

NON COMPLIANCE CHARGE BACKS

By following the detailed requirements outlined in this compliance manual, your merchandise should flow through our Distribution Centre and onto the selling floor in an efficient manner. We have established non-compliance charges in an effort to recover costs incurred due to non-compliance.

The below table is a complete listing of the charges a vendor could be subject to for non-compliance.

Code	Description	Action	Charge
1. Order Bookings			
1.a	Missed booked appointment by 15 minutes	Supplier to wait for available time slot or re-book.	Not Applicable
1.b	Order Appointed, not delivered or booking not cancelled	Supplier to re-book order.	Not Applicable
1.c	Order delivered not appointed.	Wait for available time slot or book appointment	Not Applicable
2. Carton Information			
2.a	Carton containing invoice not correctly identified/no invoice	Supplier unable to offload order – supplier to rebook	Not Applicable
2.b	Shipment received with no or incorrect details listed on carton	Supplier unable to offload order – supplier to rebook	\$15 per order
2.c	Odd carton is not identified.	Identify odd carton and locate with same SKU cartons.	\$15 per order
3. Carton Specification			
3.a	Outer carton condition and packaging quality below specification.	Supplier charged handling fee	\$70 per order
3.b	Outer carton exceed specified dimensions (too big)	Supplier charged handling fee	\$70 per order
3.c	Incorrect packaging material used (metal bands, metal strapping, wires or non branded clear sealing tape, metal plates/tissue paper), individual packaging not closed/stapled (jewellery only) or incorrect sealing method	Supplier charged handling fee	\$70 per order
3.d	Incorrect carton condition and packaging quality below specification	Supplier charged handling fee	\$70 per order
4. Carton Packing			
4.a	Style, colour & sizes not packed according to packing instructions (solid packs/pre packs) mixed in more than 2 cartons	Complete order to be checked & sorted - Supplier charged for sorting	\$100 per order

4.b	Style, colour & sizes not packed according to packing instructions (solid packs/pre packs)mixed in 2 cartons or less	Part order to be checked & sorted - Supplier charged for sorting	\$35 per order
4.c	Incorrect Outer / Master carton quantity	Complete order to be checked & sorted – Supplier charged for sorting	\$70 per order
4.d	Incorrect Inner / Case pack quantity	Complete order to be checked & sorted – Supplier charged for sorting	\$70 per order
4.e	Spares not delivered by Supplier (Furniture only)		\$70 per order
5. Invoice Accuracy			
5.a	ASN quantity does not match what was delivered	Double check order	\$50 per order (1 st month), \$70 per order (2 nd month), \$140 per order (3 rd month) *
5.b	5b Invoice Detail Incorrect, e.g.Order number, SKU Description etc.		\$15 per order
6. Ticketing			
6.a	Incorrect or missing or incorrect placement on product - RTV Order	RTV merchandise.	\$70 per order
6.b	Incorrect or missing or incorrect placement on more than 15 items.	Re-Ticket Order	\$100 per order
6.c	Incorrect or missing or incorrect placement on 15 items or less.	Re-ticket Part Order	\$35 per order

* Please note that the 5a ASN Accuracy charge an escalated charge based on repeat non-conformances. In the 1st month ASN non-conformance will be charged at \$50/order, thereafter the charge escalates to \$70/order in the 2nd month for repeat offenders & in the 3rd month charge is escalated to \$140/order. The charge will remain at \$140/order until the supplier has not ASN non-conformance in a month at which point the ASN non-conformance charges will be reset back to \$50/order for the next time there is an ASN non-conformance.

In addition to the new charge structure we have implemented a Reward system by which suppliers scoring in excess of 92.5% conformance for the month will be exempt from their Delivery Conformance charges. Please see the table below that can be found on the New Delivery Conformance reports.

Total Number of Orders Processed by the DC for the month.	100
Total Number of Perfect Delivery Conformance Orders for the month.	99
% Perfect Delivery Conformance for the month.	99.0%

No Charge for the month

Please note that all charges must be queried in the month that the report is received, after this time has passed, it will be assumed that all charges are accepted.