

SLUSH PUPPIE Brands Distributor Guidelines and Policies



1. Standard Orders

- a) **Submitting Orders:** Distributor may submit a purchase order which should at the minimum include: (a) SLUSH PUPPIE item number (b) description of the item ordered (c) quantity (d) price of the item (e) shipping address. Purchase orders should be sent to slushpuppieorders@slushpuppie.com or faxed to 866-870-9146.
- b) **Order Confirmations:** Order confirmations will be emailed to Distributor within 24 hours of receiving purchase orders. Distributors are to review order confirmations for accuracy. Please be sure to review all items numbers, pricing, descriptions and advise customer service of any discrepancies within 24 hours. Failure to notify customer service will result in restocking fees and return shipping fees when applicable.
- c) **Order Minimum Requirements**
 - i) **Product Orders:** There is a 5,000 lb. minimum requirement to qualify Distributor for free freight; minimum weight requirement only applies to concentrate items. Free shipping only applies to standard transit shipments, no expedited shipments.
 - ii) **Parts Orders:** In order to qualify for free freight, there is a \$500 minimum requirement on all parts orders. Free shipping only applies to standard transit shipments, no expedited shipments.
 - iii) **Equipment Orders:** No minimum order requirement is in place for equipment orders, SLUSH PUPPIE will cover shipping fees for all equipment orders shipped. Free shipping only applies to standard transit shipments, no expedited shipments.
 - iv) **Point of Sale Orders:** There is no minimum order requirement for Point of Sale Orders, Distributor will be invoiced for all Point of Sale shipping fees.
 - (1) **Notification of Minimum Requirements:** In the event Distributor's purchase order does not meet SLUSH PUPPIE's minimum order requirements, a note will be made on Distributor's order confirmation. It will be Distributor's responsibility to notify SLUSH PUPPIE via email or fax of any items to add to meet the minimum order requirement within 24 hours of receiving order confirmation. Orders will remain on schedule to ship "as is" and Distributor will be invoiced for any applicable shipping fees if there are no add-on item notifications received.
- d) **Shipment of Orders:** All orders will ship 48 hours after purchase order is received by SLUSH PUPPIE. Orders for accounts on cash advance payment plan will ship 48 hours after receiving payment. To lessen the risk of mis-ships, there are no same day or next day shipments.
 - i) **Freight Shipments:** To streamline costs, all orders requiring freight shipments will ship via the best priced carrier. If Distributor wishes to ship with Distributor's preferred carrier outside of SLUSH PUPPIE approved carriers, SLUSH PUPPIE will not be responsible for any payments, damages, shortages or delays caused by outside carrier.
 - ii) **Special Delivery Requirements:** SLUSH PUPPIE will cover fees associated with call for delivery appointments and liftgates under the free freight option notated above. Any additional services such as sort and segregate or redirecting shipments will not be covered and will be invoiced to Distributor before or following delivery of order(s).
 - iii) **Small Parcel Shipments:** All small parcel type orders will ship via FedEx Ground.



SLUSH PUPPIE Brands Distributor Guidelines and Policies

- (1) **Special Delivery Requirements:** No special delivery requirements are permitted with small parcel orders.
- iv) **Additional Shipping Fees:** Distributor is responsible for all additional shipping fees resulting from errors made in connection with failure to notify SLUSH PUPPIE of any discrepancies on order confirmations or failure to cancel backorders prior to shipment.
- v) **Concentrate Shelf Life:** SLUSH PUPPIE guarantees a 45 day minimum remaining shelf life on all purchases. For any concentrates received that do not meet this policy, please refer to our claims/returns processes as noted below.
- 2) **Made to Order (MTO) Orders:**
- a) **Policy:** Made to Order Flavors and Flavored Bases are available for “legacy flavors” based on the following criteria:
- i) For 4x1 cases of Flavored Base and/or Flavor: the minimum order requirement will be 192 gallons which is 48 cases or 1 pallet
- ii) For 5 Gallon BIBs of Flavored Base: the minimum order will be 200 gallons which is 40 cases or 1 pallet
- iii) For 6x1/2 Cases of Flavored Base and/or Flavors: the minimum order will be 204 gallons which is 68 cases or 1 pallet.
- b) **Made to Order (MTO) Shipments:** All orders will ship directly from Manufacturer’s location to Distributor. The full quantity ordered will be shipped and billed. MTO order quantities can be combined with CORE skus/products orders to help contribute towards your 5,000 lb. minimum requirement for free shipping.
- c) **Timing:** MTO products typically take 3-6 weeks to produce and will commence only after purchase order is received.
- 3) **Backorders:**
- a) **Process:** Backorders will remain open in SLUSH PUPPIE’s order system. If Distributor wishes to cancel a backorder, Distributor should notify customer service and cancel upon receiving order confirmation.
- b) **Shipping Backorders:** SLUSH PUPPIE will ship backorders within 48 hours of receiving inventory. No additional shipping fees will be billed to Distributor for backorder shipments; only standard shipping will be covered by SLUSH PUPPIE, any expedited shipment fees will be billed to Distributor.
- 4) **Truckload Discounts:**
- Truckload discounts only apply to concentrate; cups, lids and straws do not count towards discount. Quantity discounts as follows:

<u>Quantity</u>	<u>Discount %</u>
1-249 cases	No Discount
250-499 cases	1% Discount
500-749 cases	1.5% Discount
750-999 cases	2% Discount
1000+ cases	2.5% Discount

5) **Distributor Pricing:**



SLUSH PUPPIE Brands Distributor Guidelines and Policies

Policy: Price increases for product: concentrates, cups, lids, straws will be communicated to Distributor once every calendar year. Distributors are provided 30 days notice prior to the price increase. However, due to changes in vendors and materials, prices on parts and equipment are subject to change without notice. All current pricing will reflect on Distributor's order confirmation, if Distributor feels pricing is incorrect upon reviewing, SLUSH PUPPIE will review and confirm price difference upon Distributor request.

6) **Obsolete Items:**

Due to changes in vendor availability and rise in costs, in order to keep Distributor prices at a minimum, SLUSH PUPPIE may determine some items obsolete. If obsolete items are listed on Distributor's purchase order, change of status will be noted on Distributor's order confirmation.

7) **Credit Claims and Returns:**

- a) **Policy:** Most new, unopened items sold by SLUSH PUPPIE can be returned within 30 days of purchase unless noted on our Return Policy Exceptions below. Unless returns are due to damages during shipment, manufacturer defects or an error on SLUSH PUPPIE's behalf, all returns are subject to a 25% restocking fee. Return requests after 30 days of purchase will not be approved. Returns and/or credit claims will be reviewed by SLUSH PUPPIE and if approved will be followed up with a return goods authorization (RGA) with instructions on how to return the items in question. All returns must be received by SLUSH PUPPIE within 30 days of date on the return goods authorization (RGA) otherwise, credit will be void. Once items are received at a SLUSH PUPPIE facility and have thoroughly been inspected, a credit will be applied to Distributor's account. **Deductions to invoice payments without proper notification to SLUSH PUPPIE will not be accepted.**
- b) **Notification Requirements:** Distributor should thoroughly inspect every shipment upon receiving delivery and properly notate the delivery receipt at time of delivery. To ensure Distributor's claims are processed in an effective and timely manner, the following time frames have been set in place, failure to notify SLUSH PUPPIE within the time frames listed will void Distributor's credit claim.
- i) **Defective Parts:** Distributor should notify SLUSH PUPPIE of defective parts within 30 days of receiving delivery.
 - ii) **Mis-shipped Items:** Distributor should notify SLUSH PUPPIE of mis-shipped items within 5 days of receiving delivery.
 - iii) **Out of date concentrate shipped by SLUSH PUPPIE:** Distributor should notify SLUSH PUPPIE of out dated concentrate (as described as less than 45 days remaining at time of shipment) within 5 days of receiving delivery.
 - iv) **Damaged Concentrate Upon Delivery:** Upon delivery, if Distributor notices damages to cases, delivery should not be refused unless the damaged cases (see section below on SLUSH PUPPIE definitions of damaged cases) are affecting the remainder of cases on the pallet. Distributor must notify SLUSH PUPPIE within 24 hours of receiving delivery of damaged/missing items.
- c) **Submitting Claims Process:** All credit requests should be emailed directly to slushpuppiecredits@slushpuppie.com that should at the minimum include:
- (1) thorough reason for credit request
 - (2) when applicable, clear documentation/images of damages
 - (3) carrier name



SLUSH PUPPIE Brands Distributor Guidelines and Policies

- (4) tracking number
 - (5) lot code
 - (6) SLUSH PUPPIE order number
 - (7) SLUSH PUPPIE item number and description
 - (8) quantity
 - (9) note if a replacement order is required.
- d) **Shipping Returned Items:** If item is defective or damaged in shipping, upon approval, SLUSH PUPPIE will provide instructions on how to return the item in question on a return goods authorization (RGA). See above with regards to damaged concentrate cases upon delivery. In all other cases, Distributor is responsible for return shipping and may ship back the item using Distributor's carrier of choice.
- e) **Return Policy Exceptions** The following do not qualify for our 30 day return policy:
- i) **Custom Orders Shipped Direct from Vendors:** Unless there is a defect or damages to the items received, no returns for custom orders will be accepted.
 - ii) **Equipment:** Unless there is a defect or damages to equipment upon receiving, no returns for equipment will be accepted.
 - iii) **Concentrate:** Unless there is a defect or damage to concentrate upon receiving, no returns for concentrate will be accepted. See section 8 below for SLUSH PUPPIE definition on damaged cases.
- 8) **SLUSH PUPPIE Definitions of Damaged Cases of Concentrate:**
A case of product will be considered damaged if the jugs within the case have been crushed, causing leakage and saturation throughout the case thereby affecting the integrity of the case box. Partially stained or dented cases or bottles or bottle necks are not considered damaged and will not be credited.
- 9) **Replacement Orders:** Upon SLUSH PUPPIE approving of credit/return, if a replacement order is required, order will be shipped within the next business day. Freight paid by SLUSH PUPPIE. All items on replacement order will be invoiced at the same price as the items on the original order. Once/if credit is applied to Distributor's account, credit may be applied to replacement order balance.
- a) **Replacement Concentrate Orders:** All concentrate damages are thoroughly researched by SLUSH PUPPIE. For non-BIB cases, if SLUSH PUPPIE finds bottles within cases to be sellable, SLUSH PUPPIE will ship replacement boxes to Distributor at no charge; no credit will be issued. Replacement boxes will be unmarked with no printed labels. Damaged BIB boxes will be researched on a case by case basis.
- 10) **Delivery Receipt Examples:** In order for SLUSH PUPPIE to properly credit for damages caused to Distributor deliveries, below are a few examples on how to notate delivery receipts:
- a) **For obvious Damage:** Extensive damage to packaging, obvious dents and tears, cartons open, etc.). Delivery receipt should note **"Damage is obvious, possible claim. Acceptance of goods is dependent on findings during inspection"**
 - b) **For suspected damage:** Load shifted on pallet, light to moderate damage to packaging, appearance of re-boxing, extensive taping, re-banding, no banding on heavy or tall load. Delivery receipt should note **"Possible damage; possible claim. Acceptance of goods is dependent on findings during inspection"**