

## CLAIMS

PVH uses an average cost per carton to determine the dollar amount used to file a claim for loss or damage. The cost per carton for claim purposes is determined by using the average number of units in a carton and multiplying it by the average cost per unit, resulting in an average cost per case. All currency is in US Dollars (USD).

- **Sample**

<u>Division</u>	<u>Average Units</u>	<u>USD Average Cost</u>	<u>USD Cost per Carton</u>
Calvin Klein	10	\$13.20	\$132.00
Van Heusen	13	\$ 8.39	\$109.07
Tommy Hilfiger	11	\$13.15	\$144.65

- The cost per carton is updated on a monthly basis. When a claim is filed, the average cost used is determined by the month the carton was shipped from the Montreal Distribution Center.
- The Carrier agrees to pay all claims via Freight Bill Deduction in accordance with the above claims cost criteria outlined.
- All exceptions (OS&D Report) will be reported to PVH no later than 24 hours after the unloading of our trailer(s) and before the first store delivery is made. Failure to report within the stipulated timeframe will negate the use of the OS&D Report in resolving claim issues.
- Monthly, each carrier is forwarded an e-mail attachment with potential claim issues. See **Exhibit O**. The carrier is requested to send PODs (proofs of delivery) for each issue within 7 days of the request. Your compliance to our request is measured on our Carrier Performance Ranking. Ensure that you submit complete information. The paperwork is reviewed and a determination is made as to whether or not to file a claim. The Bridgewater Office forwards the filed claims to the carrier for review.
- When a POD (proof of delivery) is requested, copies of the following paperwork should be provided to substantiate the status:
  - *Store BOL* signed by the store associate noting the quantity of cartons received, the date of delivery, and any exceptions.
  - *Free-astray* for cartons delivered in addition to the original shipment. Free-astray are to deliver within 7 calendar days of the original delivery or on the next scheduled delivery to the store. The free-astray are to deliver on a separate Freight Bill referencing the original Store Bill of Lading number, carton ID number, and the date of the original delivery. Any free-astray not delivered within

the specified time frame will be considered a shortage and a claim will be filed.  
(See section on **Store Delivery Requirements**)

- Effective with claims filed April 1, 2018 and later, PVH will no longer be accepting check payments for claims. See **Exhibit P**.
- All potential claims are to be satisfied with proof of delivery within 90 days of the filing date. If a claim cannot be satisfied within the 90 days, a freight bill deduction (FBD) will be processed by the Freight Payment department by either withholding freight bill payment or deducting the claim amount from future freight bill payments.
- The carrier is responsible to deliver all overages and return any unlabeled cartons to the Distribution Center, St. Laurent, QC. Misrouted cartons are to be shipped to the addressed store via Purolator, Inc. within 24 hours of processing the freight.



Exhibit P



PVH Corp.  
1001 Frontier Road  
Bridgewater, NJ 08807  
908.698.5000

Memo

Date: February 15, 2018

From: Jo Ann McGrath, Senior Manager Retail Transportation

To: Retail Hub Carriers

Subject: Freight bill deduction for all retail freight claims

The current process for retail claim payments to PVH allows the carrier to either pay the claim or have the claim payment deducted from a future freight bill payment. You can find this statement in the pool carrier contract, Exhibit C Claims Cost Determination, item #4 on page 7. For those of you who might be working under an older contract, you should have a letter on file with this information.

**4. Claims not satisfied within 60 days will result in the Shipper to either withhold freight bill payment or deduct the claim amount in U.S. Dollars from future freight bill payments.**

You should be aware that PVH is always working to ensure only true claims are filed, however at times claims are cancelled based on Inventory Control’s findings of negative selling at the store level and during store inventories. **Effective with claims filed April 1, 2018 and later**, PVH will no longer be accepting check payments for claims. Claims filed April 1<sup>st</sup> and later will be deducted from a future freight payment **90 days** after date of claim. This will help to mitigate claims in your favor.

Notice will be sent via e-mail to each carrier two weeks prior to freight bill deduction as is the current process.

Please sign and date this memo showing your acceptance of the new process for claims and return dated signed copy to my attention by March 19<sup>th</sup>. Thank you.

Carrier Name \_\_\_\_\_

Authorizing Signature \_\_\_\_\_

Date \_\_\_\_\_

Cc: K. Maluchnik, R. Oliver, M. Bisesi, D. Macri