

CABINETS TO GO

SAVE MORE
ON YOUR
**DREAM KITCHEN
AND FLOOR**

Supplier Manual

Revised: September 2019

Table of Contents

- I. INTRODUCTION..... 3
- II. GENERAL CONDITIONS..... 4
 - A. Responsibility..... 4
 - B. Product Requirements 4
 - C. Terms and Conditions 4
- III. SELECTION AND APPROVAL OF SUPPLIERS..... 5
 - A. Overview 5
 - B. Assessment Steps..... 5
 - C. Assessment Grading..... 8
 - D. Renewal Audits 8
- IV. ON-GOING MONITORING 9
 - A. Periodic Monitoring 9
 - B. CARS 9
 - C. Critical Violations 9
 - D. Product Testing 9
 - E. Quality Control..... 10
- V. EPA TSCA TITLE VI & CARB REQUIREMENTS 11
 - A. General Requirements 11
 - B. Third-Party Certifier 11
 - C. Formaldehyde Emission Standards and Verification 11
 - D. Invoices 12
 - E. Record Keeping Obligations..... 13
 - F. TSCA Title VI Labels 13
- VI. LACEY ACT COMPLIANCE 15
 - A. Lacey Act 15
 - B. FSC / SFI Certified Wood 15
 - C. Chain of Custody 15
- VII. PACKAGING, SHIPPING AND DOCUMENTATION REQUIREMENTS 16
 - A. Packaging Specifications (Cartons) 16
 - B. Shipping Requirements..... 16
 - C. International Shipping..... 16
 - D. Documentation 17

E. Labeling- Cabinets..... 20

F. Labeling – Accessories (Branded) 22

VIII. DEFINITIONS..... 24

IX. ATTACHMENTS..... 28

X. REFERENCE DOCUMENTS 28

I. INTRODUCTION

Cabinets To Go (“CTG”) is committed to doing business only with those suppliers, vendors and agents that share CTG’s commitment to ethical and responsible business practices. Product that is legally compliant and meets high quality standards is only possible by working together and maintaining open communication.

CTG has developed this Supplier Manual to provide its suppliers, vendors, agents, and their subcontractors with guidance and practical instructions regarding CTG expectations and assessment methodologies. This Supplier Manual is designed to:

- Present CTG requirements and expectations to its Suppliers
- Define the obligations and responsibilities of CTG and its Suppliers
- Inform Suppliers about CTG’s supply processes
- Ensure efficient communication
- Facilitate preventive and corrective measures

II. GENERAL CONDITIONS

A. Responsibility

Suppliers are contractually responsible for satisfying all process implementation requirements described in this manual. Supplier must ensure that the supplied products and services comply with CTG requirements provided in specifications and / or other formal requirements.

Suppliers shall follow the CTG Supplier Code of Conduct, which is set out as *Attachment A* and is further available at <http://cabinetstogo.ethicspoint.com>

B. Product Requirements

All suppliers are responsible for meeting the applicable legal requirements of the countries where they operate. All products provided by supplier must:

- Meet all regulatory requirements for importation, sale, and/or use in the United States and in California, including products that are manufactured, assembled, sold, and/or imported to be used as a component in the manufacturer of another item
- Conform with all product specifications
- Meet provisions set out in this Supplier Manual (as applicable)
- Meet other requirements stated in the purchase order

C. Terms and Conditions

All transactions with Suppliers are subject to the terms and conditions stated in the CTG Standard Terms and Conditions set out as *Attachment B*, the Purchase Order, and any agreement by and between CTG and Supplier, including without limitation, any master supply agreement. In the event there is a conflict as relates to terms and conditions, the terms and conditions as set out in any Supplier Master Agreement shall control and be applicable.

III. SELECTION AND APPROVAL OF SUPPLIERS

A. Overview

CTG selects and retains its Suppliers on the basis of criteria that takes into consideration several factors including, but not limited to compliance with CTG policies and procedures, including this Supplier Manual and the Supplier Code of Conduct, compliance with relevant local laws and regulations; raw material procurement practices including compliance with the Lacey Act, compliance with U.S. Environmental Protection Agency (EPA) TSCA Title VI (referred to herein as "TSCA") and/or California Air Resources Board (referred to herein as "CARB") regulations; and social compliance. CTG shall individually evaluate each Supplier to determine its viability as a new or continuing business partner.

During this process, Suppliers shall be required, at a minimum, to:

- Warrant that they shall comply with all applicable laws and regulations and require their suppliers to do the same
- Warrant that they shall read and understand the Supplier Code of Conduct requirements and communicate those requirements to their suppliers (subcontractors) and to their employees in a manner that is accessible and understandable to such Suppliers and employees
- Cooperate with third-party monitoring, allowing the assessment team to access all facilities and to obtain copies of requested documents and information to conduct and complete the assessment
- Demonstrate the ability to comply with relevant laws, this Supplier Manual, and the Supplier Code of Conduct
- Implement and monitor corrective action plans designed to achieve compliance with the Supplier Code of Conduct

Any Supplier that is not currently providing product to CTG must be approved through the assessment processes set out herein, effective November 1, 2018. In addition, CTG will undertake to conduct the approval process for all existing Suppliers. These assessments are anticipated to be completed over a period of twelve months. CTG has absolute discretion to select, retain, or terminate any person as a Supplier, regardless whether they satisfy the assessment criteria.

B. Assessment Steps

Step 1: Initial Supplier Risk Assessment

FCPA Due Diligence: CTG requires full compliance with the U. S. Foreign Corrupt Practices Act ("FCPA") and conducts due diligence in that regard. To facilitate that due diligence, Supplier will be required to complete the Due Diligence Supplier Questionnaire, which requests information, including but not limited to, Supplier's ownership, business practices, and banking relationships, as well as the Supplier's code of conduct and other policies and procedures; and Supplier's compliance with laws and regulations and an assessment of any violations and penalties by Supplier. Additional information may be requested following review of the Due Diligence Supplier Questionnaire.

Manufacturing Practices: Supplier is required to complete the Audit Questionnaire, which requests information regarding the location of Facilities and identification of those Facilities that will be utilized in the production of CTG Products or raw materials for the Products; the identify of subcontractors of raw material that will be used in CTG Product; information regarding Supplier's Lacey Act compliance

program; information regarding Supplier's CARB and TSCA compliance programs; testing protocols; social compliance; and other policies and procedures. Additional information may be requested following review of the Audit Questionnaire.

Step 2: Onsite Assessment - Scheduling

CTG utilizes an independent third party to conduct its on-site assessments. Onsite assessments may be requested for any or all Supplier Facilities, as well as sub supplier Facilities. CTG will inform Supplier of the identity of the third-party auditor ("Auditor"). A representative from the Auditor will contact the Facility to confirm applicable locations and arrange the assessment. At least one member of the Facility's management team, who can provide appropriate documents and Facility access necessary to complete the assessment and must be present through the visit. The Facility should be in full production during this visit. Visits normally last approximately 2-3 days but could take longer depending on the size and number of locations.

In the event the Auditor is required to return later to complete the assessment because appropriate personnel were not available, the facility was not in production, or the Auditor was otherwise not able to complete the assessment through no fault of the Auditor or CTG, CTG reserves the right to assess the additional cost of such assessment to Supplier.

Step 3: Onsite Assessment Process

Each onsite Facility assessment will consist of the following components:

- **Opening Meeting:** The lead Auditor will meet with facility management to review the policies and procedures for onsite assessment. This includes describing the scope of the assessment, identifying parties involved, and estimating the assessment duration.
- **Document Review:** Auditors will request and review documents including but not limited to written policies, personnel files, payroll and working hour documentation, employment contracts, environmental, health and safety records, Lacey Act compliance records, CARB/TSCA third party certification records, purchasing records, product testing records, and chain of custody records.
- **Employee Interviews:** Interviews with workers and management provide insight into actual workplace conditions. Our Auditors randomly select workers for interviews so that a representative sample of the workforce is captured.
- **Facility Walkthrough:** Auditors conduct a walkthrough of all areas where workers may be present including: production floors, warehouses, chemical storage units, wood yards, dormitory, lavatories, clinic, canteen, laboratories, and nursery. Photos are taken during the walkthrough to capture findings and general layout.
- **Closing Meeting:** Immediately following a workplace assessment, the Auditor will share a summary of non-compliances directly with the Supplier.

Step 4: Testing

CTG may, at its discretion, conduct testing on product to confirm compliance with all applicable regulatory and specification requirements. At CTG request, the Supplier shall provide sample product sufficient to conduct such testing.

Step 5: Corrective Actions

Upon completion of the onsite audit, the Supplier will be provided with a summary report of corrective actions in the form of a corrective action report or "CAR". In conjunction with CTG and the Auditor, the Supplier will determine the corrective action items and completion time frames pursuant to a Corrective Action Plan or "CAP".

Our auditors categorize CAR findings in the following manner:

1. **Critical CAR:** An observation of a failure to conform to a specified regulatory or legal requirement. (Critical CAR will be highlighted in **RED**).

Critical findings **MUST** be corrected before Supplier can be approved as a CTG Supplier. The following are types of findings that are considered critical:

- Illegal child labor
- Forced, bonded, indentured, slave and illegal prison or convict labor, and human trafficking
- Physical or sexual abuse
- Bribery or attempted bribery
- Health and safety conditions posing immediate risk to life and limb
- Corruption, deception or falsification or records

Failure to follow applicable laws and regulations that address the payment of minimum wage, overtime wage, timely wage payments, and failure to provide rest days may also be considered Critical Violations.

2. **Recommend CAR:** An observation, other than critical, of a deviation from a stated or implied requirement that merits further and continued evaluation. The projected timeframe for correction of a "Recommend CAR" must be included in the CAP. Correction of a Recommend CAR is a mandatory CAP requirement.
3. **Concern:** An observation of a weakness in the quality system that, if left uncorrected, could result in a future Critical or Recommend CAR, but is not representative of a finding of a failure to comply with a stated or implied requirement. Correction of "Concerns" is not a mandatory portion of the CAP. However, we encourage suppliers to address Concerns with the same level of care and attention as with Recommend CARS and Critical CARS.

CTG recognizes that not all Suppliers may meet the standards established in the Supplier Code of Conduct and the Supplier Manual. However, CTG will expect its Suppliers to remediate CARS in accordance with a jointly agreed upon CAP, within the agreed upon timeframes. It is important to note that failure to timely address corrective action requirements can result in the termination of the relationship with Supplier.

Step 6: Verification of Corrective Actions

For CTG to approve a Supplier for future work with CTG and to retain its status as a CTG approved Supplier, CTG requires verification of implementation of the corrective actions in accordance with the CAR Report and CAP. Supplier shall inform CTG of any corrective actions that cannot be completed in the recommended timeframes. Unless photographs can be taken as evidence that corrective actions

have been implemented (for mostly minor concerns only), the Supplier will undergo an onsite follow-up assessment within the first three months after the initial assessment.

C. Assessment Grading

CTG has adopted a three-tiered grading system to evaluate a Supplier’s compliance with CTG’s requirements. The system provides a final qualitative grade of Low Risk, Medium Risk and High Risk. Future regularly scheduled onsite monitoring and audit renewal assessment is established based on the risk assessment assigned to the Supplier. The risk assessment considers several factors, including but not limited to, the results of the FCPA due diligence, onsite audits, the corruption index of those countries where Supplier is located, and past experience with the Supplier. Set out below are some of the additional factors that are considered.

<p>High Risk</p>	<ul style="list-style-type: none"> • Pose a potential threat to workers’ safety, life and limb • Disclose lack of presence of essential management systems to protect the rights and life of workers • Identify non-compliance with legal requirements, focusing on the presence of legally required documentation or systems and procedures • Denote systemic inconsistencies or occurrences • Not disclosing subcontractors or facilities for production of CTG goods • Pose serious harm to employees • Reflect missing items that have material bearing on assessment (e.g. documentation) • Incomplete access to one or more of the components that form the assessment; facility walkthrough, employee interviews, and document review • Lack of appropriate CARB & TSCA certifications
<p>Medium Risk</p>	<ul style="list-style-type: none"> • Indicate existing processes, policies and/or legally required systems are in place to protect the rights of workers, but they are not properly implemented or regulated • Reflect unintentional errors that lead to non-compliance with legal or international requirements with minimum standards • Denote non-systemic inconsistencies or occurrences
<p>Low Risk</p>	<ul style="list-style-type: none"> • No CAR findings determined during assessment

D. Renewal Audits

Suppliers will be requested to complete FCPA and Manufacturing Practices Questionnaires annually. Full audits are conducted on a one, two, or three-year basis depending on a Supplier’s risk assessment or at CTG’s discretion.

IV. ON-GOING MONITORING

A. Periodic Monitoring

Ongoing compliance is confirmed through a variety of methods, including onsite visits by CTG personnel, Auditors, and / or Quality Control Inspectors and random sample testing. Visits may be announced on short notice or may be unannounced. CTG further reserves the right to conduct testing on products and/or component parts during the production cycle. Suppliers will be required to provide CTG and its Auditors with immediate access to the Facility and to cooperate fully in their review and sampling of products. If composite wood components are being manufactured by a sub supplier, Supplier shall take such steps as are necessary to insure access to sub supplier facilities for this purpose as well as cooperation from the sub supplier.

B. CARS

Any CARs that are identified during an on-site visit, whether by CTG personnel or by an independent auditor, shall be communicated to the Supplier. Supplier is expected to remediate such CAR as set out in *Section III – B - Step 5: Corrective Actions*.

C. Critical Violations

Should CTG, at any time, become aware of a Supplier's legal violations, CTG will evaluate the Supplier relationship and choose a course of action, which may include any or all:

- Working with the Supplier to remediate the violation(s) through developing preventative measures
- Cancelling the Purchase Order(s)
- Terminating the Supplier relationship

If a Supplier relationship has been terminated, CTG may consider resuming business with a Supplier only following completion of an audit satisfactory to CTG. Such audit shall be conducted at the expense of the Supplier. Increased audit frequency, also at the expense of the Supplier, may be required to insure sustained improvement.

D. Product Testing

For any product subject to emissions level or other testing requirements, Suppliers are required to provide to CTG, **PRIOR TO SHIPMENT**, copies of all required test results, as set out in the applicable specification sheets, for each lot of product being shipped. CTG reserves the right to conduct testing on any Product prior to acceptance. Suppliers are responsible for insuring that all testing conducted by a sub supplier of product or raw materials for use in CTG product is conducted by a laboratory that meets all applicable certification requirements. In the event of a discrepancy in tests conducted by or on behalf of CTG, the Supplier or sub supplier of raw materials, CTG shall have sole discretion as to which test results shall be accepted.

E. Quality Control:

CTG Reserves the right to conduct quality control inspections while product is in production. Suppliers that are subject to quality control inspections will be requested to provide weekly production schedules for the following two-week period. CTG currently utilizes a third-party to perform quality control inspections. Inspectors are rotated regularly among CTG suppliers subject to inspection visits. Assignments are based on the production schedules, making it important that CTG receive accurate production schedules. In the event CTG product is not in production in accordance with the provided production schedule when an inspector arrives, the cost of such visit will be billed to the Supplier.

Specific arrival times of a quality control inspector are not provided to Suppliers; however, Suppliers should anticipate the arrival of an inspector any time CTG product is in production. Inspectors should be given full access to the facility.

V. EPA TSCA TITLE VI & CARB REQUIREMENTS

A. General Requirements

CTG is dedicated to delivering quality products to its customers that fully comply and conform to US federal and state regulatory requirements, including regulations concerning formaldehyde emissions. This includes regulations promulgated by the California Air Resources Board (CARB) Airborne Toxic Control Measure (ATCM) and United States Environmental Protection Agency (EPA) Toxic Substances Control Act (TSCA) Title VI regarding formaldehyde emission standards for composite wood products.

These regulations apply to the formaldehyde emissions from composite wood products (hardwood plywood - veneer core (HWPW-VC), hardwood plywood - composite core (HWPW-CC), medium density fiberboard (MDF), thin medium density fiberboard (tMDF), and particleboard (PB) and all finished goods containing these composite wood products that are offered for sale in the State of California and in the United States.

Supplier represents and warrants that (i) Supplier, and (ii) the products Supplier provides to CTG, are and will continue to be in full compliance with all CARB and TSCA Title VI requirements in effect at the time of the manufacture. These requirements include, but are not limited to, the formaldehyde emission standards of CARB and TSCA Title VI regulations, record keeping requirements, and labeling requirements. Supplier further represents and warrants that it exercises “reasonable prudent precautions” as referenced in the regulations when sourcing composite wood products for the fabrication of the goods sold to CTG.

Suppliers are required to be knowledgeable regarding all such regulations, as well as monitor and comply with any amendments to such regulations.

B. Third-Party Certifier

All third-party certifiers must be approved in accordance with EPA TSCA Title VI Requirements.

C. Formaldehyde Emission Standards and Verification

1. *Standards:* All products containing composite wood products must meet the following formaldehyde emissions standards:
 - Hardwood Plywood (VC and CC) - 0.05 PPM
 - MDF – 0.11 PPM
 - Thin MDF – 0.13 PPM
 - Particleboard – 0.09 PPM
2. *Verification Requirements:* Suppliers are required to provide to CTG for each purchase order, **PRIOR TO SHIPMENT** the following information relative to each product in the purchase order:
 - TPC Quarterly audit report or audit verification letter from each Fabricator and each Panel Producer
 - TPC Quarterly test reports from each Supplier and each Panel Producer
 - Factory Quality Control Test Reports for EACH lot/batch of composite wood products

- Current and valid TPC issued EPA TSCA Title VI Certificate for each Fabricator and each Panel Producer
 - Copy of TPC Calculated QCL and Annual Correlation for each Fabricator and each Panel Producer
3. *Testing Requirements:* All CARB / TSCA Title VI emissions testing shall be conducted by an accredited laboratory, owned or operated by a TPC or an accredited contract laboratory. Product where testing does not reflect compliance with CARB and TSCA Title VI will not be accepted. Testing results shall be provided for each composite wood product included in the container being reviewed for shipment approval. Testing results are required for each separate lot or batch.

*The following is an example of the type of testing that would be required for a purchase order including the following products and is provided for explanation purposes only.

Sample Purchase Order

10 base cabinets & 10 upper cabinets:

- All cabinets have plywood box
- Doors have solid frames with ½ inch MDF panels
- Lower cabinets have drawers with plywood bottom and thin MDF back.
- Plywood is manufactured by subcontractor- supplier A with plywood utilized from two different lot numbers - #21 and #22.
- MDF is manufactured by subcontractor- supplier B.

The following test results will be required:

- Subcontractor A test results of Lot 21 plywood
- Subcontractor A test results of Lot 22 plywood
- Subcontractor B test results for ½ inch MDF
- Subcontractor B test results for thin MDF
- Supplier testing for Lot 21 plywood
- Supplier testing for Lot 22 plywood
- Supplier testing ½ inch MDF
- Supplier testing for thin MDF

D. Invoices

Each commercial invoice from the Supplier shall contain the statement that reflects composite wood products and / or composite wood products contained within finished goods are in full compliance with TSCA Title VI and CARB Phase II requirements. The following is an example of acceptable language:

“Supplier represents and warrants that (i) Supplier, and (ii) the composite wood Products and/or composite wood products contained with the Finished Goods Products provided to Cabinets To Go pursuant to this invoice, are in full compliance with all CARB Phase II and TSCA Title VI emission standards in effect at the time of the manufacture, and that Supplier exercised “reasonable prudent precautions” as referenced in the regulations when sourcing composite wood products for the Products identified herein.”

E. Record Keeping Obligations

1. Supplier shall retain the following documents for a minimum of three (3) years in hard copy or electronic copy:
 - Bills of lading, invoices or other documents that include written attestations that the composite wood products, component parts or finished products are TSCA Title VI compliant
 - Panel producer identification information and date of production of composite wood products
 - Master List of all regulated composite wood product suppliers whose regulated panels are utilized in the construction of CTG finished goods
 - Third-Party Certifier (TPC) Certification Certificates for each composite wood products supplier
 - TPC Quarterly Audit Verification Letters or Audit Reports for each composite wood product supplier
 - TPC Quarterly Test Reports for each composite wood supplier
 - Supplier Quality Control Test Reports for each batch of composite wood products purchased for use in the construction of CTG finished goods
2. Supplier must be able to make available the following information, within thirty (30) days of a request from CTG:
 - Panel producer identification information and date of production of composite wood products
 - Supplier identification information and date of purchase of composite wood products (may be panels, component parts or finished goods)

F. TSCA Title VI Labels

1. Finished Goods:

All finished goods containing composite wood panels (“panels”) subject to TSCA Title VI and CARB must include a label meeting TSCA Title VI and CARB requirements as set out below. Suppliers should consult product specifications for placement location and any additional label or branding requirements for an individual product.

- Label Contents
 - Purchase order number
 - Manufactured by: Supplier mill number
 - Lot number of each type of panel included in the finished goods. Suppliers must have a method that enables the panel to be traced from CTG’s end customer to the manufacturer of the panel
 - Date of production of the finished good (month/year)
 - A statement that the finished goods are compliant. The following language is recommended: **“CARB Phase II Compliant and EPA TSCA Title VI Compliant”**
 - If multiple types of wood are applicable, the Supplier can do one of the following (e.g. MDF, HWPW, composite wood):
 - Create individual labels for each composite wood OR
 - Create a combination label with each wood listed with appropriate lot number (see below example -V.2)

- Language: All labels must be in English.
- Label Location: The label shall be on every box or bundle containing finished goods. If goods are shipped as a bundle with the intent that the pieces will be sold individually, then each individual piece shall be labeled. Labels are to be consistently placed on the product.

Example of TSCA label:

TSCA Label

CABINETS TO GO <small>SAVE MORE ON YOUR DREAM KITCHEN AND FLOOR</small>	PO# - _____
Manufactured by _____	
Lot No: _____	
Date: MM/YYYY	
CARB Phase II Compliant and EPA TSCA Title VI Compliant	

TSCA Label V.2

CABINETS TO GO <small>SAVE MORE ON YOUR DREAM KITCHEN AND FLOOR</small>	PO# - _____
Manufactured by _____	
Lot No: _____	
Lot No: _____	
Date MM/YYYY	
CARB Phase II Compliant and EPA TSCA Title VI Compliant	

2. Panels:

All composite wood panels subject to TSCA Title VI and CARB must include a label meeting TSCA Title VI and CARB requirements as set out below.

- Label Content:
 - Panel producer’s name or panel producer number for identity purposes.
 - Lot number
 - Number of the EPA TSCA Title VI Third Party Certifier
 - A statement that the finished goods are compliant. The following language is recommended: **“CARB Phase II Compliant and EPA TSCA Title VI Compliant”**
- Language: All labels must be in English.
- Label Location: The label may be on every individual panel or by bundle. If panels are not individually labeled, Supplier must have a method sufficient to identify the panel supplier and link the information on the label to products upon customer request.
- Format: Labels may be applied as a stamp, tag, or sticker. Barcodes are permissible but cannot be the sole label. All non-text labels must be accompanied with TSCA Title VI information.

VI. LACEY ACT COMPLIANCE

A. Lacey Act

The Lacey Act is a law of the United States that makes it unlawful to import, export, transport, sell, receive, acquire, or purchase any plant that is taken, possessed, transported, or sold in violation of any law, treaty, or regulation of the United States federal, state, or local law, tribal laws, or any foreign law, treaty, or regulations. Any Product containing a wood component, whether solid or composite in nature, and no matter how de minimus in content, should be reviewed for compliance with the Lacey Act. Suppliers must be able to provide evidence that all wood Products, including but not limited to the wood contained in certain wood composite Products, was harvested, processed, and traded legally. Suppliers and subcontractors must exercise reasonable due care, including but not limited to, the establishment of compliance programs designed to monitor and insure compliance.

B. FSC / SFI Certified Wood

Preference is typically given to wood that is certified by the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI) and may, in some instances be mandatory per the requirements of the Purchase Order and Product Specifications. Evidence of current certifications is required to be provided with each Purchase Order. It is important to note that evidence of FSC or SFI certification does not obviate the requirement to provide chain of custody documentation.

C. Chain of Custody

Documentation demonstrating chain of custody from the forest to the consumer of wood used in products containing solid wood and/or certain wood composite products must be provided, prior to final acceptance of the Product by CTG. Harvesting plans, harvest permits, transportation permits, forest timber licenses, transportation permits, conveyance certificates, certificates of origin, sales contracts, shipping orders, and correct CITES documentation (if applicable) are examples of such documentation. All documents must be submitted with English translations.

CTG recognizes that chain of custody documentation varies regionally based on local applicable laws and regulations, as well as harvest, permitting, transportation and other generally accepted practices within a region. Suppliers are encouraged to consult with CTG regarding the availability, type and acceptability of documentation evidencing chain of custody.

VII. PACKAGING, SHIPPING AND DOCUMENTATION REQUIREMENTS

A. Packaging Specifications (Cartons)

- Suppliers are responsible for designing packaging that will protect the product during shipment and maintain the integrity of the product during storage.
- Specific requirements for packaging are below:
 - Must be a minimum of 32 Edge Crush Test (ECT)
 - Corner protection on all four corners inside the carton
 - Rigid side boards are recommended
 - Packing material must be used for any space between product and carton

B. Shipping Requirements

Container Packing:

- Generally, purchase orders are issued in quantities to fill one container (i.e. one purchase order equals one container). Unless approved in advance by CTG, no additional product outside of that included in the purchase order should be shipped in a container.
- Containers must be packed in a way to prevent damage to product during shipping. Specific requirements for packing may be provided by CTG to Supplier. Such requirements are set out in the Supplier Manual or within the specifications related to a specific product.
- Recommended packing standards for cabinets are set out in *Attachment 3* in the manual.
- Contents must be adequately secured within the container to prevent shifting during transit.
- Once the container has been sealed, vendor must take a picture of the seal for record keeping purposes. If customs have an issue with a seal, CTG will request the picture for verification.

Skids:

- Product that is shipped on skids must fit securely on the skid and may not over hang any side of the skid unless explicitly approved by CTG
- Total skid height (including the skid) cannot be higher than 72 inches (182 cm)
- All skids must be in good condition with no loose, damaged or missing runners or slats.
- All cartons shipped to CTG on skids must be securely held to the skid using stretch wrap or non-metal banding.
- International shipments must use stretch wrap to protect the shipment from salt water damage.
- All skids received with multiple part numbers must have labels that state "Mixed Load". A minimum of one label on each side of the skid must be used – 4 labels per skid.

C. International Shipping

When shipping product internationally, there are different requirements and considerations than when shipping product domestically. Contracts for international trade may include commercial invoices, emails, and purchase orders. All documents are part of record keeping responsibilities and may be reviewed by U.S. Customs in an audit.

Supplier is responsible for fulfilling any customs obligations origin marking or labeling requirements, and certification or local content reporting requirements. Supplier will obtain all export licenses and authorizations and pay all export taxes, duties and fees unless otherwise explicitly stated in the purchase order, in which case Supplier will provide all information and records necessary to enable CTG to obtain those export licenses or authorizations.

Supplier shall execute all required documentation as necessary to comply with the appropriate Incoterm 2010. For more information on Incoterms, consult the Incoterms 2010 book available from the International Chamber of Commerce. Supplier shall warrant that all information and documents provided shall be timely, true and accurate.

Coordination between CTG and Suppliers will ensure that all information required on the commercial invoice will be available from the time the order is placed until documents are received in-house at CTG. In addition, all parties involved must communicate any changes to the commercial invoice that impacts the information to be submitted to U.S. Customs.

D. Documentation

Packing Slip:

Each shipment must be accompanied by a packing slip. The packing slip will be used for receipt. The packing slip must be securely fastened in an envelope secured to a carton in the back of the container and must contain the following:

- Supplier (Seller) Name and Address
- Manufacturer Name and Address
- Date
- Purchase Order Number(s)
- Container / Seal#
- Production Date
- Line item description of contents
 - Quantity – Pieces
 - Quantity – Cartons
 - Net weight
 - Gross weight
 - Cubic measurement

An example of the format of the packing slip:

Packing List						
Seller:		Vendor Name Vendor Address Phone Number & Email			Invoice #: Date: CTG PO#:	
Manufacturer:		Factory Name Factory Address			Container/Seal #: Payment Terms: Shipment Mode: FOB - Port: Final Destination: Production Date:	
Sold To / Ship To:		Cabinets To Go 2350 W.O. Smith Drive Lawrenceburg, TN 38464 TEL:(931)300-2170				
CTG Item#	Description	Qty (Pcs)	Qty (Ctns)	Net Wt. (KGS)	Gr.Wt. (KGS)	Measurement (CBM)
Total		Pcs	Ctns	KGS	KGS	0.CBM
G.W.: KGS N.W.: KGS MEASUREMENT: 0.CBM TOTAL QTY: Ctns						

Commercial Invoice:

A commercial invoice must be produced for each entry to U.S. Customs, and must meet the following general conditions:

- Documents must be in English
- List the full legal name and address of the company (or person if not a company) selling the goods as "Seller"
- List the Manufactured by as the place where the product is being made
- List "Sold to"/ "Ship to" party – if different, separate into 2 fields, and if the same it is acceptable to combine in one field
- Purchase order number (as specified on purchase order)
- Country or origin of merchandise
- FOB - Port
- Container / Seal #
- Payment Terms
- Shipment Mode
- Production Date
- Detailed itemized description of merchandise including the following:
 - CTG SKU number
 - Quantity by pieces
 - Quantity by cartons
 - Unit price – US Dollars
 - Extended price – US Dollars
 - Trade name

- Type of wood – list all woods to include MDF, HWPW, composite, or solid
- Quantity of Plant Material for PPQ (only if applicable for Lacey Act)
- List the value of the merchandise and type of currency for **EVERY** product or part on the container to include replacement parts
- Certification Statement for TSCA if applicable (See Section V – D)
- Itemized separately, if applicable:
 - Rebates or discounts
 - Freight and insurance
 - Commissions
 - Cost of packing
 - Addition to Value/Assist Declaration
- Place company chop on bottom of invoice
- As a rule, only product from one purchase order should be included in a container - If product from more than one purchase order is included in a shipment (with prior approval of CTG), all product must be identified by the applicable purchase order number on the invoice – preferably one purchase order to one commercial invoice

An example of the format of commercial invoice:

Commercial Invoice

Seller Name:	Vendor Name Vendor Address Phone & Email	Invoice #:	
		Date:	
		CTG PO#:	
		FOB - Port:	
Manufactured By:	Factory Name Factory Address	Container/Seal #:	
		Payment Terms:	
Sold To/Ship To:	Cabinets To Go 2350 W.O. Smith Drive Lawrenceburg, TN 38464 TEL:(931)300-2170	Shipment Mode:	
		Production Date:	

CTG Item#	Description	Qty (Pos)	Qty (Ctns)	Unit Price (USD \$)	Amount (USD \$)	Trade name	Material Breakdown	Quantity of Plant Material for PPQ	Note
		PC	CTN		0.00	Certifications:			
TOTAL AMOUNT:					US\$0.00	<i>Supplier represents and warrants that (i) Supplier, and (ii) the composite wood Products and/or composite wood products contained with the Finished Goods Products provided to Cabinets To Go pursuant to this invoice, are in full compliance with all CARB and TSCA Title VI emission standards in effect at the time of the manufacture, and that Supplier exercised "reasonable prudent precautions" as referenced in the regulations when sourcing composite wood products for the Products identified herein.</i>			
DEPOSIT AMOUNT:									
BALANCE AMOUNT:					US\$0.00				
TOTAL QTY:		CTN							

PPQ Form 505:

This form by the US Department of Agriculture must be submitted if the type of wood used in CTG products falls in certain HTS codes. CTG will submit this form through their broker but

needs to have the information from the supplier to properly enter the details. The information that needs to be provided by the Supplier is the following:

- Box 3 – Container Number
- Box 10 – Description of Merchandise
- Box 11 - HTS Code
- Box 12 - Entered Value
- Box 13 - Article / Component of Article
- Box 14 - Plant Scientific Name
 - Genus
 - Species
- Box 15 - County of Harvest
- Box 16 - Quantity of Plant Material
- Box 17 – Unit

An example of the PPQ Form 505

According to the Paperwork reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0579-0349. The time required to complete this information collection is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

OMB APPROVED
0579-0349
Exp. Date:

SECTION 1 - Shipment Information

1. ESTIMATED DATE OF ARRIVAL: (MM/DD/YYYY)
2. ENTRY NUMBER:
3. CONTAINER NUMBER: <input type="checkbox"/> See Attachment
4. BILL OF LADING:
5. MID:

**Plant and Plant Product
Declaration Form**

Section 3: Lacey Act Amendment (16 U.S.C. 3372)



U.S. DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

10. DESCRIPTION OF MERCHANDISE:

6. IMPORTER NAME:
7. IMPORTER ADDRESS:
8. CONSIGNEE NAME:
9. CONSIGNEE ADDRESS:

SECTION 2 - Compliance with Lacey Act Requirements (16 U.S.C. 3372(f))

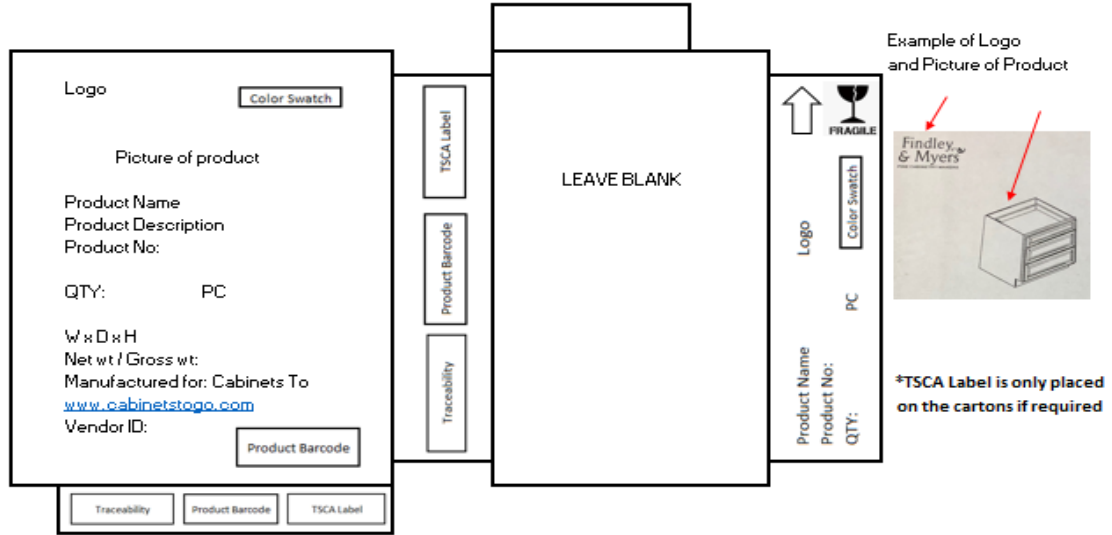
For each article or component of an article, provide the following:								
11. HTSUS NUMBER: (no dashes/symbols)	12. ENTERED VALUE:	13. ARTICLE/ COMPONENT OF ARTICLE	14. PLANT SCIENTIFIC NAME: Genus Species		15. COUNTRY OF HARVEST:	16. QUANTITY OF PLANT MATERIAL:	17. UNIT:	18. PERCENT RECYCLED:

E. Labeling- Cabinets

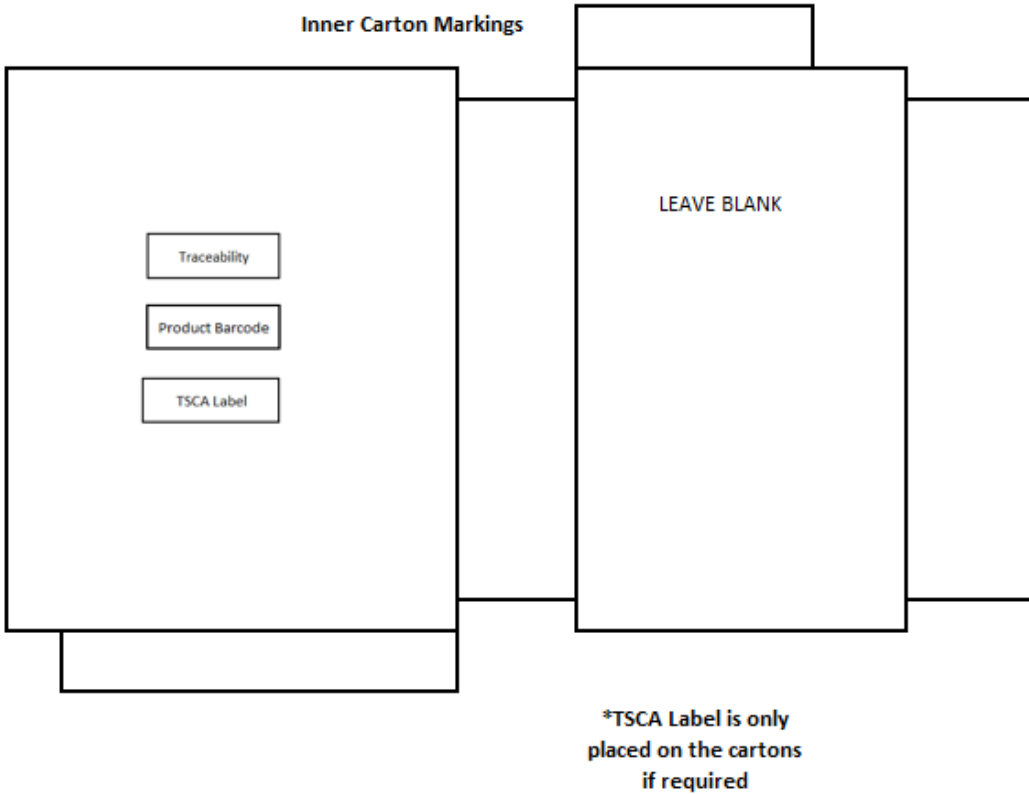
All product shall be labeled in accordance with applicable laws and regulations and as set out herein and in the Specifications, including without limitation, identification markings, and branding requirements. Suppliers are responsible for insuring all such requirements are adhered to in accordance with the applicable product specifications.

Carton Markings

Outer Carton Markings

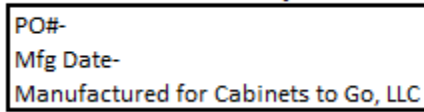


Inner Carton Markings



Label Stickers

Traceability



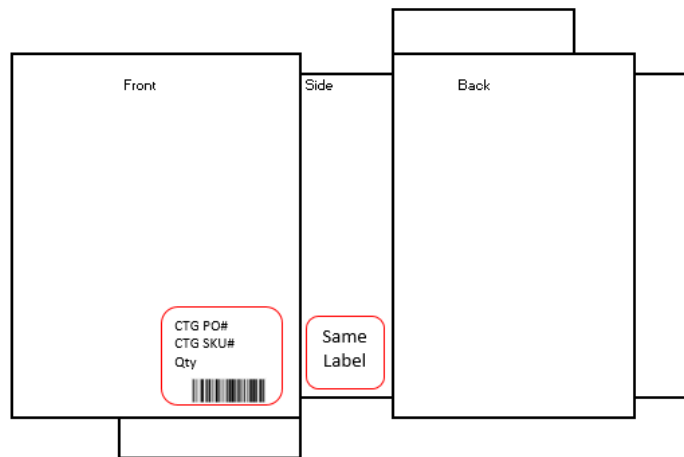
Product Barcode



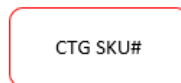
F. Labeling – Accessories (Branded)

All products that have branded markings other than Cabinets To Go Markings on the cartons need to provide a label on 2 adjacent sides of the outer cartons to reflect the below information:

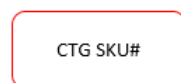
- CTG Purchase Order Number
- CTG Item Number
- Quantity in Carton
- Product Barcode



Inner carton markings need only to have a label that reflects the CTG Item number



Inner bags with product must have the CTG Item Number marked on them



Overpack Containers:

Certain individual Products may be packed together for purposes of shipment in “overpack containers.” Overpacked Product must adhere to the following:

- All individual packages within the overpack must be labeled in accordance with the requirements for such individual product (See Section V – F – 1 – c relative to TSCA/CARB labeling)
- All over-packed material must have a minimum of one label per box that includes the minimum information as outlined within the Specification, together with quantity of Product contained within the overpack container.

Importation of Products with Wood and/or Composite Wood Components: Effective March 22, 2019, an importer of composite wood panels or products containing composite wood is required by U.S. Customs to certify as to the TSCA Title VI compliance of such products. Accordingly, CTG must have received and approved the verification documentation set out in Section V.C above. CTG encourages Suppliers to provide such documentation in a time frame that will allow CTG to review and assure itself of compliance prior to the Product being delivered to the carrier for shipment to the United States. Failure to provide information in a timely manner may result in shipments being delayed in the country of origin until such documentation is obtained. Suppliers are encouraged to communicate closely with CTG personnel regarding any issues or concerns that might delay delivery of the applicable documents.

In the event documentation has not been received and approved when the Product reaches the first North American port (including without limitation any port in Canada), **the container will be refused and returned to the Supplier at Supplier expense.**

Telex Releases: In order to facilitate the expeditious clearance of U.S. Customs, Suppliers are to provide telex release of the container within twenty-four hours of the estimated time of delivery at the applicable Port of Entry for customs clearance. Any demurrage, detention or other charges incurred by CTG because of failure of Supplier to release a container for clearance will be charged to Supplier.

VIII. DEFINITIONS

The following terms shall have the definitions as set out below within this Supplier Manual, the Standard Terms and Conditions, the Supplier Code of Conduct, any Purchase Order, any Supplier Master Agreement, and any other agreement that may exist between a supplier and CTG (individually and collectively, the “Supplier Document(s)”), except as may otherwise be set specifically in a Supplier Document.

1. **APHIS** means the United States Department of Agricultural Animal and Plant Health Inspection Services
2. **Applicable Laws and Regulations** mean all national, provincial, local and other applicable labor and employment, health and safety, and environmental laws and regulations of the country where the Product is produced and/or to be sold.
3. **Auditor** means (i) the independent third party engaged by CTG or (ii) the CTG personnel assigned to Supplier to conduct, on behalf of CTG, onsite audits, monitoring, quality control, and random sampling.
4. **Bundle** means more than one composite wood product, component part, or finished good fastened together for transportation or sale.
5. **CTG** means Cabinets to Go and its subsidiaries and affiliates.
6. **CAP** means a Corrective Action Plan
7. **CARB** means the California Air Resources Board
8. **CITES** means the Convention of International Trade in Endangered Species
9. **Code** means the Supplier Code of Conduct
10. **Composite core** means a platform for making hardwood plywood or laminated products that consist of particleboard and/or medium density fiberboard, or combination core.
11. **Composite wood component** means a composite wood product utilized in a finished product.
12. **Composite wood product** means hardwood plywood made with a veneer core or composite wood core, medium-density fiberboard, thin medium density fiberboard, or particleboard.
13. **Correction or Corrective Action or CAR** means those actions taken to eliminate a detected nonconformity.
14. **Critical CAR** means an observation of a failure to conform to a specified regulatory or legal requirement.
15. **EPA** means the United States Environmental Protection Agency
16. **Fabricator** means a person or entity that incorporates composite wood products into component parts or into finished goods. This includes laminated product producers.
17. **Facility** means any entity that produces, processes or harvests the Products sold to CTG. The Facility may be either owned or contracted by the Supplier and/or Subcontractor.
18. **FCPA** means the Foreign Corrupt Practices Act
19. **Finished good** means any good or product, other than a panel, that contains hardwood plywood (with a veneer or composite core), particleboard, medium-density fiberboard, or thin medium-density fiberboard and that is not a component part or other part used in the assembly of a finished good. Products that are shipped unassembled with all component parts necessary for complete assembly of the product in a single package are considered “finished goods”.
20. **Hardwood plywood** means a hardwood or decorative panel that is intended for interior use and composed of (as determined under ANSI/HPVA HP-1-2009 (incorporated by reference, see §

770.99)) an assembly of layers or plies of veneer, joined by an adhesive with a lumber core, a particleboard core, a medium-density fiberboard core, a hardboard core, a veneer core, or any other special core or special back material. Hardwood plywood does not include military-specified plywood, curved plywood, or any plywood specified in PS 1-09, Voluntary Product Standard – Structural Plywood (incorporated by reference, see § 770.99), or PS 2-04 Voluntary Product Standard – Performance Standard for Wood-Based Structural-Use Panels (incorporated by reference, see § 770.99). In addition, hardwood plywood includes laminated products except as provided at § 770.4

21. **Import certification, TSCA:** Section 13 of TSCA requires U.S. importers to certify that imported chemical substances, mixtures, and articles either comply with TSCA (“positive” certification) or are not subject to TSCA (“negative” certification). A positive certification means that the substance is subject to TSCA and complies with TSCA section 5 premanufacture notification (PMN) requirements and significant new use rules (SNUR) as well as certain rules, orders, and actions under sections 5, 6 and 7. U.S. Customs and Border Protection cannot properly accept entry of shipments if certification is not made or if the shipment does not comply with TSCA.
22. **Importer** means any person or entity who imports composite wood products, component parts, or finished goods into the customs territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedules of the United States pursuant to 15 U.S.C. 2612(a)(1)).
Importer includes:
 - a. The entity primarily liable for the payment of any duties on the products; or
 - b. An authorized agent acting on the entity’s behalf.
23. **Lacey Act** means the Lacey Act of 1900, as amended.
24. **Laminated product** means a product in which a wood or woody grass veneer is affixed to a particleboard core or platform, a medium-density fiberboard core or platform, or a veneer core or platform. A laminated product is a component part used in the construction or assembly of a finished good. In addition, a laminated product is produced by either the fabricator of the finished good in which the product is incorporated or a fabricator who uses the laminated product in the further construction or assembly of a component part.
25. **Laminated product producer** means a manufacturing plant or other facility that manufacturers (excluding facilities that solely import products) laminated products on the premises. Laminated product producers are fabricators, and after March 24, 2024, laminated product producers are also hardwood plywood panel producers except as provided at § 770.4.
26. **Lot** means the panels produced from the beginning of production of a product type until the first quality control test; between one quality control test and the next; or from the last quality control test to the end of production for a particular product type.
27. **Medium-density fiberboard or MDF** means a panel composed of cellulosic fibers made by dry forming and pressing a resonated fiber mat (as determined under ANSI A208.2-2009 (incorporated by reference, see § 770.99)).
28. **Non-complying lot** means any lot of composite wood product represented by a quarterly test value or quality control test result that indicates that the lot exceeds the applicable standard for the particular composite wood product in § 770.10(b). A quality control test result that exceeds the QCL is considered a test result that indicates that the lot exceeds the applicable standard. Future production of the product type(s) represented by a failed quarterly test are not

considered certified and will not be accepted by CTG until the product type(s) are re-qualified through a successful quarterly test.

29. **Panel** means a thin (usually rectangular piece of particleboard, medium-density fiberboard or hardwood plywood. Embossing or imparting of an irregular surface on the composite wood products by the original panel producer during pressing does not remove the product from this definition. Cutting a panel into smaller pieces, without additional fabrication, does not make the panels into a component part or finished good. This does not include items made for the purpose of research and development, provided such items are not sold, supplied, or offered for sale.
30. **Panel producer** means a manufacturing plant or other facility that manufactures (excluding facilities that solely import products) composite wood products on the premises.
31. **Particleboard** means a panel composed of cellulosic material in the form of discrete particles (as distinguished from fibers, flakes or strands) that are pressed together with resin (as determined under ANSI A208.1-2009 (incorporated by reference, see § 770.99)). Particleboard does not include any product specified in PS 2-04, Performance Standard for Wood-Based Structural-Use Panels (incorporated by reference, see § 770.99).
32. **PPQ** means the APHIS Plant and Plant Product Designation form.
33. **Product** means those materials and finished products being supplied to CTG by Supplier, including packaging, instruction, warranties, and materials normally included with such Product.
34. **Product type** means, when referring to composite wood materials, a type of composite wood product, or group of composite wood products, made by the same panel producer with the same resin system that differs from another product type based on panel composition and formaldehyde emission characteristics. Grouped products must have similar formaldehyde emission characteristics and their emissions must fit the same correlation curve or linear regression.
35. **Production line** means a set of operations and physical industrial or mechanical equipment used to produce a composite wood product in one facility utilizing the same or similar equipment and quality assurance and quality control procedures.
36. **Purchase Order** means the formal document issued by an authorized CTG personnel setting out the product that CTG is offering to purchase, including quantity, price, delivery and other requirements of purchase.
37. **Quality control limit or QCL** means the value from the quality control method test that is the correlative equivalent to the applicable emission standard based on the ASTM E1333-10 method
38. **Recommend CAR** means an observation, other than critical, of a deviation from a stated or implied requirement that merits further and continued evaluation.
39. **Resin system** means type of resin used, including but not limited to urea-formaldehyde, soy, phenol-formaldehyde, or melamine-urea-formaldehyde.
40. **Specifications** means the Product Specifications.
41. **Standard Terms and Conditions** means the terms and conditions attached hereto as Attachment B, as may be amended from time to time and posted on CTG's website, <http://www.CabinstoGo.com>.
42. **Supplier** means suppliers, vendors, and agents and their subcontractors.
43. **Supplier Code of Conduct** means the code of conduct as set out in Attachment A
44. **Supplier Master Agreement** means an agreement between Supplier and CTG.

45. **Subcontractor** means a provider of component parts to Supplier means any entity that is contracted by a Supplier or facility to produce, process or harvest Product or component parts to be sold to or used in product manufactured for sell to CTG.
46. **Supplier** means suppliers, vendors, and agents and their subcontractors.
47. **TPC** means a third-party certifier approved by the EPA.
48. **Thin medium-density fiberboard** means medium-density fiberboard that has a thickness less than or equal to 8 millimeters or 0.315 inches.
49. **Unauthorized Subcontracting** means the assigning, delegating or otherwise transferring of any portion of a purchase order to a facility or other entity without full disclosure to and consent by CTG.
50. **Worker(s)** means any current or former Worker, laborer, worker, or staff member employed or contracted by the Supplier, Facility or Subcontractor, which includes all foreign and migrant workers.

IX. ATTACHMENTS

- A. Supplier Code of Conduct
- B. CTG Standard Terms and Conditions

X. REFERENCE DOCUMENTS

- A. US EPA TSCA Title VI: <https://www.epa.gov/formaldehyde/formaldehyde-emission-standards-composite-wood-products>
- B. California Air Resources Board ATCM 93120:
<https://www.arb.ca.gov/toxics/compwood/compwood.html>
- C. Lacey Act: <https://www.fws.gov/international/laws-treaties-agreements/us-conservation-laws/lacey-act.html>
- D. PPQ Form 505 HTS Codes required for document