

International Shipping Requirements

Version 2.1

INTERNATIONAL SHIPPING REQUIREMENTS

These Requirements are incorporated into and are a part of every International Purchase Agreement between Advance Stores Company, Incorporated dba Advance Auto Parts (“Advance”) and its Vendors (“Vendor”). In the event of a conflict between the terms and provisions of these Requirements and the terms and provisions of any separate written contract document (the “Purchase Agreement”) between Advance and the Vendor, the provisions of the International Purchase Agreement shall govern.

1.0 MERCHANDISING

A. Compliance. All vendors, including domestic, import and third party, must adhere to all requirements set forth in these Guidelines for international shipments where Advance is the U.S. Importer of Record. Any deviation by Vendor without the prior written approval of Advance may, in the sole discretion of Advance, result in penalties as set forth herein and/or loss of all or a portion of Advance business.

B. Confirmed Purchase Order dates. These are the critical dates relevant for international purchase orders.

1. PO Issue date – date the “Confirmed Purchase Order” is sent and acknowledged by vendor
2. Cargo Ready Date (CRD) – date cargo will be ready to ship at factory dock (CY) or consolidation center (CFS)
3. Production Lead Time (PLT) – number of days from PO issue date to cargo ready date. Vendor will provide optimal production lead time to the Advance Global Sourcing department and Category Manager, and record on the Business Terms & Vendor Incentive (Exhibit B). PLT must be met on each Confirmed Purchase Order, including those issued during Peak Season (approximately June-November each year) and during holidays observed in Country of Origin.
4. Vendor Lead Time (VLT) – number of days from PO issue date to due date at Advance distribution center (DC). The transit time from FOB (named port) to each DC will be added to production lead time to determine total vendor lead time. C-TPAT Customers Trade Partners against terrorism. Advance Auto Parts is certified in C-TPAT. All vendors are expected to support security requirement as defined by US Customs Border Control. The Taiwan office will conduct C-PAT inspections at least yearly and make recommendations that must be implemented to comply with Security Requirements. Per the Business Terms & Vendor Incentive (Exhibit B), total vendor lead time shall be used by the Advance Inventory Management Team to set opening order and replenishment, establish due dates on purchase orders, and maintain forecast accuracy. Advance will monitor shipment lead-time and order fill at the item and line levels using DHL, International Supply Chain visibility, web-based PO management software.

5. Late Ship Date (LSD) – the date cargo must be loaded in container and ready to load on board the vessel; specifically the Actual Sailing Date. Failure to meet Late Ship Date will result in disciplinary actions by Advance up to and including fines provided herein.
6. Early Ship Date (ESD) – 7 calendar days prior to Late Ship Date

C. Order Fill Rates. Order fill rates will be determined between the Vendor, Advance Merchandising and Inventory Management. They shall be specified in the “International Vendor Business Terms and Incentive Schedule”, (Exhibit B); however, Advance’s expectations are 100% order fill on the scheduled due date and time. Shipments are not considered complete until the agreed on minimum order fill has been reached or exceeded. Failure to meet or exceed order fill will result in disciplinary actions by Advance up to and including fines. Continued failure to meet or exceed first shipment and subsequent replenishment order fill could result in loss of Vendor status.

D. Product Shortages and Damages. Vendor shall recognize and settle all Merchandise Accounts Payable charge backs for concealed product shortages or damages within 45 days after verification by Advance. The Advance Receiving Department will accept delivery of the Vendor’s product by pallet/container count as shown on printed Container Manifest generated from DHL’s Supply Chain Visibility system, but the product count and merchandise shortages or overages will be determined as product is put away. Any shortages or overages of merchandise will be noted and reconciled by Advance and the Vendor in writing.

E. UPC. Vendor shall confirm one hundred percent (100%) UPC integrity.

F. Master Product File. Vendor shall maintain on file all information containing pallet quantities, layer quantities, case quantities, order multiples, weights, dimensions, UPC, Case Labels, freight requirements, etc., with Advance’s Merchandising and Inventory Management team, for all Vendor products shipped to Advance. If any information should change, the Vendor shall notify the Advance Category Manager, Inventory Management Manager, and Global Sourcing Operations Manager in writing a minimum of 30 days prior to the next product shipment from port of origin.

G. Product Changes. Vendor shall notify the Advance Category Manager, Inventory Management Manager, and Global Sourcing Operations Manager, in writing, of any product super-sessions, consolidations and packaging changes a minimum of 60 days prior to the next product shipment. Items produced under an AAP private label brand will require a revised Own Brand Specification (OBS) product specification in writing before any product is manufactured. A product shall not be canceled from orders due to consolidation, packaging changes and/or supersession, without prior written authorization from the Advance Merchandising department. If any of this information should subsequently change, Vendor shall notify the Advance Category Manager and copy the Advance Inventory Management Manager in writing a minimum of 30 days prior to shipment from port of origin. Changes in the Vendor’s catalog, price sheets (or otherwise noted by the Vendor on the packing slip) are not acceptable notice. Any actions taken by Vendor which are not in compliance with this procedure shall be subject to penalties as set forth herein.

H. Vendor Authorization Form. All Vendors must complete a "Vendor Authorization Form" for each unique factory under contract specified at the time the original International Purchase Agreement is negotiated. In addition any time information included on the form changes, a new form must be submitted by Vendor to Advance with the new/changed information. The Merchandising Team will supply this form and be responsible for assuring the updated information is communicated to all areas within Advance which need this information.

I. Inventory Levels. Advance will not carry extra merchandise due to Vendor holidays, National holidays, system changes, plant closings or moves, company vacations, etc. The Vendor shall present a written notification to the Category Manager and Inventory Manager 60 days prior to any such event explaining how they propose to ensure adequate product supply or services during such time periods. The Vendor shall ship all orders to Advance on schedule.

2.0 ORIGIN BOOKING PROCEDURES

Important Notice! Advance has nominated DHL ISC as PO Management and Consolidator at each origin, including GT Nexus, their web-based PO Tracking and reporting system. The sections 2.0 thru 9.0 apply.

1. Vendor must email or fax all details/PO information to ISC Origin office by using standard ISC Shipping Order Form including the following information:

- Consignee and notify party
- Origin & destination
- Shipping mark
- PO, SKU & Item number
- Country of origin
- Number of cartons
- TTL no# of pcs, per PO/SKU/Item
- Number of pallets
- CBM/KGS per item
- Description
- Commodity Type
- Indicate CFS or CY shipment
- Select Quota or Non-Quota
- Dangerous Good (if any)
- Indicate LC number (if any)
- Cargo Ready Date

*** Effective November 2010, DHL will have the ability for vendors to perform on-line booking through GT Nexus

2. One set of export customs documents one shipping order(S/O)
3. All bookings must be submitted two (2) weeks prior to Ready Ship Date (RSD) in order to ensure carrier space to make the target ship date set by AAP.
4. No shipping mark can be shown “as per invoice”
5. Ensure price term shown on invoice is FOB (Actual Export Origin).
6. ISC will verify booking details against PO's provided by AAP. If any exception is found, ISC needs to obtain approval from AAP and will release booking the next day based on AAP's instructions.
7. Once all data are correct, ISC origin will email or fax a signed S/O to vendor within 24 hours. S/O will include a booking number and designated CFS warehouse location (for CFS shipment).
8. Vendor must provide the pallet size and quantity upon booking (for CFS shipment)
9. The Shipper Name shown on the shipping order = Shipper Name shown on the FCR.
10. Manufacturer Name and contact info. must be shown on the shipping order.
11. Once the shipping order is released, any amendments to the shipping order must be communicated to ISC origin for validation.
12. If the cargoes are packed with wood packing material, vendor must submit fumigation certificate prior to the shipment departure.
13. If the Vendor declares “no wooden packing material”, the vendor must input this statement on the S/O, commercial invoice and packing list or by submitting a “no wooden packing material declaration” on their company letter head to ISC origin.

3.0 CY CARGO RECEIVING PROCEDURE

1. Vendor uses carrier booking confirmation to withdraw empty containers from designated carrier depot.
2. ISC does not accept cargo prior to the ESD and cargo later than the LSD unless authorization is received from AAP.
3. Vendor must check the condition of the container before stuffing to ensure it's clean and free of debris

4. AAP will accept strapped cartons, if necessary. Vendor must check the condition and number of the cartons before stuffing.
5. Never combine PO/SKU/Item for different DC's / ports except shipments to US Deconsolidation Center and for consolidation.
6. All containers must be returned to the port within Required Ship date & Carrier's CY closing time.
7. Vendor must reflect the actual loading sequence, with container number, high security CY containers must be sealed with a high security seal prior to departing containing loading location, seal number, container return to the port date and the number of piece break down on the vendor's factory pack declaration form.
8. All factory pack declaration must be provided back to ISC Origin office on/before ISC required S/I cutoff time.
9. Load-ability Guideline from AAP. ISC will communicate exception to AAP in case the factory load booking cannot meet with below guideline.

| Container size | Client preferred minimums/CY | Maximum Weight |
|----------------|------------------------------|----------------|
| 2086** | N/A- Deliver CFS | <15800kgs |
| 4086 | S.China: 45+ CBM | <19958kgs |
| | N.China: 45+ CBM | |
| 4096 | 62+ CBM | <19958kgs |
| 4596* | 72+ CBM | <19958kgs |

4.0 CFS CARGO RECEIVING PROCEDURES

1. Vendor delivers cargoes according to the S/O within target ship date. ISC does not accept cargo prior to the ESD or later than the LSD unless authorization is received from AAP.
2. Please don't deliver cargo on the last day of Ship date.
3. Vendor must deliver cargoes by S/O, by PO#/SKU#/Item# (if not, sorting charge will be incurred).
4. Driver or the escort should bring the ISC delivery notice with a detail packing list, and present to the warehouse on arrival
5. ISC warehouse will receive cargoes against a vendor's shipping order for delivery to CFS.

6. Warehouse Staff will inspect the condition and validate the quantity of cartons. The following conditions are not allowed without AAP approval:
 - wet or damaged cartons
 - cartons marking by paper label
7. Warehouse will check carton markings according to the S/O. Please refer to Section 10.0 Marking Requirements for more details.
8. Vendor needs to notify ISC of partial delivery, no partial delivery is allowed outside last ship date.
9. All shipments against PO must complete delivery within 3 calendar days. Otherwise, storage charge will be incurred.(For South China origin only)
10. Cargo receive date indicated on FCR will be the date all shipments against a PO were completely received at warehouse.
11. If there are no receiving issues, tallyman will sign and record actual receiving information on the mate's receipt.
12. If vendors have any questions on our measurement, please contact our gatehouse for carton re-measure within 1 day ("cargo dimension discrepancy sheet" will be issued).

5.0 REMEASUREMENT REQUEST

1. Based on shipping order volume and actual receiving volume, ISC will send a measurement discrepancy report (>5%) to the shipper for confirmation. Ai Ling Chua (ailing.chua@advancecrossroads.com) and (orders@advancecrossroads.com) will be copied via email on this notice.
2. If vendor wants to re-measure cargo, a re-measurement request needs to be faxed to ISC Origin office within 24 hours after delivery.
3. If vendor accepts ISC measurement, confirmation needs to be faxed back to ISC Origin.
4. If ISC doesn't receive any confirmation from the shipper, ISC will consider this as acceptance of consent of the measurement.
5. ISC would strongly suggest the factory representative to attend for the re-measurement.

6.0 EXPORT CUSTOMS DOCUMENT REQUIREMENT

1. One set of export customs document against one Shipping Order.
2. Shipper should well prepare and submit the complete and correct set of documents to ISC origin before cutoff.
3. Blank documents will not be accepted, cargo description in both Chinese & English with components should be indicated on the documents.
4. Correct H.S. code should be indicated on the documents; if any special customs license is required, please also advise in advance.
5. Shipper must ensure the commodity quantity, descriptions, and H.S. code on the documents match the actual cargo exactly, or the shipper will be held liable if any mismatch is found by customs during inspection.

7.0 COMMERCIAL DOCUMENT REQUIREMENT

1. All commercial documents required by AAP must be submitted to ISC Origin 3 working days after sailing (CY) or cargo delivery (CFS).
2. There will be a "Late Document Penalty" charge if the documents required are not received within the above period; the penalty charge is HKD200 per set of document.

And below is required documents list:

- Invoice and Packing List*
- Certificate of Origin (if required)
- Country of Origin Declaration (if required)
- Regulated Wood Packaging Material (if required)
- Fumigation Certificate (when applicable for palletized cargo)
- FCC Certificate (when applicable for radios cargo)

* Number pallet should be shown on Packing List accordingly!

3. Effective April 1, 2010 US Customs will begin Phase 4 enforcement of the Lacey Act. Hand Tools are one of the HTS categories included in Phase 4. AAP will now be required to report the type of wood being incorporated in any hand tools as well as the percentage of recycled material in any imported paper products. In short this affects only a limited number of SKU's, namely hammers with wooden handles and some other miscellaneous items

Appropriate vendors will have to be contacted and provide AAP with the type of wood (scientific name, genus and species) being used in the particular SKU. The wood content should also now be included on commercial invoices along with the HTS code. Failure to provide information will result in delayed or rejected customs entry. Reporting is an additional legal requirement but does not impact the applicable duty rate. Once AAP has the required information actual reporting will be done electronically by AAP broker at time of entry via CBP's ABI portal.

8.0 FORWARDER'S CARGO RECEIPT (FCR)

1. FCR draft will be prepared within 48 hours after the cargo has been successfully transferred to the consignee title and document received.
2. The cargo received date in the FCR equals the date ISC warehouse receives the whole, good shipment (CFS) or loaded container been delivered to terminal (CY), no back date will be accepted
3. All volume, i.e. kgs & cbm, on the FCR for CFS cargo will be based on the actual warehouse measurement.
4. Quantity in pallets will also be shown on FCR.
5. After vendor confirmation of the FCR draft, the original FCR will be ready to pick up within 48 hours upon receipt of full set of required commercial documents and payment of all local origin receiving charges.
6. If the vendor does not pick up the FCR in person, ISC would strongly suggest the vendor to issue an authorization letter on the company letter head, with authorized signature, to the nominated person who picks up the Original FCR.

9.0 CY CUTOFF TIME FRAME

- A. Once approved as international vendor partner, you will receive more Booking procedure information and attachments from DHL ISC.

remark: please noted cfs cutoff is equal to customs clearance date.

which means vendor must deliver the cargoes to warehouse and clear customs (with full set of export document) on/before the cfs closing.

10.0 MARKING REQUIREMENTS

- A. Packages should be clearly marked to prevent misunderstandings and delays in shipping. Letters are generally stenciled onto packages and containers in waterproof ink. Markings should appear on three faces of the container, preferably on the top and on the two ends or the two sides. Any old markings must be completely removed from previously used packaging.
- B. In addition to the port marks, the customer identification code, and an indication of origin, the marks should include the package number, gross and net weights, and dimensions. If more than one package is being shipped, the total number of packages in the shipment should be included in the markings. The exporter should also add any special handling instructions. It is a good idea to repeat these instructions in the language of the country of destination and use standard international shipping and handling symbols.
- C. Customs regulations regarding freight labeling are strictly enforced. For example, many countries require that the country of origin be clearly labeled on each imported package. Most freight forwarders and export packing specialists can supply the necessary information regarding specific regulations.

Important Notice!

ALL PRODUCT PACKAGING, LABELS, AND GRAPHICS MUST BE APPROVED BY THE AAP CATEGORY MANAGER PRIOR TO THE FIRST SHIPMENT.

Master Carton Marking Requirements

- Each master carton must be labeled with carton UPC code at top right center of the box.



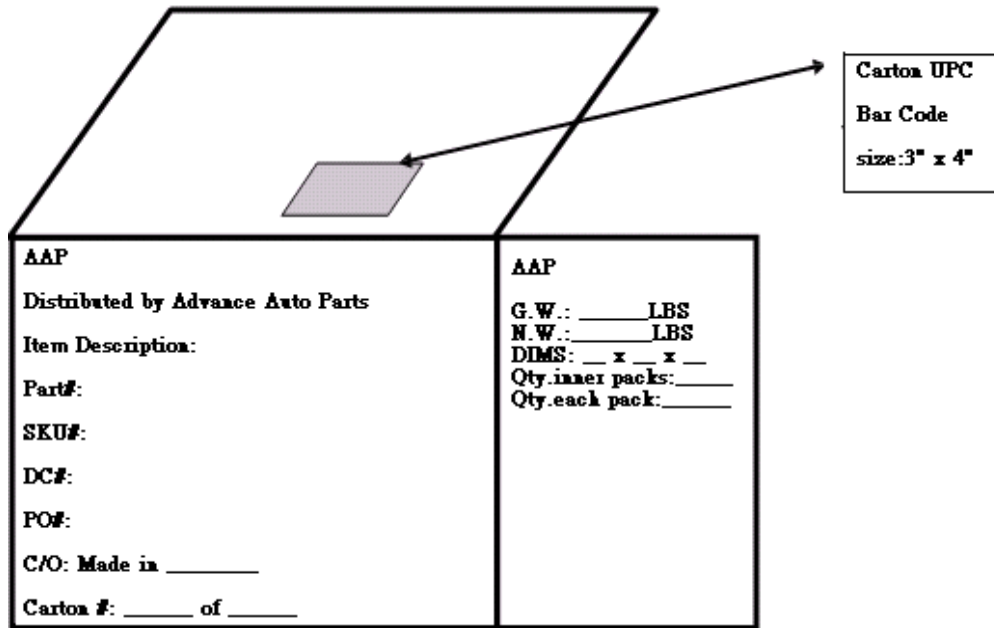
- All packaging used must be able to support the weight of the product and to be passed our Advance Auto Parts quality control drop test requirements.

- Any carton weighing over 70 lbs. (32 kgs.) must be printed or labeled on side with words:



“CAUTION- HEAVY”.

- Example of Master Carton Marking is shown below.



Description of Field Names on long side of Master Carton

- AAP = Advance Auto Parts
- Distributed by Advance Auto Parts = name of retailer
- Item Description = describe item as per Purchase Order
- Part# = manufacturer number assigned to article by AAP Merchandising department
- DC# = Two digit code identifying Advance DC location
- SKU# = item number assigned by AAP Merchandising department
- PO# = purchase order number issued by AAP Inventory Management department
- C/O = country of origin (i.e. "Made in China")
- Carton#___ of___ = the first field is the carton number and the second field is the total number of cartons under the same SKU per PO#. E.g. SKU 123456 under PO 99999 has 10 cartons. So, labeling will be 1 of 10, 2 of 10, etc.

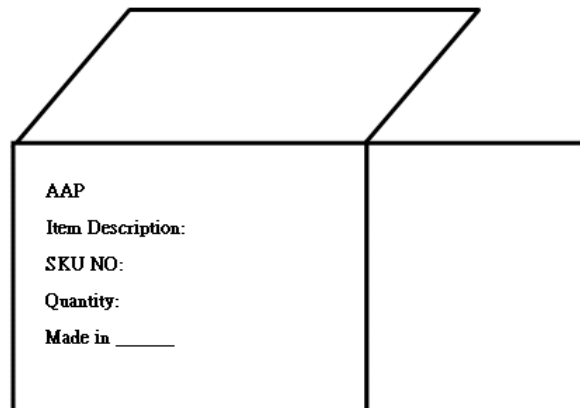
Description of Field Names on short side of Master Carton

- G.W. lbs. = Gross weight of master carton in pounds (lbs.)

- N.W. lbs. = Net weight of master carton in pounds (lbs.)
- Dims = dimensions in order length X width X height in inches
- Qty. inner packs = number of inner packs inside master carton
- Qty. each pack = number of items inside each inner pack

Inner Pack Markings

Example of Inner pack markings is shown below



Each (Selling unit) Marking

- Each selling unit must be identified with UPC code & Part# assigned by AAP.
- Product or packaging and country of origin marking must be compliant with all applicable U.S. Customs Regulations.
- All color printing to be covered with protective coating.

11.0 TRANSPORTATION

A. General Information

1. Expedited Transportation Costs. Advance will not be responsible for any extra expenses incurred for expedited transportation of late-shipped merchandise. The extra expenses will be charged back to Vendor's account.
2. Non-Preferred Carrier Freight Claims – Advance will not be responsible for any uncollected freight claims associated with the use of non-preferred carriers (refer to Section D below on Advance

Preferred Freight Carriers). These freight claims will be charged back to Vendor's account together with an Advance administrative charge.

3. FedEx, UPS, Parcel Post -- Advance will NOT accept "prepaid and add invoicing" on FedEx, UPS, or Parcel Post shipments. Any small package shipment should be shipped freight "Collect" on the carrier specified by Advance (UPS). Small package shipments should not be insured unless the Vendor receives written direction from Advance. UPS is Advance's preferred small parcel carrier.
4. Collect Air, Expedited Shipments -- Advance will not be responsible for payment of collect air or expedited shipments unless Advance has pre-approved the charges in writing prior to shipment. Vendor shall show the name of the Advance representative providing written authorization for the expedited shipment on the BOL. If the shipment is not properly authorized by Advance in writing and prior to shipment, the collect air and expedited shipment charges will be charged back to the Vendor's account.
5. Ocean Freight Container Shipments -- Advance has direct contracts with multiple steamship lines. Vendor bookings and PO management service is performed by DHL ISC Origin offices across Asia. Advance will notify DHL and provide vendor information supplied in the International Purchase Agreement.

12.0 BILLS OF LADING (BOL)

- A. Merchandise Descriptions -- Merchandise descriptions on all BOL must conform to Federal Maritime Commission and the National Motor Freight Classification description and class number(s) and shipping container requirements.
- B. Required Information - All shipping containers, BOL or other receipts must show:
 1. The full Vendor name followed by street address, city, state and zip code.
 2. The shipper's name followed by street address, city, state and zip code.
 3. All Advance purchase order numbers.
 4. DC's complete ship to address.
 5. Number of pieces/pallets and weight (place on BOL only).

13.0 HAZARDOUS MATERIALS, CHEMICAL, LIQUID SHIPMENTS

- A. General -- When applicable Vendor shall include MSDS and placards. All chemical or liquid shipments shall be securely sealed to prevent leaks. Product that is leaking when received may be returned to Vendor, if faulty packaging causes the leaking. In addition, the Vendor may be

charged for labor required for cleaning the product. Where required, inner seals and/or childproof lids must be used.

- B. Hazardous Material Shipments -- All hazardous material shipments must conform to all federal, state, and local laws including, but not limited to, the US Department of Transportation-Hazardous Materials Regulations-CFR, Title 49, Sections 171-177, specifying the proper descriptions, labels, shipping papers, placarding, packaging, markings and exceptions.

14.0 PALLET REQUIREMENTS

- A. Pallets will be inspected at our receiving docks. Product delivered on pallets that are determined to be unacceptable will be restacked or reworked. Advance may elect to charge the Vendor for reimbursement for labor required to correct shipping problems.
- B. Pallet Specifications - Pallets will be rejected if the following specifications are not met:
1. Measurement – Only two pallet sizes are accepted. 48" x 42" or 48" x 40", with 4-way entry.
 2. Top Deck Boards – 7 boards, 5/8" to 3/4" evenly spaced with 4" maximum spacing: both end boards 5 1/2", other boards 3 1/2". (See Fig. A)
 3. Bottom Deck Boards – Both end boards and a minimum of 3 center boards are to be the same board dimensions as top deck boards. No loose boards. (See Fig. B)
 4. Stringers – No split or broken; no double stringers or block patched stringers; stringers 1 3/8" to 1 3/4" x 3 1/2" to 3 3/4" x 48"; no protruding nails. (See Fig. A)
 5. Pallet weight is up to 2500 pounds.
 6. Pallet Height –The maximum pallet height is 43 inches from floor to top of top layer.



Top and Stringer (Fig. A)

Bottom (Fig. B)

- C. Contamination –Pallets material only made by plastic, hardwood, and compressed wood/plywood are accepted. No chemicals, grease, or other agents that could soil or damage the product. Pallet made by hardwood material with fumigation certificate is OK. If pallet material is compressed wood/plywood, then fumigation certificate is not necessary.
- D. For unusual shaped items, including, but not limited to, pipe, exhaust equipment, vent shades, bumper guards, etc; pallet height requirements are waived. However, pallets must be packed to facilitate ease of handling and to maximize trailer utilization.
- E. For promotional items, one time buys, pre-packs or other products that will not be stocked in Advance Distribution Centers, pallets will be packed to achieve ease of handling and maximum trailer cube.
- F. Pallet Preparation - All pallets shall be packed and arrive as set forth below:
- Product shall be positioned on the pallet in such a manner that there is no overhang to the edges of the pallet.
 - If a “mixed” pallet is shipped, the MFG number with the smaller quantities must be stacked on top of the larger quantities. The only exception to this is if the smaller quantity of product is heavier than the larger quantity.
 - Part numbers are not to be mixed on pallets where the quantity ordered of a single part number is sufficient to make a full pallet load.
 - Product must be secured to pallets by banding and/or stretch-wrap film, at least 3 layers of stretch wrap to ensure the pallet stays intact. Loads using stretch-wrap film must use sufficient material to retain the load and cover the pallet to prevent load shifting.
- G. Double stacking of 43” pallets is encouraged if product will not be damaged during transport.
- H. Pallet Labeling – Pallets will be labeled as follows:
- Each pallet will have a pallet manifest, which at a minimum will contain:
 - PO number
 - 2 digit DC location code
 - Vendor Name
 - Advance SKU number(s)

- Quantity per Advance SKU#
- Total Pallet Quantity (Total unit Qty in Pallet)
- Pallet ____ of ____ (of PO)
- Made in ____

Please stick this on at least 2 sides of the pallet. The longer sides are recommended. (Please see Appendix 1)

If a pallet contains mixed part numbers or sku's the pallet will be labeled with a "MIXED" sign. This sign must be clearly distinguishable from other documents on the pallet. A green colored sign is recommended. (Please see Appendix 2)

If a pallet contains one part number or sku the pallet will be labeled with a "FULL" sign. This sign must be clearly distinguishable from other documents on the pallet. A red colored sign is recommended. (Please see Appendix 3)

- I. Prepacks are excluded from the Pallet Manifest requirement.
- J. Pallet Exchange – Advance will not pay for pallets and will not exchange pallets.

15.0 FLOOR LOADED CONTAINERS

- A. Container Condition: Floor loaded containers must be stacked and secured to prevent the contents from shifting or falling.
- B. Detention or Late Fees: If detention or late fees are charged due to a poorly stacked container the Vendor will be charged back for the payment of all late fees.

16.0 PACKING SLIPS / CONTAINER MANIFESTS

- A. Agreement -- Every shipment into Advance must have a packing slip.
- B. Packing Slip Information -- The packing slip must cover only what is shipped on that delivery. It must be prepared to the same level of detail as the Advance purchase order with the order number, MFG number, piece count and the total piece count shown. A maximum of one purchase order shall be shown on each packing slip.
- C. Packing Slip Requirements -- The packing slip must not arrive on carbon paper. Advance requires a legible document. The packing slip shall either be attached to the BOL or shrink-wrapped to the last pallet loaded on the truck.

17.0 DISTRIBUTION CENTERS (RECLAMATION)

A. General

1. RGA Policy: The Vendor shall provide Advance with a blanket or open RGA number for defects and core returns. If Advance returns cores or defective products to a Vendor without a RGA, Advance will notify the Vendor before shipping. The Vendor shall be responsible for any and all costs incurred including, but not limited to, freight, storage, re-delivery for refused shipments, etc.
2. Change of Address: Any Vendor return-to change of address, return-to contact information, telephone or fax numbers and/or e-mail addresses must be updated using the "**Vendor Authorization Form**".

B. Cores

1. Core Handling Policy -- Before the first product shipment is made by Vendor, the Vendor shall provide Advance a core handling policy that must be agreed to in writing by Advance and the Vendor. This policy shall not be modified without the prior written approval of the Advance Vice President of Merchandising.
2. Core Returns -- Due to space limitations, Vendors are expected to respond to Advance's request to return cores on a timely basis.
3. "Old" Vendor Core Handling Responsibility -- A new Vendor shall be responsible for the core handling for all products in the same product category (as the new Vendor's products) which were previously shipped to Advance by a prior Vendor or an "old" Vendor.

18.0 UCC STANDARDS

- A. General - All products being shipped to an Advance store, distribution center and/or PDQ warehouse must have either (1) a UPC label provided by AAP or (2) an EAN-8 or EAN-13 label which conforms to the standards set forth by the Uniform Code Council (UCC). For any product that does not adhere to this requirement, the Vendor shall be subject to a non-compliance penalty as set forth herein. In addition, all merchandise must be thoroughly labeled with the Advance part number series as mutually agreed upon in writing by Vendor and Advance.
- B. UCC Membership -- All companies that sell products to Advance shall be a member of the UCC. UCC can be contacted at:

Uniform Code Council
9163 Old Yankee Road

Suite J

Dayton, OH 45459 (800) 543-8137

http://www.uc-council.org/ean_ucc_system/index.cfm

19.0 INVOICE PREPARATION INSTRUCTIONS

- A. Invoice Preparation -- The invoice shall be prepared by Vendor with the same level of detail as the packing slip. The invoice shall contain
1. The quantity shipped by Vendor for each Advance SKU number and shall reference the Advance SKU number.
 2. Paper (hard copy) invoices or credit memos shall be sorted in either Advance SKU number order or in Manufacturer # order.
 3. There must be only one Purchase Order number billed per invoice and the invoice matches the unit and carton quantities from the DHL Container Manifest.
 4. Costs billed should be carried out a maximum of 3 decimal places.
 5. Manufacturer name, address and country of origin need to be listed clearly on the invoice. Vendor/Manufacturer name and address on the invoice must be the same as what is provided to Advance.
 6. The HTS codes for each SKU need to be defined on the invoice. Advance issues the correct HTS code with each SKU on the purchase order for the vendor to use in return. HTS codes on the invoice must match what Advance has offered.
 7. The Purchase order number should be the same on the invoice.
 8. Please find sample invoice from Attachment 1: ABC Sample Invoice.
 9. Vendor's failure to comply with this instruction will result in penalties as set forth herein.
- B. Quantity -- The total quantity shipped must equal the total quantity billed. The total quantity billed will be indicated at the bottom of the invoice. Vendor's failure to comply with this instruction will result in penalties as set forth herein.
- C. Order Numbers -- The Advance purchase order number and DC identification number shall be referenced on the invoice.

20.0 Required Document

- A. For HSBC, below documents are required, please prepare one copy of each document:

- Commercial Invoice
- Inspection Certificate
- Forwarder's Cargo Receipt

Based on agreement signed with HSBC, suppliers in China are required to provide bills to following address,

上海 上海市浦 家嘴 路1000号 丰大厦3

深圳 深圳市 湖区深南 路5001号 大厦8

厦 厦 市厦禾路189号 行中心2

青 青 市香港中路76号 中皇冠假日酒店711-714室

北京 北京市 城区建国 内大街8号中粮广 A座2

广州 广州市 市 路368号花园酒店4

杭州 杭州市下城区 春路136号广利大厦15

天津 天津市河北区海河 路 洋广 1号

Suppliers in other locations, who choose to present bills to HSBC HK, please send to:

The Hongkong and Shanghai Banking Corporation Limited

Hong Kong Office

2/F HSBC Building Mongkok

673 Nathan Road

Mong Kok, Kowloon, Hong Kong

Attention Supply Chain Solutions Division (L14 SCS Team3)

AAP suppliers in Taiwan are free to present documentation directly to HSBC HK or via HSBC Taiwan. Suppliers in Taiwan are however highly recommended to present documentation via HSBC Taiwan office in order to obtain local language support and better servicing.

Kindly please contact below HSBC Taiwan SCS for any assistance:

Trade and Supply Chain

HSBC Bank (Taiwan) Limited

14F, No. 333, Section 1, Keelung Road, Taipei, Taiwan

Tel: 02 – 27575266

Email: businessdevelopmenttsc@hsbc.com.tw

B. For DHL, below documents are required:

- Commercial Invoice including statement, Country of Origin, Regulated Web Packages and HTS Codes
- Packing List
- Fumigation Certificate (if applicable)
- Certificate of origin (optional)
- Country of Origin Declaration (optional)
- Regulated Wood Packaging Material (optional)

C. For DC Roanoke/Thomson/Salina/Delaware/Gastonia/Hazlehurst/Lakeland/Kutztown,

Consignee: Advance Stores Company, Inc.

5008 Airport Rd, P.O. Box 2710
Roanoke, Virginia 24012, USA

For DC Nashville,

Consignee: Advance Auto Parts, Master PDQ 17
1485 Mountain Road, Andersonville, TN 37705, USA

For all DCs,

Notify Party/Broker: Expeditors International
2550 Ellsmere Ave, Suite B
Norfolk, VA 23513
Phone: 757-853-7776 / Fax: 757-853-8887

21.0 PENALTIES**

Vendor shall be subject to the following penalties if it fails to comply with the Vendor Requirements as set forth herein:

MERCHANDISING

Changes Regarding Product without Notification \$1,000 per SKU

Super sessions Without Notification \$1,000 per SKU

ORIGIN BOOKING

Late (after LSD) or Incomplete Shipments (Effective from April 1, 2010.)

- Late shipments:

| <u>Working Days Late</u> | <u>Percentage of PO FOB cost</u> |
|--------------------------|----------------------------------|
| 1-5 days | 3% |
| 6-13 days | 5% |
| 14-20 days | 10% |
| 21-29 days | 15% |

- **Short shipped shipments:**

Any order shipped incomplete will be subject to a penalty of 3% of FOB cost.

- Labor for correcting shipping errors, quality issues \$50/hour

ELECTRONIC DATA REQUIREMENTS

| | |
|--|-----------|
| Entering/correcting Vendor supplied data | \$75/hour |
| Correction of Discrepancies | \$75/hour |
| Digital Photographing/Manipulation of Vendor product images | \$75/hour |

INVOICE INSTRUCTIONS

| | |
|---|---------------|
| Quantity Not at Bottom of Invoice | \$100/invoice |
| Core Value Subtotal Omitted | \$100/invoice |
| More than one PO per invoice/credit memo | \$100/invoice |
| Missing SKU number on invoice/credit memo | \$100/invoice |
| Invoice/Credit memo not sorted | \$100/invoice |

Errors on invoices not corrected

After multiple attempts to correct \$100/invoice

**Unless Vendor disputes a chargeback within sixty (60) days, the chargeback will become final and payable.

DISTRIBUTION CENTERS

Missed Receiving Appointments \$200.00 per occurrence

Shipping Errors

- Missing or Late ASN \$200.00 per occurrence
- Case Labels Missing or Incorrect \$50.00 per occurrence
- Pallet Manifest Missing or Incorrect \$50.00 per occurrence
- UPC Labels Missing or Incorrect \$200.00 per occurrence
- Packing slips Missing or Incorrect \$200.00 per occurrence
- Pallet Condition (Photo Required) \$50.00 per occurrence
 - Height, broken, stacking, mixed skus across pallets
- Trailer Conditions (Photo Required) \$200.00 per occurrence
 - Pallets fallen, Product Damaged

22.0 DEVIATION FROM REQUIREMENTS

Any deviation from the requirements and conditions listed in this Vendor Requirements must have prior approval from both the Senior VP Supply Chain and the VP Merchandising.

23.0 VENDOR HOTLINE

Advance has a confidential means of communication for Vendors to voice suggestions, concerns and recommendations or to report questionable activity or Vendor relation issues.

(800) 277-2900

24.0 CONTACT

Crossroads Global Trading Co., Ltd.

Address: 13F, No.90, Sec.1, Jianguo, N. Rd

Jhongshan District, Taipei City, 104, Taiwan

Phone: +886 2-2516-6828

Fax: +886 2-2516-6505

Email: orders@advancecrossroads.com

P/O#:

DC#:

VENDOR NAME:

| AAP SKU#: | QTY PER SKU: | AAP SKU#: | QTY PER SKU: |
|-----------|--------------|-----------|--------------|
| | | | |
| | | | |
| | | | |
| | | | |

TOTAL PALLET QTY:

PALLET _____ of _____

MADE IN _____

MIXED

FULL

