

## 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
<b>1. Order Bookings</b>			
1.a	Missed booked appointment by 15 minutes	Supplier to wait for available time slot or re-book.	R100 per booking
1.b	Order Appointed, not delivered or booking not cancelled	Supplier to re-book order.	R100 per booking
1.c	Order delivered not appointed.	Wait for available time slot or book appointment	No Charge
<b>2. Carton Information</b>			
2.a	Carton containing invoice not correctly identified/no invoice	Supplier unable to offload order – supplier to rebook	R100 Handling Fee per order
2.b	Shipment received with no or incorrect details listed on carton	Supplier unable to offload order – supplier to rebook	R100 Handling Fee per order
2.c	Odd carton is not identified.	Identify odd carton and locate with same SKU cartons.	R100 Handling Fee per order
<b>3. Carton Specification</b>			
3.a	Outer carton condition and packaging quality below specification.	Supplier charged handling fee	R500 per order
3.b	Outer carton exceed specified dimensions (too big/too heavy)	Supplier charged handling fee	R500 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	R500 per order
3.d	Incorrect carton condition and packaging quality below specification	Supplier charged handling fee	R500 per order
<b>4. Carton Packing</b>			
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	R750 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	R250 per order

4.c	Incorrect Outer / Master carton quantity	Complete order to be checked & sorted – Supplier charged for sorting	R500 per order
4.d	Incorrect Inner / Case pack quantity	Complete order to be checked & sorted – Supplier charged for sorting	R500 per order
4.e	Spares not delivered by Supplier (Furniture & Import Watches)		R500 per order
<b>5. Invoice Accuracy</b>			
5.a	ASN quantity does not match what was delivered	SKU of incorrect Order to be checked	R350 per order (1 <sup>st</sup> month), R500 per order (2 <sup>nd</sup> month in a row), R1000 per order (3 <sup>rd</sup> month in a row) *
5.b	5b Invoice Detail Incorrect, e.g. Order number, SKU Description, etc.		R100 per order
<b>6. Ticketing</b>			
6.a	Incorrect or missing or incorrect placement on product - RTV Order	RTV merchandise.	R500 handling fee per order
6.b	Incorrect or missing or incorrect placement on more than 15 items.	Re-Ticket Order	R750 per order
6.c	Incorrect or missing or incorrect placement on 15 items or less.	Re-ticket Part Order	R250 per order

\* Please note that the 5a ASN Accuracy charge an escalated charge based on repeat non-conformances. In the 1<sup>st</sup> month ASN non-conformance will be charged at R350/order, thereafter the charge escalates to R500/order in the 2<sup>nd</sup> month for repeat offenders & in the 3<sup>rd</sup> month charge is escalated to R1000/order. The charge will remain at R1000/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 R350/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.

<b>Total Number of Orders Processed by the DC for the month.</b>	<b>86</b>
<b>Total Number of Perfect Delivery Conformance Orders for the month.</b>	<b>80</b>
<b>% Perfect Delivery Conformance for the month.</b>	<b>94.2%</b>

← 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.**

