



SPORTS ENDEAVORS, INC.

**Standard Operating Policies and Procedures
Effective July 28, 2008**

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Policy Statement

This document contains the logistics requirements for all purchases executed by Sports Endeavors, Inc. and vendor merchandise shipment requirements to Sports Endeavors, Inc. and its subsidiaries. **Acceptance of a purchase order from Sports Endeavors, Inc. is an agreement by the vendor to comply with the purchasing and shipping policies and requirements set forth in this document.**

SEI Product Attributes

It is important for Sports Endeavors, Inc. to have on file a complete description of the product we are purchasing from the vendor. This information is used for website and catalog building, populating product search engines, internal product education and for consumer edification.

When the vendor receives a purchase order from Sports Endeavors, Inc., an SEI Product Attribute Worksheet will accompany the purchase order. This worksheet will have listed on it the new product being purchased from the vendor. The SEI Product Attribute Worksheet is to be filled out completely for each new item being purchased by SEI. On a normal seasonal basis, the completed Product Attribute Worksheet is to be submitted within 60 days of receipt of the SEI Purchase Order. On new product to be purchased for at once shipment, a Product Attribute Worksheet must be submitted at once.

Completed worksheets must be submitted to:

Joe Crump Jcrump@sportsendeavors.com 919-644-6800 ext.1441

Questions? Contact:

Jim Noonan Jnoonan@sportsendeavors.com 919-644-6800 ext.1128

Our Address

Our address for product shipments is:

Sports Endeavors, Inc.
1014 Corporate Park Dr
Mebane, NC 27302

Our billing address is:

431 US Hwy 70A East
Hillsborough, NC 27278

Samples going to the buyers should be shipped to the Hillsborough address. The Buyers name must be clearly marked on the outside of the box.

Preparing Shipments to Sports Endeavors Distribution Center

- Sports Endeavors, Inc. requires that all SKU's are individually polybagged and sealed.
- Sports Endeavors, Inc requires that all items must be bar-coded on the outside of the polybag. We prefer standard UPC bar codes.
- Sports Endeavors, Inc. requires that each carton contain only one SKU (one color and one size) EXCEPTION: Purchase orders beginning with the letters DS may be packed to minimize the number of cartons. Mixed SKU's are allowed only on DS purchase orders.
- Please limit the size of any carton to be under 24x24x18.
- Clearly mark each carton with shipper and consignee name, shipping address and the Sports Endeavors purchase order number.
- Indicate the total number of cartons, number of pallets and the purchase order number(s) on our carriers Bill of Lading
- Palletize and shrink wrap all cartons whenever possible.
- Combine multiple orders on one Bill of Lading when shipping to the same address.
- A packing list for each purchase order must be placed inside a brightly-colored plastic sleeve labeled with "Packing List" on the outside of the lead or number one carton.
- Sports Endeavors client code (SEI2) must be included in the customer# section of the Bill of Lading.
- **Advance Shipping Notice-** E-MAIL PO#, Cartons, Carrier & Ship Date to dray@sportsendeavors.com or FAX to 919-644-2063 attn: Donna Ray
-

Questions? Contact:

Kevin Sullivan ksullivan@sportsendeavors.com

919-644-6800 ext.1102

Shipments to Sports Endeavors Distribution Center

Vendors must use the following chart for shipments to Sports Endeavors, Inc.

Sports Endeavors has a "Preferred Carrier" Program with LTL and small carton carriers. Vendors are required to use these carriers for faster more efficient deliveries. These carriers are authorized to deliver without appointment or advance notification when delivering within the agreed upon time window. Other carriers will make appointments based upon the specified window in the bill of lading. The bill of lading must read

Appointment Notification Required.

Shipments from 1 to 199 lbs

UPS- please use our UPS account number when shipping to SEI. Your Buyer will supply you with this account number.

200Lbs to 6000Lbs-

if more than 6 pallets or over 650 cubic ft. call DM Transportation for routing- 888-399-0162

Shipping from:

AZ, CO, ID, MT, NM, NV, OR, UT, WA, WY

Roadway Express
(contact your local terminal)
www.roadway.com

Shipping from:

All Other States- Direct Points Only

R&L Carriers
(contact your local terminal)
www.rlcarriers.com

Large LTL or Truckload- 6,001 lbs. & Above
& Expedited Services

DM Transport Management Services
dispatch@dmtrans.com
888-399-0162

over 6000Lbs
over 650 cubic feet
over 6 Pallets or 10 linear ft

Call DM Trans 888-399-0162
Call DM Trans 888-399-0162
Call DM Trans 888-399-0162

- **If the selected carrier can not pick up directly from your Point of Origin, please contact DM. Special purchase order order instructions or delivered pricing agreements will override the above.**
- **Please direct any traffic questions, routing problems or service issues to DM Transportation Management Services at 888-399-0162 or dispatch@dmtrans.com**

Questions? Contact:

Kevin Sullivan ksullivan@sportsendeavors.com

919-644-6800 ext.1102

Bill of Lading

The bill of lading must contain the Sports Endeavors' purchase order number(s).

Sports Endeavors would prefer PO numbers and associated cartons be listed in the body of the bill of lading.

For proper freight rates, Bill of Lading must read

Third Party Billing
RAGS c/o DM Transportation Mgmt
P.O. Box 621
Boyertown, PA 19512

Questions? Contact:

Kevin Sullivan

ksullivan@sportsendeavors.com

919-644-6800 ext.1102

Billing Sports Endeavors for Freight

**SHIP TO & BILL TO:
Instructions**

Follow Sports Endeavors PO

BILL FREIGHT CHARGES TO:

**RAGS
c/o DM Transportation Mgmt.
PO Box 621
Boyertown, PA 19512**

Questions? Contact:

Kevin Sullivan

ksullivan@sportsendeavors.com

919-644-6800 ext.1102

VendorNet

VendorNet is a web-based software suite that allows Sports Endeavors and its vendors to electronically integrate and communicate. VendorNet addresses all levels of suppliers sophistication by providing the options of accessing information from the web site using its standard web browser, or by importing information directly to the supplier's system using its mapping utility and file exchange functions. VendorNet automates labor-intensive business activities by synchronizing and standardizing the information exchange process giving Sports Endeavors, Inc and its suppliers visibility needed for profitability.

Sports Endeavors, Inc uses **VendorNet Dropship Manager** and **VendorNet Stock PO Manager**

Dropship Manager

VendorNet Dropship Manager streamlines the information flow for businesses that sell direct to consumers and ship direct from suppliers. VendorNet Dropship Manager is integrated with a retailer's host order management system allowing dropship order information to be automatically delivered to a supplier accessible website. By automating a largely manual and time intensive process, Vendor's Dropship Manager delivers significant cost and time reduction benefits to retailers and suppliers.

Features

- Online packing slip delivery to suppliers
- Customizable packing slips by supplier
- Compatible with a variety of host order management systems
- Robust file mapping utility to import orders to any supplier's system
- Real-time web access to dropship order details
- Online ship confirmations
- Online invoicing
- Online order modifications, cancellations, and exception processing
- Estimated ship dates on backordered/delayed merchandise
- Automated cost maintenance
- Real-time reporting of dropship transaction activities
- In-depth supplier performance analysis and reporting
- System administration and security functions

Benefits

- Increases availability and accuracy of up-to-date order status, shipping, and invoice information
- Improves customer service
- Reduces labor requirements
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How it works...

Order Transmission

As orders are captured by VendorNet Dropship Manager, the system routes the data in real-time to the supplier for processing and fulfillment. The order data is provided to the supplier via a browser-based web page or order file. During the transaction and throughout the lifecycle of the order, VendorNet Dropship Manager monitors, audits, and verifies that each order is being handled and processed properly by the supplier, dramatically

increasing order accuracy and decreasing processing errors.

Order Visibility

VendorNet Dropship Manager automatically sends out order acknowledgements, event-triggered e-mails, order status updates, and performance tracking reports. VendorNet Dropship Manager also keeps customer service organizations informed every step of the way by conveying shipment tracking information, supplier comments, supplier inventory levels, and more.

Order Shipping and Invoicing

Suppliers have the capability to provide shipment updates through electronic files, or a user-friendly, browser-based screens. Suppliers also invoice online, eliminating the manual, paper-based invoicing process.

Vendor Performance Analysis

VendorNet Dropship Manager provides supplier performance aging and throughput views that allow retailers to monitor supplier's activities in real time. The robust reporting and analysis functions of VendorNet Dropship Manager ensure supplier accountability from both an operations and accounting standpoint. VendorNet Dropship Manager reports can be customized to meet specific needs such as, custom generated trend analysis, projections, and status reports on demand.

Stock PO Manager

VendorNet Stock PO Manager allows retailers to collaborate with suppliers online regarding bulk orders to a distribution warehouse or retail store. VendorNet Stock PO Manager streamlines the information exchange process of all purchase orders, related shipments, and invoices, resulting in reduced operational expenses and reduced inventory expenses due to improved inventory turns and fill rates. Buying decisions are more informed and customers are better served.

Features

- Online purchase order transmission
- Online purchase order acknowledgements from suppliers
- Online purchase order modifications and approval processing
- Online printing/file extraction of finalized purchase orders
- Online shipping and invoicing
- Online generation of UCC128 barcode labels
- Advanced shipping notifications
- Automated invoice matching
- Invoice/Shipment exception management
- In depth supplier performance analysis and reporting

Benefits

- Eliminates the time and cost of faxing/mailing purchase orders
- Eliminates hard copy printing
- Increases accuracy of purchase order data
- Improves decision-making processes
- Increases inventory turns and reduces out of stocks
- Improves order fill rates and service levels
- Reduces labor requirements
- Eliminates manual invoice approval process
- Facilitates timely payment of vendor invoices
- Enables vendor compliance programs
- Improves supplier management

Here's how it works....

Order Transmission

As orders are captured by VendorNet Stock PO Manager, the system routes the data in real-time to the supplier for processing and fulfillment. The order data is provided to the supplier via a browser-based web page or order file. During the transaction and throughout the lifecycle of the order, VendorNet Stock PO Manager monitors, audits, and verifies that each order is being handled and processed properly by the supplier, dramatically increasing order accuracy and decreasing processing errors.

Acknowledgements

Upon review of the purchase order, the supplier can acknowledge the PO and confirm their ability to fulfill the line items and quantities. Purchase Order modifications can be initiated by the supplier via the VendorNet Stock PO Manager browser page or by file.

Review and Approval of Order Modifications

Purchase orders that have been modified by a supplier are pending retailer approval before they are finalized. This stage of the PO exchange process allows buyers and suppliers to solidify PO product quantity and delivery time frame commitments online - enabling swift business decisions and improved inventory levels.

PO Shipments (ASNs)

When a supplier ships against a purchase order, they have the facility to update VendorNet Stock PO Manager with the PO line item/quantity shipment information via the browser page or ASN (Advanced Shipment Notification) file. ASN information is reported in VendorNet Stock PO Manager and passed to the supplier's Warehouse Management System (WMS) application.

UCC128 Case Labels

As a supplier prepares PO shipments in VendorNet Stock PO Manager, they have the

ability to specify the sku and case level detail for the PO shipment, which in turn, generates industry standard UCC128 bar code labels for each carton/shipment. VendorNet Stock PO Manager also provides the facility to upload supplier case numbers and SSCC codes from a third party system.

Invoicing

Suppliers invoice PO shipments online using VendorNet Stock PO Manager's invoice module or by uploading/transmitting an invoice file to VendorNet Stock PO Manager.

Automated Invoice Matching

As PO Shipments are closed in VendorNet Stock PO Manager, the PO shipment is matched against invoices in VendorNet. Automatic invoice matching eliminates significant manual work and expedites processing for both the matched and unmatched invoices.

PO Updates

Retailers can exchange purchase order comments with suppliers to address exception issues and facilitate swift resolution. PO modifications such as cancellation, revised estimated ship dates, etc. can be tracked and monitored by both parties.

Dropship Procedures

Vendors wishing to participate in our Dropship Program must be Vendornet compliant and meet the following criteria:

- Availability- Vendor must provide to Sports Endeavors a daily inventory/availability status in an Excel format. This inventory must be sent via e-mail.
- The vendor is expected to provide by e-mail an order confirmation for all orders received in the last twenty-four hours.
- All dropship orders must be shipped by the end of the next business day.
- Vendor must provide on a daily basis a shipping confirmation for all orders shipped that day along with tracking numbers for those shipments.
- All dropship packages must include a Returns Insert. This insert will be provided by Sports Endeavors.
- No other materials except the merchandise, vendor packing list and the Returns Insert may be included in the package.

Drop Ship Purchase Orders begin with the letters DS. All these orders should NOT be packed one sku per carton. They should be shipped according to the method on the VendorNet information exchange.

All sample orders that are sent to the attention of a buyer should NOT be packed one sku per carton.

SEI reserves the right to return to the vendor any product ordered through our DropShip Program without incurring any restocking fee from the vendor.

Questions? Contact:

Lance Long Llong@sportsendeavors.com

919-644-6800 ext.1205

Non-Performance Provisions

Our goal at Sports Endeavors is a great customer experience every time. Part of that experience is receiving their purchase as quickly and efficiently as possible, when a vendor impedes that goal through non-compliance with our Preferred Carrier Program, or our Packing and our Shipping Guidelines, or through Late Delivery, Sports Endeavors reserves the right to charge back vendors for the additional costs incurred. Such chargebacks will include but not be limited to the following:

Reason	Value
1. Unapproved Carrier	TBD
2. Items not individually packaged/polybagged	TBD
3. Cartons containing more than one sku (sku = one color and one size)	TBD
4. Unapproved use of Air carrier	TBD
5. Unapproved Bill of Lading	TBD
6. Product not bar-coded	TBD
7. Wrong Ship-to Address	TBD
8. Late merchandise	TBD
9. Late Product Attribute Worksheets	\$500 per worksheet

Questions? Contact:

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919-644-6800 ext.1204

