

Billing Criteria for PVH Freight Payment

1. Rates will be based on a mileage class 100 rate scale, see EXHIBIT B. These rates will have application from, to, and between all points in the 48 states, between points in the United States and Canada, between points in Canadian provinces, and between points in Puerto Rico.
2. Per hundredweight & deficit weight procedures: Rates should be calculated on a per hundredweight (cwt) basis. The rate should be calculated using the lower of the actual ship weight multiplied by the rate in the appropriate bracket OR by a deficit weight procedure (the next-highest weight break multiplied by the lowest weight in that bracket). Example:

Shipment weight = 4890#

Miles = 1220

Discount = 45%

Rate in 2000-4999# bracket = \$34.10 (before discount)

$\$34.10 \times 48.90$ (cwt) = \$1667.49 – \$750.37 (45% Discount) = \$917.12

Rate in 5000-9999# bracket = \$29.01 (before discount)

$\$29.01 \times 50$ (lowest cwt in the bracket) = \$1450.50 – \$652.73 (45% Discount) = \$797.77

In this example, the correct rate of the shipment is \$797.77 (using the deficit weight procedure).

3. All rates will be in United States Dollars. All remittances from PVH will likewise be in U.S. Dollars. The freight invoice must indicate "U.S. \$" on the face of the bill.
4. Mileage is calculated using a 5-digit zip code mileage or 6-digit Canadian postal code computation from PC Miler – Version 31.0, practical routing.
5. Payment terms are thirty (30) days from the generated Store BOL print date (the ship date from the Jonesville Distribution Center). The invoices are generated from data provided by PVH Warehouse System. The Carrier does not have to provide any paperwork, invoices, signed proofs of delivery, or bills of lading. Alternate payment terms of ten (10) and twenty (20) days are available.
6. Paper invoices for deliveries not manifested out of a PVH DC are 30-day payment terms; they will be processed 30 days after the shipment date.
7. Split Shipments: Payment for split shipments is remitted for both deliveries. The 2nd invoice (indicated by an "A" suffix to the initial store invoice number) is generated on ship date from Jonesville. The system is unable to supply the specific carton numbers per delivery, only the number of cartons and the weight for each shipment are supplied.
8. The check remittance will contain all of the necessary data to audit the payments; applied weight / PVH rate; FSC % / fuel surcharge amount; calculated miles / accessorial applied amount; applied discount / discounted amount. A \$5.00 variance will be in place when auditing our payments. If PVH under pays by \$5.00 or less do not remit a balance due bill; if PVH overpays by \$5.00 or less, do not send PVH a refund.

9. Discounts will have application on prepaid shipments, collect shipments, and third-party shipments.
10. Paper invoices billed with incorrect or omitted information will not be paid; they will be returned to the carrier.
 - a) Paper invoices submitted must include corresponding manifest, Bill of Lading/Delivery Receipt and appointment number information.
11. Discounts on interline shipments must be protected.
12. Attach bills of lading to Freight Bills on prepaid shipments.
13. The following rules or accessorial charges will not be permitted:
 - a) Single shipment charges.
 - b) Capacity load provisions.
 - c) Inside delivery.
 - d) Linear foot rules.
 - e) Notification charges.
 - f) Re-labeling charges on returns.
 - g) Re-consignment charges on misloaded cartons tendered to Fed Ex Ground.
 - h) Storage or held freight charges.
 - i) Lift-gate

ALL INVOICE OR PAYMENT INQUIRIES ARE TO BE REFERRED TO:

PVH Corp.
c/o CT Logistics Team #1
P.O. Box 30382
Cleveland, OH 44130
Email team1@ctlogistics.com and freightpayment@pvh.com

- See **Exhibit N** for a sample copy of the check and the remittance.

Understanding the Check Remittance

The store BOL numbers - LTL (less-than-a-truckload) / shipment store BOL numbers are composed of three parts; the alpha-numeric code for the destination store; the alpha letters for the division, the 5-digit store number, and the 1st appointment number that contains cartons for this store; for example TO0001634000018892.

Alpha letters for the store divisions:

- OS - Van Heusen
- CO - Calvin Klein
- CA - Calvin Klein Specialty Accessory
- TO - Tommy Hilfiger
- TH - Tommy Anchor / Specialty

Paper invoices will be paid using the carrier's invoice number.

Check Remittance Legend

- Wt / Rate - applied weight / rate
- FSC% / A - fuel surcharge applied percentage / fuel surcharge amount
- Mile / Acc - calculated miles / accessorial applied amount
- Disc % / A - applied discount / discounted amount

Definitions

- Store BOL – the store's BOL number found on the actual store BOL document.
 - Applied Weight - either the actual weight or the deficit weight
 - Accessorial - Extra fees attached to transportation services for duties beyond sampling shipping a good from point A to point B.
 - Division - the shipment's associated merchandise general ledger divisional classification
 - Amount Paid - the total amount paid for the shipment; the shipment's net amount with added accessorial and fuel surcharges
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- See **Exhibit N-1** for outline of PVH Fuel Surcharge Program.

Since the payment terms are initially set at 30 days, PVH is providing the option of Direct Deposit. To receive payment via Direct Deposit, complete the form and submit it to the address provided.

- See **Exhibit N-2** for Direct Deposit Form

Exhibit B

PVH

LTL Tariff

Notes

Miles must be determined using PC Miler V. 31.0,5 digit zip to 5 digit zip, practical routing.

All rates are in United States Dollars

Mileage Bracket		Cost Per CWT Rate					
		Weight					
Low Miles	High Miles	< 500	500	1M	2M	5M	10M
1	20	60.05	50.30	44.21	37.10	31.58	27.53
21	40	61.13	51.22	45.01	37.79	32.15	28.04
41	60	62.24	52.14	45.82	38.48	32.73	28.54
61	80	63.34	53.06	46.62	39.15	33.30	29.05
81	100	64.45	53.98	47.43	39.84	33.88	29.56
101	120	65.55	54.90	48.25	40.50	34.45	30.06
121	140	66.65	55.82	49.06	41.19	35.05	30.57
141	160	67.76	56.76	49.86	41.86	35.63	31.07
161	180	68.84	57.68	50.67	42.55	36.20	31.58
181	200	69.94	58.60	51.50	43.24	36.78	32.09
201	220	71.05	59.52	52.30	43.91	37.35	32.59
221	240	72.15	60.44	53.11	44.60	37.93	33.10
241	260	73.26	61.36	53.91	45.26	38.53	33.60
261	280	74.36	62.28	54.72	45.95	39.10	34.11
281	300	75.46	63.20	55.55	46.62	39.68	34.62
301	320	76.54	64.12	56.35	47.31	40.25	35.12
321	340	77.65	65.04	57.16	48.00	40.83	35.60
341	360	78.75	65.96	57.96	48.67	41.40	36.11
361	380	79.86	66.91	58.79	49.36	42.00	36.62
381	400	80.96	67.83	59.59	50.03	42.57	37.12
401	420	82.06	68.75	60.40	50.72	43.15	37.63
421	440	83.17	69.67	61.20	51.41	43.72	38.13
441	460	84.25	70.59	62.01	52.07	44.30	38.64
461	480	85.35	71.51	62.84	52.76	44.87	39.15
481	500	86.69	72.43	63.64	53.43	45.47	39.65

Billing Criteria for PVH Freight Payment

501	550	88.39	74.04	65.07	54.63	46.48	40.53
551	600	91.15	76.34	67.09	56.33	47.93	41.79
601	650	93.89	78.66	69.12	58.03	49.36	43.06
651	700	96.65	80.96	71.14	59.73	50.81	44.32
701	750	99.41	83.26	73.16	61.43	52.26	45.59
751	800	102.14	85.56	75.19	63.14	53.71	46.85
801	850	104.90	87.88	77.21	64.84	55.15	48.12
851	900	107.64	90.18	79.24	66.54	56.60	49.38
901	950	110.40	92.48	81.26	68.24	58.05	50.62
951	1000	113.16	94.78	83.28	69.92	59.50	51.89
1001	1050	115.90	97.11	85.31	71.62	60.95	53.15
1051	1100	118.66	99.41	87.33	73.32	62.40	54.42
1101	1150	121.42	101.71	89.36	75.03	63.85	55.68
1151	1200	124.15	104.01	91.38	76.73	65.27	56.95
1201	1250	126.91	106.31	93.40	78.43	66.72	58.21
1251	1300	129.67	108.63	95.45	80.13	68.17	59.48
1301	1350	132.41	110.93	97.47	81.83	69.62	60.72
1351	1400	135.17	113.23	99.50	83.54	71.07	61.99
1401	1450	137.93	115.53	101.52	85.24	72.52	63.25
1451	1500	140.67	117.85	103.55	86.94	73.97	64.52
1501	1550	143.43	120.15	105.57	88.64	75.42	65.78
1551	1600	146.17	122.45	107.59	90.34	76.87	67.05
1601	1650	148.93	124.75	109.62	92.05	78.32	68.31
1651	1700	151.69	127.05	111.64	93.75	79.76	69.58
1701	1750	154.42	129.38	113.67	95.45	81.19	70.82
1751	1800	157.18	131.68	115.69	97.15	82.64	72.08
1801	1850	159.94	133.98	117.71	98.85	84.09	73.35
1851	1900	162.68	136.28	119.74	100.53	85.54	74.61
1901	1950	165.44	138.60	121.76	102.24	86.99	75.88
1951	2000	168.20	140.90	123.79	103.94	88.44	77.14
2001	2050	170.94	143.20	125.81	105.64	89.88	78.41
2051	2100	173.70	145.50	127.86	107.34	91.33	79.67
2101	2150	176.46	147.82	129.88	109.04	92.78	80.91
2151	2200	179.19	150.12	131.91	110.75	94.23	82.18
2201	2250	181.95	152.42	133.93	112.45	95.68	83.44
2251	2300	184.71	154.72	135.95	114.15	97.11	84.71
2301	2350	187.45	157.02	137.98	115.85	98.56	85.97
2351	2400	190.21	159.34	140.00	117.55	100.00	87.24
2401	2450	192.95	161.64	142.03	119.26	101.45	88.50
2451	2500	195.71	163.94	144.05	120.96	102.90	89.77
2501	2550	198.47	166.24	146.07	122.66	104.35	91.01
2551	2600	201.20	168.57	148.10	124.36	105.80	92.28

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2601	2650	203.96	170.87	150.12	126.06	107.25	93.54
2651	2700	206.72	173.17	152.15	127.77	108.70	94.81
2701	2750	209.46	175.47	154.17	129.44	110.15	96.07
2751	2800	212.22	177.79	156.19	131.15	111.60	97.34
2801	2850	214.98	180.09	158.24	132.85	113.02	98.60
2851	2900	217.72	182.39	160.26	134.55	114.47	99.87
2901	2950	220.48	184.69	162.29	136.25	115.92	101.11
2951	3000	223.24	186.99	164.31	137.95	117.37	102.37
3001	3050	225.98	189.31	166.34	139.66	118.82	103.64
3051	3100	228.74	191.61	168.36	141.36	120.27	104.90
3101	3150	231.47	193.91	170.38	143.06	121.72	106.17
3151	3200	234.23	196.21	172.41	144.76	123.17	107.43
3201	3250	236.99	198.54	174.43	146.46	124.61	108.70
3251	3300	239.73	200.84	176.46	148.17	126.06	109.96

EXHIBIT N

Phillips-Van Heusen Corporation
PO BOX 6762 BRIDGEWATER, NJ 08807-0762

8774 (2000-01)

Check Date: 12/31/99
Check Number: 999999

PAY: Four thousand eighty five and 84/100-----

\$***4,085.84

POST IF NOT CASHED
WITHIN 60 DAYS

TO: Kevin Maluchink Corp.
THE: 10001 Frontier Road
ORDER:
OF: Bridgewater, NJ 08807

Truck Load Shipment

Phillips-Van Heusen Corporation
Vendor No:
Vendor Name:

Check Date: 12/31/99
Check Number: 999999

Invoice Number	Description	Date	Division	Gross	Deductions	Amount Paid
0000055555	PSC/A: 25.00/449.50 Mile/Acc: 0/.00 Disc/Rte: .00/1550.00	12/15/99	Base Retail	1999.50	0.00	1999.50
00000163400018892	Wt/Rate: 22.32/28.50 PSC/A: 10.00/3.17 Mile/Acc: 101/.00 Disc/A: 50.00/31.68	12/17/99	Base Retail	34.85	0.00	34.85
123456A	Wt/Rate: 50.00/33.76 PSC/A: 10.00/4.73 Mile/Acc: 321/.00 Disc/A: 50.00/70.90	12/10/99	Fixed Retail	51.90	0.00	51.90
0876543	PSC/A: 25.00/449.50 Mile/Acc: 0/.00 Disc/Rte: .00/1550.00	12/15/99	Base Retail	1999.50	0.00	1999.50
Totals				4,085.84	0.00	4,085.84

Retail Store Delivery

Paper Invoice
LTL Shipment

Paper Invoice
TL Shipment

Billing Criteria for PVH Freight Payment

Exhibit N-1



PVH Fuel Surcharge

- Fuel surcharge rates are based on DOE On-highway diesel fuel national average published weekly. To determine appropriate fuel surcharge, use the date that the shipment SHIPPED from the origin.
ALL intra-state California moves use DOE California Average.
ALL Hub deliveries to PVH Retail Stores, use the print date of the store bill of lading to determine appropriate fuel surcharge.
- Rates are normally published on Monday afternoons, but will be effective from Tuesday of published week through Monday of the following week.
- Fuel surcharge should be applied to net shipping charges (exclusive of accessorial).
- When calculating fuel surcharge, standard mathematical rounding should be employed (any fraction of a cent that is below .5 should be rounded down, anything that is .5 or above should be rounded up).

Fuel Price per Gallon		LTL Fuel Surcharge	TL Fuel Surcharge	IM Fuel Surcharge
Low	High			
\$ -	\$ 1.20	0%	0%	0%
\$ 1.21	\$ 1.25	1.00%	2.00%	0.50%
\$ 1.26	\$ 1.30	2.00%	3.00%	1.00%
\$ 1.31	\$ 1.40	2.50%	4.00%	1.50%
\$ 1.41	\$ 1.50	3.50%	5.50%	2.00%
\$ 1.51	\$ 1.60	4.50%	7.00%	2.50%
\$ 1.61	\$ 1.70	5.50%	8.00%	3.00%
\$ 1.71	\$ 1.80	7.00%	9.50%	3.50%
\$ 1.81	\$ 1.90	8.00%	11.00%	4.00%
\$ 1.91	\$ 2.00	9.00%	13.00%	4.50%
\$ 2.01	\$ 2.10	10.00%	15.00%	5.00%
\$ 2.11	\$ 2.20	11.00%	16.50%	5.50%
\$ 2.21	\$ 2.30	12.00%	18.00%	6.00%
\$ 2.31	\$ 2.40	13.00%	19.00%	6.50%
\$ 2.41	\$ 2.50	14.00%	20.00%	7.00%
\$ 2.51	\$ 2.55	14.50%	20.50%	7.50%
\$ 2.56	\$ 2.60	15.00%	21.00%	8.00%
\$ 2.61	\$ 2.65	15.50%	21.50%	8.50%
\$ 2.66	\$ 2.70	16.00%	22.00%	9.00%
\$ 2.71	\$ 2.75	16.50%	22.50%	9.50%
\$ 2.76	\$ 2.80	17.00%	23.00%	10.00%
\$ 2.81	\$ 2.85	17.50%	23.50%	10.50%
\$ 2.86	\$ 2.90	18.00%	24.00%	11.00%
\$ 2.91	\$ 2.95	18.50%	24.50%	11.50%
\$ 2.96	\$ 3.00	19.00%	25.00%	12.00%
\$ 3.01	\$ 3.05	19.50%	25.50%	12.50%
\$ 3.06	\$ 3.10	20.00%	26.00%	13.00%
\$ 3.11	\$ 3.15	20.50%	26.50%	13.50%
\$ 3.16	\$ 3.20	21.00%	27.00%	14.00%
\$ 3.21	\$ 3.25	21.50%	27.50%	14.50%
\$ 3.26	\$ 3.30	22.00%	28.00%	15.00%
\$ 3.31	\$ 3.35	22.50%	28.50%	15.50%
\$ 3.36	\$ 3.40	23.00%	29.00%	16.00%
\$ 3.41	\$ 3.45	23.50%	29.50%	16.50%
\$ 3.46	\$ 3.50	24.00%	30.00%	17.00%

Billing Criteria for PVH Freight Payment

EXHIBIT N-1 Continued

\$ 3.51	\$ 3.55	24.50%	30.50%	17.50%
\$ 3.56	\$ 3.60	25.00%	31.00%	18.00%
\$ 3.61	\$ 3.65	25.50%	31.50%	18.50%
\$ 3.66	\$ 3.70	26.00%	32.00%	19.00%
\$ 3.71	\$ 3.75	26.50%	32.50%	19.50%
\$ 3.76	\$ 3.80	27.00%	33.00%	20.00%
\$ 3.81	\$ 3.85	27.50%	33.50%	20.50%
\$ 3.86	\$ 3.90	28.00%	34.00%	21.00%
\$ 3.91	\$ 3.95	28.50%	34.50%	21.50%
\$ 3.96	\$ 4.00	29.00%	35.00%	22.00%
\$ 4.01	\$ 4.05	29.50%	35.50%	22.50%
\$ 4.06	\$ 4.10	30.00%	36.00%	23.00%
\$ 4.11	\$ 4.15	30.50%	36.50%	23.50%
\$ 4.16	\$ 4.20	31.00%	37.00%	24.00%
\$ 4.21	\$ 4.25	31.50%	37.50%	24.50%
\$ 4.26	\$ 4.30	32.00%	38.00%	25.00%
\$ 4.31	\$ 4.35	32.50%	38.50%	25.50%
\$ 4.36	\$ 4.40	33.00%	39.00%	26.00%
\$ 4.41	\$ 4.45	33.50%	39.50%	26.50%
\$ 4.46	\$ 4.50	34.00%	40.00%	27.00%
\$ 4.51	\$ 4.55	34.50%	40.50%	27.50%
\$ 4.56	\$ 4.60	35.00%	41.00%	28.00%
\$ 4.61	\$ 4.65	35.50%	41.50%	28.50%
\$ 4.66	\$ 4.70	36.00%	42.00%	29.00%
\$ 4.71	\$ 4.75	36.50%	42.50%	29.50%
\$ 4.76	\$ 4.80	37.00%	43.00%	30.00%
\$ 4.81	\$ 4.85	37.50%	43.50%	30.50%
\$ 4.86	\$ 4.90	38.00%	44.00%	31.00%
\$ 4.91	\$ 4.95	38.50%	44.50%	31.50%
\$ 4.96	\$ 5.00	39.00%	45.00%	32.00%



Billing Criteria for PVH Freight Payment

Exhibit N-2



ACH DIRECT DEPOSIT AUTHORIZATION AGREEMENT FOR VENDORS

*We are pleased to inform you that we are now able to make payments electronically through ACH Direct Deposit resulting in you receiving payments faster. If you are interested please complete the form below and return it via email AccountsPayable@PVH.com, via fax 908-429-0598 or mail it to PVH Corp., P.O. Box 6962, Bridgewater, NJ 08807. For verification purposes, please also include any of the following documentation: A blank invoice with banking information, banking information on company letterhead, a voided check or deposit slip for a savings account.
Thank you, PVH Accounts Payable Department*

Vendor Name:	<input type="text"/>	Vendor Number:	<input type="text"/>
Business Address:	<input type="text"/>	Email Address:	<input type="text"/>
	<input type="text"/>		
Telephone Number:	<input type="text"/>		
Please Check One:	New <input type="checkbox"/>	Cancel <input type="checkbox"/>	Change <input type="checkbox"/>

Account Information

Bank Name:	<input type="text"/>	9 Digit Bank Routing #:	<input type="text"/>
Address:	<input type="text"/>	Account #:	<input type="text"/>
		Check One: Checking <input type="checkbox"/>	Savings <input type="checkbox"/>

Please note that a non-negotiable remittance advice will be sent to your email address indicating what is being paid after 12pm on the day you receive the funds.

I hereby authorize the PVH Corp. Accounts Payable Department to initiate deposit entries for invoice payments and to initiate, if necessary, debit entries or adjustments, for any deposit entries to my account which may have been made in error.

This authorization will remain in full force until the company receives written notification from me to terminate, or change, in such time and such manner as to afford the company, and the financial institution named above, a reasonable opportunity to act on it.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____ TITLE: _____

For Accounts Payable Use Only

PROCESSED BY: _____ DATE: _____