

Drop Ship Vendor Chargeback Policy

Modifications

This Drop Ship Vendor Chargeback Policy may be modified by Company at any time. Such modifications will be posted on the Company's website or otherwise provided to Vendor and shall be binding upon the parties from the date they are published on Company's website or otherwise provided to Vendor, whichever comes first.

Chargebacks

- The purpose of chargebacks is not to create revenue for the Company, but to recover operating expenses incurred for correcting vendor errors. This policy creates a means of feedback, ensures cost recovery, supports the goals of the Company, and allows everyone to share in the success of the Company.
- All vendor shipments packaged, shipped, or delivered in error will be documented and be subject to chargebacks. Additionally, a single vendor shipment with multiple errors may have each occurrence individually documented and charged back.
- Requests for chargeback documentation must be submitted within 60 days. Any request for research on payment deductions over 3 months old may result in a chargeback.
- To request Company supporting documentation (i.e., photos, etc.) related to a chargeback, please provide vendor personnel contact information to the Company's Vendor Compliance team via email. When submitting chargeback documentation requests, be sure to include the PO number.
- Upon receipt of request, the Company's Vendor Compliance team will forward supporting documentation within 72 business hours.
- Any previously assessed chargebacks will adhere to the policies and procedures found in this policy.
- Any questions or concerns pertaining to chargeback issuance, negotiation, and/or refunds need to be directed to the Company's Vendor Compliance team.

- Chargebacks will be assessed on a quarterly basis. Post reinstatement the vendor must maintain compliance for a probationary period as determined by Company. Failure to do so could result in the brand being permanently removed from the Company's website(s).

NON-COMPLIANCE ISSUE	CHARGEBACK EXPENSE
Shipping	
Failure to ship within the Required Shipping Window	\$5/order
Failure to comply with the applicable packing instructions or specifications	\$4.50 per occurrence, plus any shipping charge corrections charged to the Company or any other cost incurred by Company as a result of the non-compliance
Using unauthorized ship method	\$4.50 per occurrence, plus any additional costs or charges incurred by Company as a result of the non-compliance
Failure to utilize the Company's 3 rd party billing address	\$8.50 per occurrence, plus any additional costs or charges incurred by Company as a result of the non-compliance
Cancellations	
Vendor's cancellation of an order	\$5/order

Warehouse Changes/Closures	
Failure to provide the Company at least 30 days advance notice of a warehouse change or closure	On a per occurrence basis, any costs or charges incurred by Company as a result of the failure, including the cost of any resulting order delays or cancellations
EDI Errors	
Failure to use EDI PO (850) or EDI PO Change (860) transmission	\$100 per EDI message
No/Late/Unusable EDI Functional Acknowledgement (997) transmission	\$250 per EDI message
Disregard of NRF UPC standards by reallocation of GTIN/EAN/UPC already assigned to a trade item. Reuse prohibited as of 1/1/19 per NRF and GS1 guidelines	\$150 per style and/or occurrence
Failure to update UPC's in accordance with GSI guidelines	\$150 per style and/or occurrence
Missing/Late/Unusable Catalogue Data EDI – Web Portal or Catalogue 832. Failure to load required UPCs and/or Styles into vendor catalog for Style Creation within SLA of 24 hours from the day and time that the vendor received the 850 transmission.	\$100 per missing 832 Vendor Style or EDI message
Drop Ship EDI Errors	
Missing or Unusable Sample/Image as Requested	\$100 per style
Missing/Inaccurate/Unusable E-commerce Specifications	\$50 per style created
Disregard of NRF UPC standards by reallocation of GTIN/EAN/UPC already assigned to a trade item. Reuse prohibited as of 1/1/19 per NRF and GS1 guidelines	\$150 per style and/or occurrence
Missing/Late/Unusable Catalogue Data EDI – Web Portal or Catalogue 832. Failure to load required UPCs and or Styles into vendor catalog for Style Creation within Service Level Agreement	\$100 per missing 832 Vendor Style or EDI message