long and three inches wide and contain CDC's standard seasonal lettering designations. Labels must be placed on all four sides of the carton.

<u>Season (Event)</u>	<u>Label Color</u>	<u>Seasonal Lettering</u>
Christmas/4 th Quarter	Red	XM
Easter/Valentine	Purple	EV
Spring/Summer	Green	SS
Back To School	Yellow	BS
Halloween/Harvest	Orange	HH
Toy	Pink	TY
Appliances	Blue	AP

CARTON MARKINGS CONTINUED

FRONT AND BACK OF CARTON

SIDES OF CARTON

D

Member's Name
PO #

M

C

Member's City, State, Country

Final Destination: City, State, Country → *See list below*

Country of Origin: _____

Carton Number: # of #

MFG ITEM NUMBER: _____

UPC NUMBER: _____

ITEM DESCRIPTION: _____

SKU NUMBER: _____

CASE PACK: _____

NET WEIGHT IN LBS: _____

GROSS WEIGHT IN LBS: _____

CARTON DIMENSIONS: (L) (W) (H)

(inches) _____

Members

Bartell Drug Company
 Kerr Drug, Inc.
 Kinney Drugs Inc.
 Hi-School Pharmacy
 Lewis Drugs, Inc.
 Navarro Discount Pharmacies
 USA Drug
 Vincent Trade (Farmacias Carol)

Seattle, WA 98134
 Henderson, NC 27536
 Gouverneur, NY 13642
 Vancouver, WA 98660
 Sioux Falls, SD 57105
 Medley, FL 33178
 Pine Bluff, AR 71603
 Coral Gables, FL 33134

SAMPLE APPROVAL PROCESS

Step 1 – Pre-Production Samples

Send Samples to:
Chain Drug Consortium, LLC.
68 South Service Road, Suite # 100, Melville, NY 11747
Tel: 631-465-2107 E-mail: icolarco@chaindrugconsortium.com

Please note new Sample Process implemented by the Chain Drug Consortium which will reduce cost and time.

Pre-Production samples must arrive no later than four weeks after the Chain Drug Consortium Final Spreadsheet is issued to the Vendor.

Vendor is to send Pre-Production Approval Samples **with intended artwork** to the Chain Drug Consortium Import Office at the address listed above. Only send items highlighted on FINAL Spreadsheet by the Import Director. Please mark the outside of the shipping carton with the Vendor Name and Season. The Vendor must include one copy of the **Final spreadsheet inside the box/carton.**

*All samples should have a Product Information tag (to include the vendor name, spreadsheet sequence number, manufacturer item number and price). Only one sample of each item selected by the Import Director is required. **If the item is an assortment, only one item out of the assortment is needed. If the item is a re-order from the previous year with no changes, no pre-production sample is required during this phase.***

Vendor will pre-pay all shipping and duty charges, if applicable for the samples.

NON COMPLIANCE OF ABOVE COULD RESULT IN PENALTY OF \$500.00 PER ITEM.

Step 2 – Chain Drug Consortium Accepts or Rejects the Samples

Five days after Chain Drug Consortium receives the approval samples, Chain Drug Consortium will notify the Vendor via an email whether the samples have been accepted or rejected. If rejected, Chain Drug Consortium will notify the vendor with the proper instructions to modify the sample and repeat Step 1 on the modified sample. Member payment for product requires the sample approval process to be completed.

It is the responsibility of the Vendor to make the necessary changes of the approval sample within five business days after receiving the rejection advice via email. If the vendor has not modified the sample to the Chain Drug Consortium specifications and the ship window has begun, Chain Drug Consortium has the right to cancel the item and impose penalties of up to \$500.00 per item. If an item ships without sample approval and the item is deemed un-saleable at retail for any reason, the Supplier will incur all costs and penalties associated. Supplier will be required to refund the ordering Member(s) the entire invoice amount.

Step 3 – Ordering Member Approves the Retail Price Label

Four weeks prior to start of the ship window, the Vendor **e-mails** each ordering Member a pdf file of the ordering Member's retail price label(s). The Member approves the pdf file with the Vendor by return e-mail correspondence. Please copy icolarcochaindrugconsortium.com on all correspondence to all Members.

PHOTO SPECIFICATIONS FOR ORDERED ITEMS

A photo CD of all ordered items needs to be prepared by the Vendor once all samples have been approved by the Chain Drug Consortium Import Office. Each Member of the Chain Drug Consortium and the Chain Drug Consortium Import Office needs to be sent a copy of the photo CD. The contact information for the Members and the Import Office can be found in the Chain Drug Consortium's Logistics Guide. The Vendor needs to address the box/carton containing the CD with the current Member information as well as their return address and must pay for shipping and duty.

The CD must be labeled to match the FINAL spreadsheet. The CD must contain pictures of all ordered items. All photos must adhere to the following requirements.

- Photos must be saved as JPEG, TIF or EPS files only.
- All images should be at least 300 dpi, 3" for ads.
- All product images must include the UPC in the file name.
- Items must be photographed out of package with the exception of tree ornaments, light sets etc.
- Do not photograph items inside displays. Please photograph the sellable item from the display only.
- Items should not be photographed with visible hang tags or price tags.
- Christmas Trees, wreaths and garland should be photographed as if "in use" and on a bright white background.
- Products in clear plastic boxes such as tree ornaments should be shot on a white background.
- Products in multiple item shots should not overlap or shadow each other.

All items need to be photographed as if they were going in a catalog. These pictures will be used by the Members of the Chain Drug Consortium for their individual store advertisements. Unacceptable images will need to be re-photographed in the correct format.

PAYMENT METHODS

Wire Transfer (preferred method)

Once the purchase order from each ordering Member is received you will need to submit to each ordering Member the following documents to process the wire transfer:

- Sales Confirmation
- Wire Transfer Information Request Form

Once your cargo has been delivered to Maersk Logistics at a foreign port you will need to submit to each ordering Member the following documents for payment:

- Copy of the original signed commercial invoice
- Copy of the original signed packing slip
- Copy of the original signed forwarder's cargo receipt
- Copy of CPSIA certificate

It is important to note that your wire transfer will be paid by shipment. Multiple shipments will require multiple submissions of the above (4) documents as they pertain to each shipment.

Letter of Credit

Once the purchase order from each ordering Member is received you will need to submit the following documents to process the Letter of Credit:

- Sales Confirmation
- L/C Information Request Form with L/C Instructions

Once your cargo has been delivered to Maersk Logistics at a foreign port you will need to submit original document sets (as stated and required by each Ordering Member's letter of credit) to each Members advising bank for payment

The Final Method of Payment will be determined by Ordering Member and Manufacturer.

VENDOR WIRE TRANSFER/LC INFORMATION FORM



Chain Drug Consortium

Vendor Information

Vendor Name	
Street Address	
Street Address cont.	
City State and Zip Code	
Country	
Phone	
FAX	
Contact Person	
E-mail Address	
Domestic Contact	
Domestic Phone	
Domestic FAX	
Domestic E-mail Address	

Advising Bank Information

Method of Payment	
Bank Name	
Street Address	
City, State, and Zip Code	
Country	
Account Number	
Swift # (ABA routing #)	

I hereby understand and agree to the before-mentioned terms associated with this method of payment.

Name receipt of individual member's purchase order. For faster processing, please make sure your sales confirmation contains the correct information

CONTINUING COMMODITY GUARANTEE

In consideration of the purchase from time to time, of articles of food, drugs, commodities, and goods of every kind and description from the undersigned (hereinafter called "Seller") by the Consortium and or any other corporation which is now or hereafter becomes affiliated with the Consortium (hereinafter called "Buyer" which term includes any one or more of said corporations), Seller:

- A) Does hereby guarantee that, as of the date of shipment or delivery, the article of food, drugs or other commodity comprising each shipment or other delivery hereafter made by Seller to, or on the order of Buyer, is, on such date, (1) not adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act; (2) not an article which may not be under the provisions of Section 404 or 505 of said Act, be introduced into interstate commerce; (3) not adulterated or misbranded within the meaning of the pure food or drug laws or ordinances of any state or city which are applicable to such Shipment or delivery; and (4) complies with all other applicable provisions of the Federal Food, Drug and Cosmetic Act;
- B) Does hereby guarantee that prior to the distribution in commerce of articles of food, drugs, commodities and goods of every kind and description, all provisions of the Consumer Product Safety Act have been complied with;
- C) Does hereby guarantee that as of the date of shipment or delivery, the article (including the article's packaging), comprising each shipment or delivery hereafter made by Seller to, or on the order of Buyer:
 - 1) Lawfully registered, if an economic poison, under the Federal Insecticide, Fungicide, and Rodenticide Act and under comparable state laws relating to registration in state(s) to which shipment or delivery is made by Seller and in which Buyer intends such economic poison at retail and has so notified Seller;
 - 2) Not adulterated or misbranded within the meaning of said Federal Insecticide, Fungicide, and Rodenticide Act, if an economic poison;
 - 3) Not misbranded within the meaning of the Federal Hazardous Substances Labeling Act, if a hazardous substance, or within the meaning of the Federal Caustic Poison Act, if a caustic poison;
 - 4) Complies with the warning requirements contained in the California Safe Drinking Water Toxic Enforcement Act of 1986;
 - 5) Complies with the Fair Packaging and Labeling Act;
 - 6) Complies with all applicable federal, state or other governmental entity air quality standards, rules and/or regulations.
 - 7) Complies with all other federal and state laws, which may apply to the article its packaging.
- II) Does hereby agree to indemnify and save the Buyer harmless from and against any and all charges, actions and proceedings brought by any lawful governmental authority against the article and/or Buyer for or on account of any alleged adulteration or misbranding of such article referred to in Paragraphs I. A., I.B. and I. C. hereof for which Seller is responsible hereunder, including the loss and reasonable expenses, if any, incurred by Buyers as a result thereof;

CONTINUING COMMODITY GUARANTEE

- III) Does hereby agree to indemnify and save the Buyer harmless from and against any and all claims, demands, actions, and causes of action which are hereafter made or brought against the Buyer by any person or entity for equitable, legal, or other relief which is caused or alleged to have been caused by the handling, consumption or use by person or animal of any article of food, drug, commodities, and goods of every kind and description shipped or delivered by Seller to Buyer, including, but not without limitation, any judgment rendered against Buyer in any such action and the reasonable attorney's fees and costs, if any, incurred by or on behalf of Buyer in connection therewith.
- IV) This warranty and guarantee is executed by Seller upon and subject to the following conditions:
 - A) With respect to Paragraphs I.A., I.B., and I.C. hereof, Seller does not guarantee against any such article becoming adulterated or misbranded within the meaning of said Act or any of said laws of ordinances after shipment or delivery to Buyer, by reason of causes beyond Seller's control (provided, that any adulteration or misbranding which is found to exist after such shipment or delivery and which is caused by any defect in the processing or packing of such article or by any defect in the container in which the article is packed shall be regarded as having existed at the time of such shipment or delivery for the purposes of Paragraphs I.A., I.B., and I.C. hereof), and in those cases in which an article is shipped under Buyer's brand label, Seller's responsibility for misbranding shall be limited only to that resulting from the failure of the article to conform to the purchase specifications or label furnished by Buyer, provided that Seller shall not be responsible for such misbranding if Buyer insists upon the use of Buyer's brand label after Seller has notified Buyer, in writing, of the defects of the label giving rise to any such liability;
 - B) With respect to Paragraphs II and III hereof, the indemnity provisions therein contained shall be operative only if Seller received reasonable notice of the seizure of such article or the service upon Buyer of the process in such proceeding or action, as the case may be;
 - C) With respect to Paragraphs II, and III hereof, the indemnity provisions therein contained shall not be applicable to any claim, demand, action or cause of action which is founded upon the alleged property damages, injury, illness, and/or death of any person or animal if it is established that such alleged property damages, injury, illness and/or death resulted, solely and independently of all other means, from the negligence of Buyer, and or such person and/or from a cause or causes beyond Seller's control;
- V) Any Warrantee or guarantee heretofore given by Seller to Buyer which related to the subject matter is hereby revoked and this warranty and guarantee shall not be deemed to be modified or otherwise affected by any agreement hereafter entered into by Seller and Buyer unless specific references to this guarantee are therein made. This warranty and guarantee shall continue in effect with respect to all articles of food, drugs, commodities and goods of every kind and description purchased or ordered by Buyer from Seller prior to the receipt of written notice of its revocation by the Consortium at the address of CDC, 2300 NW Corporate Blvd., Suite 115, Boca Raton, Florida 33431, or such other address as may be designated in writing by the Consortium to Seller. Seller hereby waives notice of the acceptance of this guarantee.

Print/Type Name of Seller _____

Date _____

Street or PO Box _____

Print or Type Seller's Authorized Agent _____

City, State, Zip Code _____

Signature of Seller's Authorized Agent _____

WARRANTY OF ORIGINALITY

D) In consideration of the purchase, from time to time, of goods, commodities, and products (hereinafter called "product(s)") from the undersigned (hereinafter called "Seller") by the Consortium, and/or any other corporation which is now or hereafter becomes affiliated with the Consortium (hereinafter called "Buyer" which term includes any one or more of said corporations), the Seller warrants to Buyer that Seller has performed a sufficient investigation to determine that all of the following statements are true and correct, and Seller further warrants that each of these statements are true and correct as they relate to the product(s) offered for sale to Buyer;

- A) The product(s)'s design was an original design effort by its manufacturer, from whom Seller obtained the product(s), and it was not a reproduction or copy, in whole or part, of any other product in violation of the patent, trademark or copyright laws of the United States of America.
- B) The packaging, labels and logos used for the product(s) were not copies from the packaging, labels and logos of any other product(s) and were not designed to look like the packaging, labels and logos of any other product(s).
- C) Seller knows of no instances where any person has confused the product(s) or its origin with any other product(s) or its origin.

II) Seller does hereby agree:

- A) To indemnify and save the Buyer harmless from and against any and all charges, actions and proceedings brought by any lawful governmental authority against the Product and/or Buyer for or on account of any alleged infringement of any patent, trademark or copyright or act resulting in unfair competition or when any of the above warranties (Paragraphs I.A., I.B., and I.C.) are a cause of action.
- B) To indemnify and save the Buyer harmless from and against any and all claims, demands, actions, and causes of action which are hereafter made or brought against the Buyer by any person for the recovery of damages to property and for the injury of any person which is caused or alleged to have been caused by infringement of any patent, trademark or copyright or act resulting in unfair competition or when any of the above warranties (Paragraphs I.A., I.B. and I.C.) are a cause of action.
- C) That in the event a temporary or permanent injunction is issued by a lawful governmental authority against the product(s) and/or Buyer prohibiting the further sale of the product(s) or the product(s) is seized by such authority or its agents, then Seller shall immediately reimburse Buyer the original purchase price of the unsold Product including all freight and warehouse costs incurred and any further freight, warehouse or disposal costs the Buyer may incur or be held liable for as a result of the authority's orders or actions.

III) This warranty shall remain in effect for a period of five (5) years from the date of execution, and shall automatically renew for additional one (1) year terms unless notice of intent to terminate is received by the Consortium no less than sixty (60) days prior to expiration of the then-current term. Such notice must be sent to the Consortium at the address of 2300 NW Corporate Blvd., Suite 115, Boca Raton, Florida 33431.

Print/Type Name of Seller _____

Date _____

Street or PO Box _____

Print or Type Seller's Authorized Agent _____

City, State, Zip Code _____

Signature of Seller's Authorized Agent _____

SUMMARY OF POSSIBLE PENALTY FEES

These fees may be charged by each Member of the Consortium via deduction from invoice or direct bill to Supplier.

Missing or late pre- and/or production samples:	\$500.00 USD <i>per item</i>
Failure to pre-price / price / or UPC code correctly:	\$500.00 USD <i>per item</i>
Missing / incomplete / incorrect shipping or negotiating documents:	\$500.00 USD <i>per shipment</i>
Non-utilization fee Expired Letter of Credit:	\$65.00 USD <i>per shipment</i>
Amendment required by the beneficiary:	\$70.00 USD <i>each amendment</i>
Multiple presentations against an L/C (more than 2 presentations):	\$80.00 USD <i>each additional presentation</i>
<i>Missing CPSIA CERTIFICATE</i>	\$ 1000.0. USD
Shipping outside of the agreed upon “Shipping Window”:	\$500.00 USD <i>per item</i>
Items cancelled by Supplier within the Shipping Window	\$500.00 USD <i>per item</i>
Load Configuration Non-Compliance	\$500.00 USD <i>per item</i>
Factory, Port or MOQ changes after Final Spreadsheet	SUPPLIER will assume Additional charges for changes
Harmonized Tariff schedule incorrect code	\$500.00 USD per item

The above Pre-pricing and UPC fines will be enforced!

DO NOT assume a previously used format or a general format will be acceptable! You must follow the pricing formats illustrated in this Guide!

DEFECTIVE ALLOWANCE

The Chain Drug Consortium Quote sheet allows for a Defective Allowance of ½ of 1% on every quoted item. This is a standard deduction for all items presented to the Consortium.

The Chain Drug Consortium reserves the right for its Members to charge a larger percentage than the standard allowance currently being charged for Defectives based on Members accruing and documenting the problems per item.

In order for additional charges to take place the Member would first contact the Chain Drug Consortium and the Vendor with documentation.

Once all documentation is received by the Vendor they would then have five (5) days to respond with an answer to Chain Drug Consortium and the Member on how to handle the charges as well as the Defective items.

C-TPAT BUSINESS PARTNER INFORMATION

Jan 1, 2010

Re: C-TPAT Business Partner Questionnaire

Dear Valued Business Partner:

The attached questionnaire is being submitted to you for your completion and signature. If you are a member of your country's Customs Administration Supply Chain Security Partnership, please provide proof in the way of certification or other relative documentation. If you are able to provide this documentation, then the questionnaire will not be necessary. Otherwise, please complete and sign the questionnaire and return it to us promptly, as this documentation is required before issuance of Purchase Orders to place order with your company.

All return documentation requested should be forwarded to:

Chain Drug Consortium, LLC.
68 South Service Road, Suite #100
Melville, NY 11747
Ph# 631-465-2107

If you have any questions concerning this request, please contact us at lcolarco@chaindrugconsortium.com

Thank You in advance for your cooperation in support of our C-TPAT Program Compliance.

Sincerely,

Lee Colarco
Vice President GM and Consumables

C-TPAT BUSINESS PARTNER QUESTIONNAIRE

Chain Drug Consortium, LLC
C-TPAT Business Partner Questionnaire

PAGE 1 of 2

Container Security

- 1.) Our Facility(s) has in place proper procedures to ensure integrity of seal container security at point of stuffing and the seal is maintained
- 2.) All container seals meet or exceed the current PAS ISO 17712 standard for security seals
- 3.) We have procedures in place to verify the physical integrity of the container structure prior to stuffing. These procedures include verification of the physical integrity of the front wall, left side, right side, floor, ceiling, inside/outside doors a

YES NO

Information Technology Security

- 4.) Do automotive systems that use individually assigned accounts have password protection?
- 5.) Are passwords changed periodically?
- 6.) Are all Employees trained on IT policies and procedures?
- 7.) Is a system in place to identify abuse of Information Technology, including improper access and altering data?
- 8.) Are all system violators subject to disciplinary actions?

Physical Security

- 9.) Is your facility(s) constructed of materials that resist unlawful entry?
- 10.) Are locking devices or alarm systems used to protect external and internal doors, windows and gates?
- 11.) Motion Detectors?
- 12.) Locking Devices?
- 13.) CCTV Cameras?
- 14.) Other? If other, specify

-
- 15.) Are there established procedures to ensure prompt and immediate response to an alarm condition?
 - 16.) Is there emergency generator and/or battery back-up for the alarm system?
 - 17.) Is there Central Station monitoring?
 - 18.) Does your facility(s) have steel doors and steel frames for all doors?
 - 19.) Are all doors in operable condition?
 - 20.) Do you have a key and lock control system and master ledger?
 - 21.) Are locks and key control systems inspected? Frequency of inspections?
 - 22.) Is there written directive for inspections?
 - 23.) Are locks changed immediately upon loss or theft of keys?
 - 24.) Do you have Standard Operating Procedures Manual in place?
 - 25.) Is there controlled and adequate lighting at perimeter fences, entrances and exits, gatehouse, dock areas, storage areas, loading and unloading areas, container storage areas?
 - 26.) Is the parking area segregated from docks and cargo areas?
 - 27.) Do you have Visitor parking area segregated from Employees?
 - 28.) Do you have a visitor badge policy and procedure?
 - 29.) Are vehicle and visitor entry logs maintained?
 - 30.) Are there security patrols of parking areas?
 - 31.) What is the perimeter fence height? _____
 - 32.) Does fence have barbed wire? Type? _____
 - 33.) Is perimeter fence line intact, taut and well secured?
 - 34.) Does fence have alarm?
 - 35.) Does fence span entire facility and yard?
 - 36.) Is fence inspected? How frequently? _____
 - 37.) Are inspections logged?
 - 38.) If fencing is not used, what is used as a deterrent? _____

-
- 39.) Is a CCTV System used to monitor facility(s)?
 - 40.) How many cameras? _____ Are cameras monitored?
 - 41.) If monitored, is the monitoring room secured?
 - 42.) Is access to monitoring room restricted?
 - 43.) Are CCTV images recorded?
 - 44.) Are there written CCTV Security procedures?
 - 45.) Do you have security guards?
 - 46.) Are guards deployed during business / operating hours?
 - 47.) Are guards deployed after operating hours?
 - 48.) Does your facility have a gatehouse?
 - 53.) Are Visitors pre-approved before entering facility and escorted while on premises?
 - 54.) Is there a Visitor Pass/ID System in Place with written procedures?

YES NO

- 55.) Is there a gate Pass System in place for Drivers?
- 56.) Do Drivers log in/out?
- 57.) Are Trucks, Containers and Trailers inspected and logged?
- 58.) Are Contractors and Vendors required to provide Photo ID?
- 59.) Are all vehicles inspected and logged?
- 60.) Is there a separate gate for employees and vendors?
- 61.) Are there procedures in place to prevent terminated employees and contractors from access to facility, ID Cards, Keys, Electronic Systems and other sensitive information?
- 62.) Are procedures and policies in place to restrict re-hiring of terminated employees and contractors?
- 63.) Is there password protection system with expiration dates and mandatory reset requirements for electronic access?

Procedural Security

- 64.) Are there security measures in place to prevent any unauthorized persons from entering production, assembly and packing security?
- 65.) Are there procedures to prevent product tampering during production?
- 66.) Are there procedures to prevent product tampering during packing?
- 67.) Does your facility(s) have a communication system to contact security personnel if a security concern arises?
- 68.) Do you have a policy restricting employee packages brought into production areas?
- 69.) Are employee lockers, etc kept away from production areas?
- 70.) Is cargo that is produced, assembled, packed and/or loaded properly marked and properly secured?
- 71.) Is an inventory conducted of all cargo assembled produced and packed?
- 72.) Are there random trash inspections in areas of production, assembly, packaging and loading?
- 73.) Are employees required and instructed to report anyone in these areas that do not have ID badges or who they do not recognize?
- 74.) Is there a written Standard Operational Procedure for Cargo Reception, Storage and Delivery?
- 75.) Is the receiving area segregated from the shipping area?
- 76.) Are these areas properly marked and controlled?
- 77.) Is there a waiting area for drivers?
- 78.) Is cargo received/shipped properly; marked, weighed, documented and counted?
- 79.) Are these procedures verified against the shipping/receiving documents?
- 80.) Are these documents legible and complete?
A.) Are these documents maintained for any specified period?
- 81.) Are security controls in place to prevent the introduction of foreign materials at the point of loading?
- 82.) Are shortages/overages recorded, reported and investigated?
- 83.) Is imported and exported cargo segregated?
- 84.) Are security seals placed on arriving/departing containers and trucks?
- 85.) Are full/empty containers stored door to door to prevent access?
- 86.) Are seals verified at time of loading/Unloading?
- 87.) Is there a security seal control record procedure in place?
- 88.) Are seals stored in a secure place?
- 89.) Are seals restricted to authorized persons only and log maintained?
- 90.) Is there a security procedure in place if security seals are compromised?
- 91.) Do security personnel monitor the loading/unloading of cargo?
- 92.) Does CCTV monitor these areas?
- 93.) Are all containers (loaded/empty) weighed and examined upon receipt?
- 94.) Is there a procedure established for product control fo in-transit cargo?
- 95.) Are Drivers inspecting locks and seals anytime the vehicle has been left unattended(out of visual sight) and before the Driver proceeds on route?

Transportation (Company Drivers)

- 96.) Are procedures in place for communicating with and tracking drivers delivering cargo, containers and trailers to their final destination on time parameters established?
- 97.) Do you have an electronic communication system?
- 98.) Do you have satellite tracking system?
- 99.) Do you have a panic button system?
- 100.) Do you have checkpoints and/or other monitoring methods available?

C-TPAT BUSINESS PARTNER INFORMATION

Storage Area(s)

YES NO

- 101.) Are your storage area(s) Properly Secured?
- 102.) Are your storage areas well lighted?
- 103.) Are your storage areas controlled?
- 104.) Are your storage areas locked?
- 105.) Are your storage areas fenced?
- 106.) Are your storage areas monitored by Security Personnel?
- 107.) Do you have written policies pertaining to security of storage areas?

- 108.) Is stored cargo moved directly to shipping/assembly?
- 109.) Are containers empty or partially loaded or fully loaded stored in a secure area to prevent unauthorized access?
- 110.) Is inventory conducted on all shipped or stored cargo?
- 111.) Is high valued cargo stored separately?
- 112.) Is hazardous cargo properly labeled?

- 113.) Is import/Export cargo stored separately?
- 114.) Does only authorized personnel have access to this area?
- 115.) Is there a procedure to prevent unauthorized person from entering this area?

Personnel Security

- 116.) Are security personnel contracted?
- 117.) Are they uniformed?
- 118.) Is there a designated Security Director?
- 119.) Are security guards utilized 24 hours?

- 120.) Are security guards armed?
- 121.) Are routine patrols conducted inside and outside the facility(s)?
- 122.) Are there any internal/external communication systems in place to contact:
 - A.) Security Personnel?
 - B.) Local Law Enforcement?
 - C.) Company's Delivery Drivers?
- 123.) Do security personnel inspect all cargo in and out of the facility(s)?
- 124.) Are inspections recorded?
- 125.) Are discrepancies recorded?
- 126.) Are discrepancies investigated?
- 127.) Are security personnel and employees trained on security awareness and procedures?
- 128.) Is there a frequency requirement for training? Frequency _____
- 129.) Is terrorism training included?
- 130.) Does corporate Security Manager(s) attend and/or receive specialized training?
- 131.) Do security personnel monitor CCTV cameras and trained on operation of system?

Personnel Screening

- 132.) Are all employees pre-screened before employment?
- 133.) Are background checks performed on all employees?
- 134.) Are Temporary workers hired by outside agency?
- 135.) Are Temporary Workers background checked?
- 136.) How many years back are included in background checks?
- 137.) Do background checks include criminal convictions?
- 138.) Are professional licenses and certificates checked?
- 139.) Is drug screening conducted?
- 140.) Are photos of employees held on file?

Identification System

- 141.) Is there an identification system for personnel in place?
- 142.) Is photographic identification required for all employees?
- 143.) Are Temporary Visitor ID badges issued?
- 144.) Are there procedures in place to retrieve visitor badges?
- 145.) Are there procedures in place to retrieve terminated employee ID badges?

Education, Training & Awareness

- 146.) Is there a security awareness program in place?
- 147.) Do employees receive terrorism training?
- 148.) Do employees receive theft awareness training?
- 149.) Do employees receive training on documentation fraud?
- 150.) Do employees receive training on procedures dealing with overages/shortages?
- 151.) Do employees receive training on computer/systems security controls?

Service Providers

- 152.) Do you have written security standards for service providers including manufacturer's physical plant, warehouse providers transporters, brokers, freight forwarders and suppliers?

- 153.) Do you have on file all service providers complete name, background, physical address, telephone numbers, names of company officers and their titles and names of security providers?
- 154.) Do you have quality controls on the production process to ensure system integrity?

YES NO

- 155.) Do service providers have ISO standards for security certification?
- 156.) Do they participate in a Customs Partnership Program?
- 157.) Are there procedures for unannounced factory /vendor audits?
- 158.) Procedures for audit findings, recommendations and corrections?
- 159.) Procedures for site assessments?
- 160.) Procedures for compliance audits?
- 161.) Procedures for identifying security risks?
- 162.) Are there procedures to develop an effective local and national communication network with government, police and commercial resources?

Certifications & Audits

- 163.) Is your company C-TPAT Certified?

- 164.) C-TPAT Registration Number? _____
- 165.) If not C-TPAT Certified, Are you certified in a WCO (World Customs Organization) Accredited Security Program?
- 166.) Will you attach proof of your WCO Accreditation with this Questionnaire?
- 167.) Chain Drug Consortium, LLC may from time to time conduct periodic reviews of business partners' processes as part of our C-TPAT compliance maintenance. Are you agreeable to such periodic reviews?

ADDITIONAL COMMENTS: (Please reference Question Number when providing supplemental information and utilize extra sheet attachments as you deem necessary)

**RETURN COMPLETED QUESTIONNAIRE TO
CHAIN DRUG CONSORTIUM, LLC IMPORT OFFICE**

SUPPLIER VERIFICATION
Firm or Corporate Name
Authorized Representative (Print)
Title of Representative
Signature of Representative

LOGISTICS

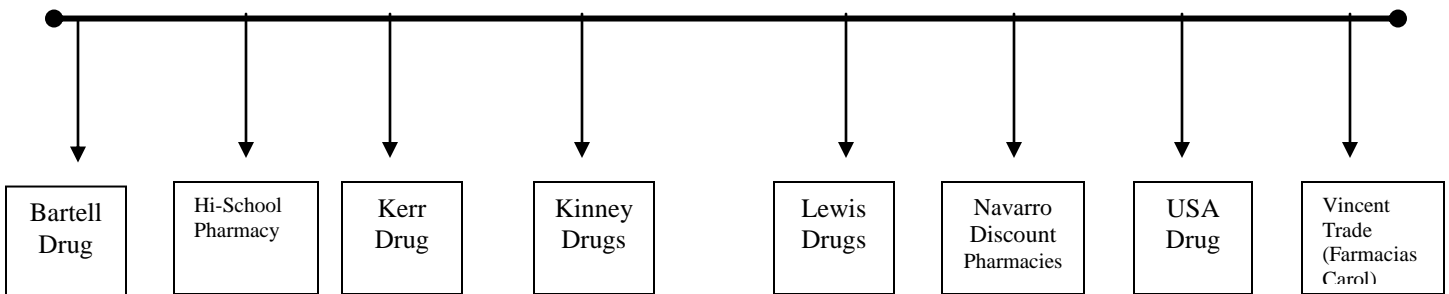
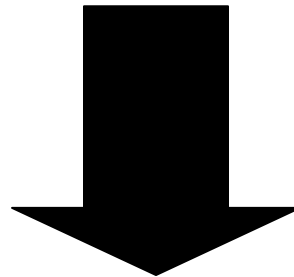
4 Shipping Options

Option 1: Factory Full Container Loads per Member

A. The factory loads one or more full containers for each ordering Member of the Consortium. These full containers are then shipped from the quoted foreign origin port.



B. Each of the ordering Member's full container loads is delivered FCL to each ordering Member's respective US port. They are then delivered FCL to each ordering Member's destination.

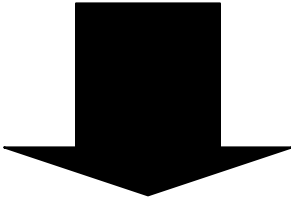
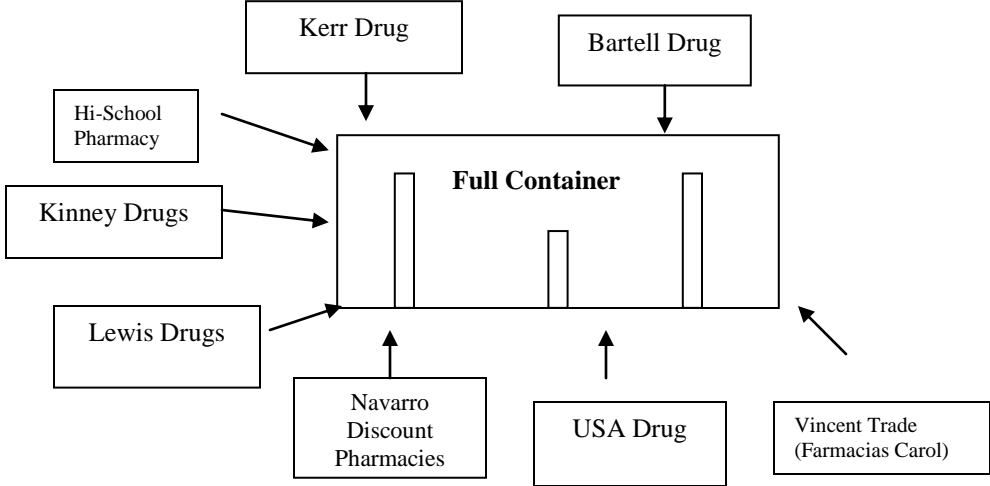


LOGISTICS

4 Shipping Options

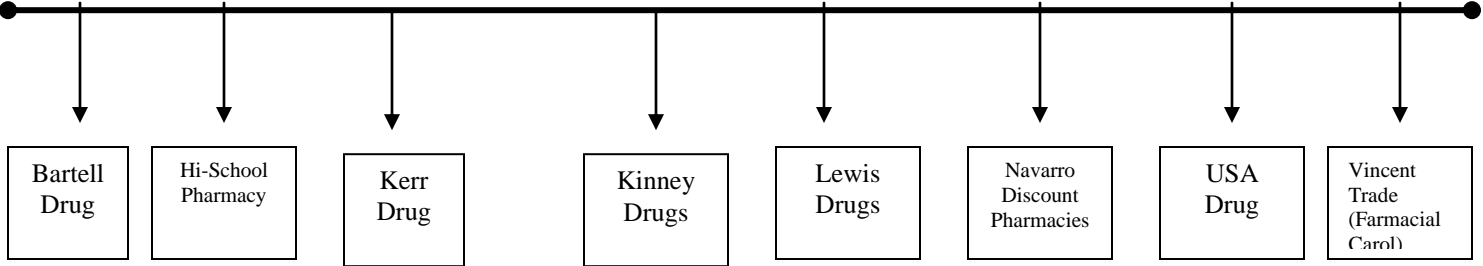
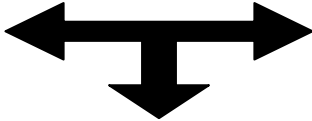
Option 2: Factory Full Container Loads - Combined Members

A. Factory load of ordering CDC Members' goods into one or more full containers. These containers are then sent to our Freight Forwarder at the quoted foreign port who ships to a deconsolidator at a US port.



Deconsolidator at US Port

B. The consolidated containers are then split at the deconsolidator in the US and sent to each Member's destination.

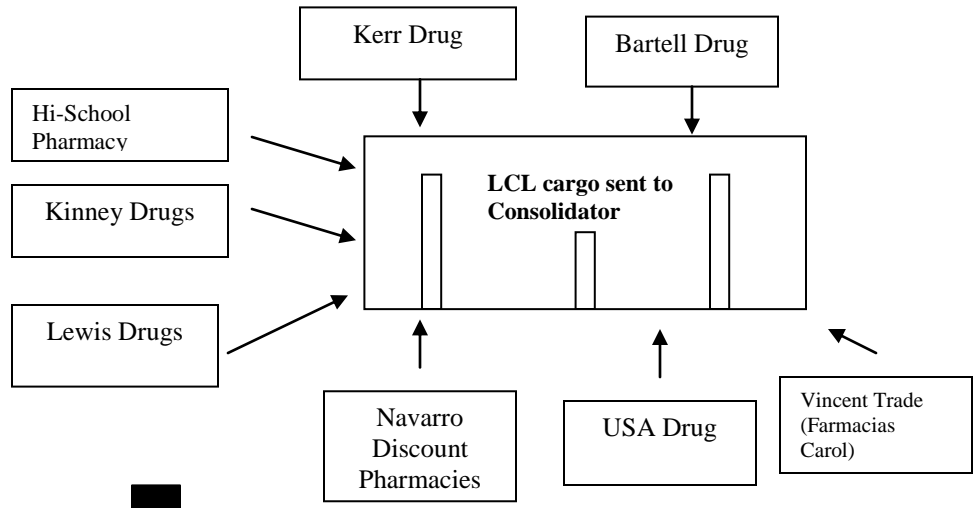


LOGISTICS

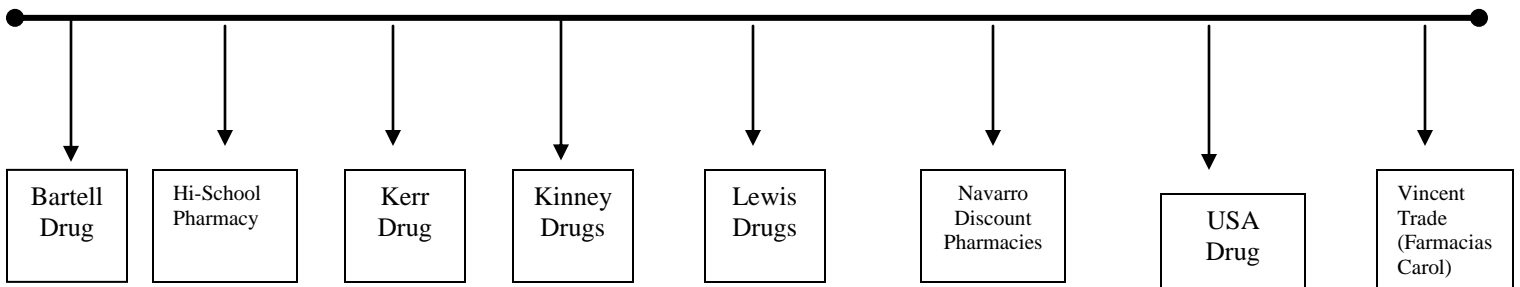
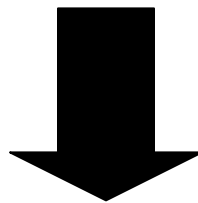
4 Shipping Options

Option 3: Factory Less than a Container Load – Individual Member

A. The factory ships all of the Consortium Members' less than container orders to the Member's forwarder /consolidator at the quoted foreign port.



B. The consolidator combines each ordering Member's goods with other suppliers' goods to create full containers per ordering Member. This FCL cargo is then shipped to each ordering Member's respective US port. The goods are then delivered to each ordering Member's destination.



LOGISTICS

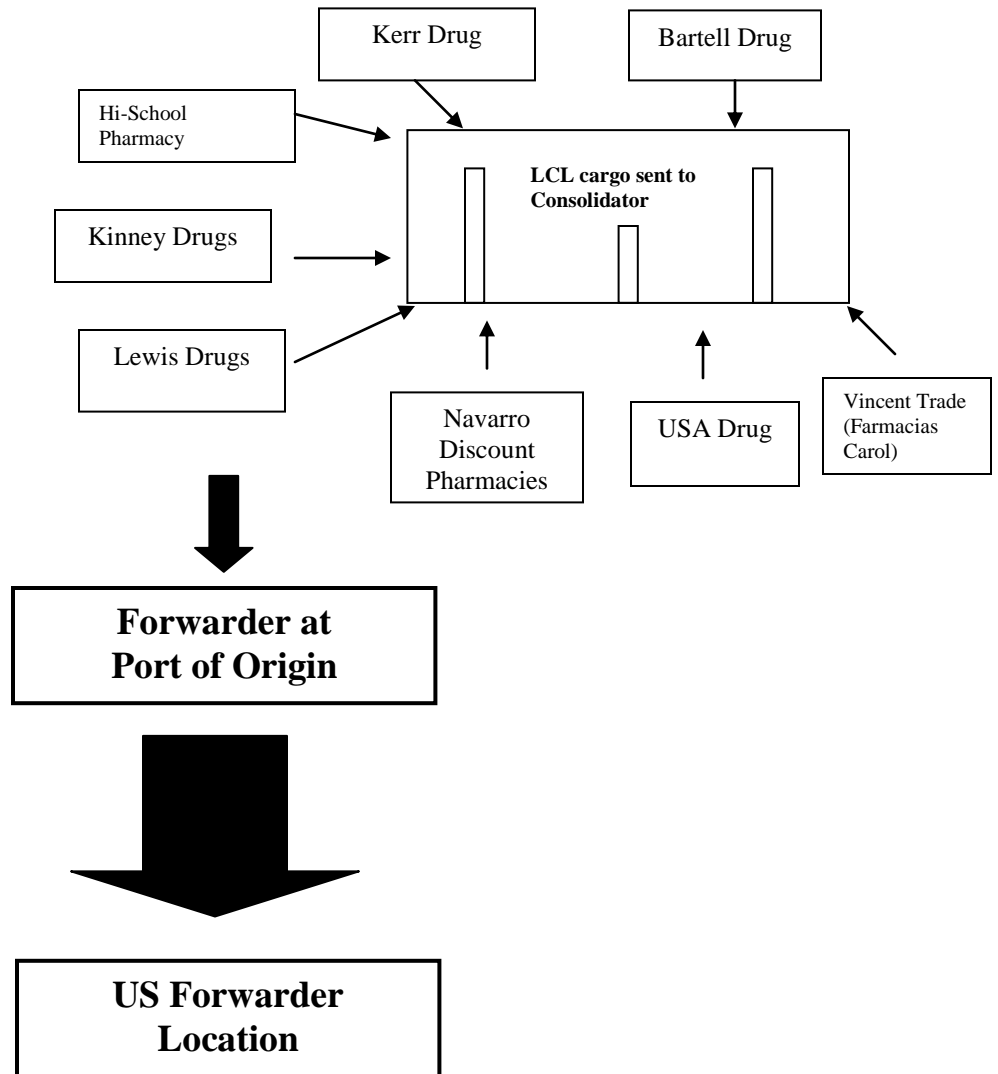
4 Shipping Options

Option 3: Factory Less than a Container Load – Combined Members

A. The factory ships all of the CDC's ordering Members' less than container goods to the designated consolidator at the quoted foreign port.

B. The designated consolidator combines the CDC's ordering Members' goods with other suppliers' goods to create one or more combined full containers. These combined full container loads are then shipped to the Forwarder's destination at a US location.

C. The deconsolidator then separates the goods by Member and sends them to each Member's destination.



FREIGHT FORWARDING AGENT INFORMATION

Damco Logistics Addresses and Contacts

Note: Other locations and phone numbers may be found on Damco Logistics web site at:
www.damco.com

North America

Damco Logistics USA Inc.
6000 Carnegie Blvd
Charlotte, NC 28209-4637
Phone: (1) 704-571-2330

Charlotte Office)

Fax: (1) 704-571-4858

Contact: **Dianne Cook**

CDC Client Owner

Phone: (1) 704-571-2175

E-mail: Dianne.cook@damco.com

Fax: (1) 704-571-4605

Shenzhen

Damco Logistics (China) Co. Ltd.
32/F Shun Hing Square
Di Wang Commercial Centre
5002 Shen Nan Dong Road
Shenzhen, China 518008
Phone: (860) 75525021963
Contact: **Chris Cang**

Fax: (860) 75525022131

E-mail: szhlogcdc@damco.com

Taiwan

Damco Logistics Taiwan Ltd.
6th Floor, No. 30, Pa The Road, Sec. 3,
Taipei 105, Taiwan
Phone: (886) 2 2578 4888
Contact: Mr. Vincent Su

Fax: (886) 2 2577 6849

E-mail: twnologscmmng@damco.com

US CUSTOMS IMPORT BROKER

Damco Customs Services Inc.
700 NW 107th Avenue
Suite 400
Miami, FL 33172

Contact: **Simone Jones**
Phone: 305-485-3609

E-mail: miachbopsdoc@damco.com

Fax: 305-553-0806

Contact: **Sonia Aguado**
Phone: 305-4485-3730

E-mail: miachbopsmng@damco.com

Fax: 305-553-0806

Contact: **Jim Percival**

E-mail: namlogchb@damco.com

Phone: 973-301-8423

DAMCO LOGISTICS BOOKING INSTRUCTIONS

U.S. Customs 24-hour Advance Cargo Manifest Rule

In view of the above US Customs Rule that took effect on December 2, 2002, the following are changes in booking and documentation procedures for all CDC's Member shipments. This will enable us to comply with subject rule.

Note: Any missing, incomplete, inaccurate or late information from the supplier will result in cargo not being loaded and fines levied by US Customs against the ocean carrier in the amount of \$5,000 for the first violation and \$10,000 for each subsequent violation. These costs will be subsequently charged back to you, as the shipper.

Booking Timeline

Supplier must place booking in writing to Damco **a minimum of 14 days in advance of the early ship date** on CDC Ordering Member(s) Purchase Order.

Data required to be stated on Shipping Order at the time of booking with Damco:

- Complete Shipper's Name and Address
- Complete Consignee's Name and Address
- Cargo Description: Precise and complete cargo description and weight & measurement of cargo must be declared at time of booking. Generic descriptions such as "FAK" (freight all kinds), "General Cargo", and "STC" (said to contain) will not be accepted.
- Piece Count Quantities per SKU: The smallest visible quantity (inside package) needs to be declared on each SKU. The following package types are not acceptable such as container, pallet, bundle and skid. For example, 1 pallet of 100 cartons must be declared at time of booking as 100 cartons. A description of 1 pallet will not be accepted.
- Total Number of Cartons
- Notify Party
- Order Member(s) PO Number & SKU Number
- Container Size Requested (CY cargo)
- Port of Load & Ordering Member Final Destination
- Estimated Cargo Ready Date
- Estimated Cargo Delivery Date (CFS only)

As part of the new rule, Carriers will have to submit complete shipment information to U.S. Customs 24 hours before a container loads the vessel. Therefore, this will necessitate advancing the submission of the container load plan. This will vary from port to port, however an additional 12-24 hours (36-48 hours before loading) should be expected. In addition, the cut offs for delivery of the goods to the port will change. Please contact Maersk Logistics for the new times as they also vary from port to port.

For additional information regarding the requirement of this Advance Cargo Manifest rule, please visit the following websites:

U.S. Customs www.customs.ustreas.gov
World Shipping Council www.worldshipping.org

MEMBER INFORMATION

Bartell Drug Company (54 Stores)

4727 Denver Ave So.
Seattle, Wa. 98134-2316
Tel: 206-763-2626 Fax: 206-763-2062

Ron Miller, *Vice President of Merchandise*, RonM@bartelldrugs.com,
Tel: 206-767-1363

Justin Richter, *Corporate Buyer-Seasonal*, justinr@bartelldrugs.com

Scott Cossette, *Warehouse Manager*, scottc@bartelldrugs.com

Bartell Warehouse Location

4140 E. Marginal Way S.
Seattle, WA 98134
Somerset, NJ 08873

**Note: No Pre-Pricing
required unless requested**

Kerr Drug Inc. (100 Stores)

3220 Spring Forest Rd.
Raleigh, NC 27616
Phone: 919-544-3896
Fax: 919-544-3796

Bill Baxley, *Senior Vice President of Merchandising and Marketing*, Ext. 102
Bbaxley@kerrdrug.com

Anthony Harrison, *Category Manager*,
Aharrison@kerrdrug.com

Ken Patterson, *Director of Merchandising*
kpatterson@kerrdrug.com

Kerr Drug Warehouse/Distribution Center Location:

Kerr Drug, Inc.
1230 East Andrews Ave.

Henderson, NC 27536

Joe Maile
*Director Supply Chain Operations &
Management*
Tel: 919-544-3896 Ext. 208
Email: Jmaile@kerrdrug.com

Jenny McCrary
Manager Supply Chain Tel: 252-431-1823
Email: Jmccrary@kerrdrug.com

MEMBER INFORMATION CONTINUED

Kinney Drugs Inc. (80 Stores)

6333 Route 298, Suite 305

East Syracuse, NY 13057

Tel: 315-451-2873

Fax: 315-451-2706

Richard A. Cognetti, Jr., *Director of Retail Purchasing*, Ext. 295

racjr@kinneydrugs.com

Dave McClure, *Vice President Distribution & Logistics*, Ext. 274

davemcclure@kinneydrugs.com

Joe Kajdas, *Buyer Seasonal*

joekajdas@kinneydrugs.com

Lewis Drugs, Inc. (25 Stores)

2701 S. Minnesota Avenue, Suite 1

Sioux Falls, SD 57105

Bob Meyer, *General Merchandise Manager*, Tel: 605-367-2865

bmeyer@lewisdrug.com

Doug Schroeder, *Category Manager*, Tel: 605-367-2862

dschroeder@lewisdrug.com

Lewis Drug Freight/Distribution/Warehouse Location:

3701 South Western Avenue

Sioux Falls, SD 57105

Larry Niewald, *Manager*, Tel: 605-367-2891, lniewald@lewisdrug.com

MEMBER INFORMATION CONTINUED

Navarro Discount Pharmacies (20 Stores)

9400 N.W. 104 Street
Medley, FL 33178
Tel: 305-633-3000
Fax: 305-633-7555

All communication should be addressed to the Navarro Discount Pharmacies
Purchasing Department, Fax: 305-636-0777

Jennifer Lemos, Seasonal Buyer Tel: 305-633-3000, Ext. 159
Direct Fax: 305-636-6210 jlemos@navarro.com

Navarro Discount Pharmacies Warehouse/Distribution Center Location:

Navarro Distribution Center
9400 N.W. 104 Street
Medley, FL 33178
Tel: 305-633-3000

Jennie Lemos
Freight & Logistics
jlemos@navarro.com

USA Drug (144 Stores)

Corporate Ship To/Distribution/Warehouse Address: 3017 North Midland,
Pine Bluff, AR 71603
Phone: 870-535-5171 Fax: 870-535-5601

All problems, confirmations, questions and communications sent to Carl Wheeler
need to include Tracy Timbrook

Carl Wheeler, Vice President of Purchasing
USA Drug Buying Office
2100 N. Brookwood Dr., Little Rock, AR 72202
Phone: 501-296-3367 Fax: 501-296-3360 E-mail: cwheeler@usadrug.com

Tracy Timbrook, Import Coordinator
USA Drug Buying Office
2100 N. Brookwood Dr., Little Rock, AR 72202
Phone: 501-296-3367 Fax: 501-296-3360 Email: ttimbrook@usadrug.com

NOTE USA:

1. All samples and quotes should be sent to Carl Wheeler at the above address.
2. All sales confirmation and pre-price information should be sent to Tracy Timbrook via e-mail.
3. All shipping documents and payment questions should be sent to Beth Harper via mail, fax or e-mail at the address listed above.
4. USA Drug is now using a 7-digit pre-price sticker format (i.e., the USA item # is 9253964 so the pre-price sticker would read: the item # - the last digit of the year, 7 for 2007 - # 9253964-7).

ASSOCIATE MEMBER INFORMATION

Hi-School Pharmacy Services

916 W. Evergreen Blvd

Vancouver, WA 98660

USA

Tel: 306-693-5879 Fax: 360-694-5161

All buying confirmations, arrival notices, B/L and invoices must be sent to the above address Attn: Rick Meyer.

John Crawford, *Vice President of Operations*, johnc@hi-schoolpharmacy.com

Tel: 360-213-2225

Rick Meyer, *GM Buyer/Seasonal and Import Coordinator*,

rickm@hi-schoolpharmacy.com

Tel: 360-213-2224

Cathi Pikula, *POS/Data Entry Coordinator*, cathip@hi-schoolpharmacy.com

Tel: 360-213-2215

Hi-School Pharmacy Distribution Center Location:

Price Mart

8700 N. Vancouver Ave.

Portland, OR 97217

USA

Gary Altman

Tel: 503-283-9543

Fax: 503-283-6276

garya@pricemart-nw.com

Note:

1. Cartons must be marked according to CDC Requirements.
2. The name of our Distribution Center, PRICE MART must appear on all cartons. DO NOT label cartons with Member Name.
3. All wire transfers or L/C's for orders placed by Hi-School will be made by Price Mart.
4. All Paperwork goes to the address listed for Hi-School Pharmacy; only merchandise goes to the DC, Price Mart.
5. Please see Logistics Guide for additional Information.
6. Consolidate all shipments with Bartell Drug or West Coast shipments

ASSOCIATE MEMBER INFORMATION CONTINUED

Vincent Trade LLC / Farmacias Carol

751 N. Greenway Dr
Coral Cables, FL 33134
USA

Tel: 305-972-0594 Fax: 305-442-4136

All buying confirmations, arrival notices, B/L and invoices must be sent to the above address Attn: Carla Curiel

Julio Curiel, *Vice President of Operations*, jrcuriel@farmaciacarol.com

Tel: 305-972-0594

Carla Curiel, *GM Buyer/Seasonal and Import Coordinator*,

carlacuriel@vincenttrade.biz

Tel: 305-972-0594

Carla Curiel, *POS/Data Entry Coordinator*, carlacuriel@vincenttrade.biz.com

Tel: 305-972-0594

Farmacia Carol Distribution Center Location:

Farmacia Carol

Calle Mauricio Baez #222
Ensanche La Fe, Santo Domingo
Dominican Republic

Julio Curiel

Tel: 1-809-472-2584

Fax: 1-809-227-0096

jrcuriel@farmaciacarol.com

Note:

1. Cartons must be marked according to CDC Requirements.
2. The name of VINCENT TRADE must appear on all cartons. DO NOT label cartons with Member Name (Farmacias Carol).
3. All wire transfers or L/C's for orders placed by Farmacias Carol will be made by Vincent Trade.
4. All Paperwork goes to the address listed for Vincent Trade; only merchandise goes to the DC, if Farmacia Carol, Dominican Republic .
5. Please see Logistics Guide for additional Information.
6. Consolidate all shipments with Navarro or South East Coast shipments

The CPSIA General Certificate of Conformity must be completed by the Vendor/Manufacturer. The form must be sent with necessary paperwork Per U.S. Government Regulations with every shipment, failure to do so will result in fines and non-payment for goods.

4. Date and Place where produced																																		
CPSIA General Certificate of Conformity																																		
1. Product Description:	2a MFG. ITEM NUMBER																																	
	2b IMPORTER ITEM NUMBER																																	
	2C IMPORTER INVOICE NUMBER																																	
3. Conformity Assessment Body (Name, full mailing address and telephone number):	3a Test report No																																	
Product was tested:																																		
5. Manufacturer (Name, full mailing address and telephone number):																																		
6. Date of Manufacture:																																		
7. Place of Manufacture (if different from Section 5):																																		
8. Importer issuing the certificate (Name, full mailing address and telephone number):																																		
9. Contact information for the person maintaining records of the test results (Name, full mailing address, e-mail and telephone number):																																		
10. Declaration of conformity:																																		
<p>This is to certify that the product described in sections 1 and 2 of this document has been tested and found compliant with all rules, bans, standards, or regulations applicable to the product under the Consumer Product Safety Improvement Act of 2008 or any other Act enforced by the Commission. Specific rules, bans, standards, or regulations with which the product complies are listed below:</p> <table border="0"> <tr> <td>Carpets and Rugs (large)</td> <td>16 CFR 1630</td> <td rowspan="16">} Provided for reference</td> </tr> <tr> <td>Carpets and Rugs (small)</td> <td>16 CFR 1631</td> </tr> <tr> <td>Multi-purpose lighters</td> <td>16 CFR 1212, 1500.121, 1500.130, 1500.3, 1145.17</td> </tr> <tr> <td>Flammable Substances (products containing)</td> <td>16 CFR 1500.3(c)(6)(iii), 1500.43a</td> </tr> <tr> <td>Flammable contents of self-pressurized containers</td> <td>16 CFR 1500.3(c)(6)(viii), 1500.45, 1500.46, 1500.83(a)(1)</td> </tr> <tr> <td>Self-pressurized products</td> <td>16 CFR 1500.83(a)(1), 1500.45, 1500.46, 1500.130</td> </tr> <tr> <td>Extremely flammable contents of self-pressurized containers</td> <td>16 CFR 1500.3(c)(6), 1500.45, 1500.46, 1500.83(a)(1)</td> </tr> <tr> <td>Charcoal briquettes</td> <td>16 CFR 1500.12(a)(1), 1500.14(b)(6)</td> </tr> <tr> <td>Lead in Paint</td> <td>16 CFR 1303, 1500.17(a)(6), 1145.2</td> </tr> <tr> <td>Furniture painted with lead containing paint</td> <td>16 CFR 1303</td> </tr> <tr> <td>Flammability of Solids</td> <td>16 CFR 1500.44, 1500.3(c)(6)(vi)</td> </tr> <tr> <td>Lead in Surface Coatings</td> <td>16 CFR 1303</td> </tr> <tr> <td>Lead in Substrates</td> <td>CPSIA</td> </tr> <tr> <td>Small parts</td> <td>16 CFR 1501</td> </tr> <tr> <td>Sharp Points</td> <td>16 CFR 1500.48</td> </tr> <tr> <td>Sharp Edges</td> <td>16 CFR 1500.49</td> </tr> </table>		Carpets and Rugs (large)	16 CFR 1630	} Provided for reference	Carpets and Rugs (small)	16 CFR 1631	Multi-purpose lighters	16 CFR 1212, 1500.121, 1500.130, 1500.3, 1145.17	Flammable Substances (products containing)	16 CFR 1500.3(c)(6)(iii), 1500.43a	Flammable contents of self-pressurized containers	16 CFR 1500.3(c)(6)(viii), 1500.45, 1500.46, 1500.83(a)(1)	Self-pressurized products	16 CFR 1500.83(a)(1), 1500.45, 1500.46, 1500.130	Extremely flammable contents of self-pressurized containers	16 CFR 1500.3(c)(6), 1500.45, 1500.46, 1500.83(a)(1)	Charcoal briquettes	16 CFR 1500.12(a)(1), 1500.14(b)(6)	Lead in Paint	16 CFR 1303, 1500.17(a)(6), 1145.2	Furniture painted with lead containing paint	16 CFR 1303	Flammability of Solids	16 CFR 1500.44, 1500.3(c)(6)(vi)	Lead in Surface Coatings	16 CFR 1303	Lead in Substrates	CPSIA	Small parts	16 CFR 1501	Sharp Points	16 CFR 1500.48	Sharp Edges	16 CFR 1500.49
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