



# **DEPARTMENT STORE SUPPLIER DIRECT FULFILLMENT ROUTING GUIDE**

August 10, 2017

**This guide replaces all other Routing Guides and exceptions**

All future changes to this guide will be posted to the online version of our Routing Guide as they occur.

If you provide us with your Email address, we will advise you of any changes or updates.

**PLEASE VISIT OUR VENDOR INFORMATION SITE AT [www.vspec.boscovs.com/index.html](http://www.vspec.boscovs.com/index.html)**

**ON A REGULAR BASIS AS YOU ARE RESPONSIBLE FOR  
COMPLYING WITH ALL POSTED REQUIREMENTS.**

**FAILURE TO FOLLOW BOSCOV'S ROUTING GUIDE AND PURCHASE ORDER  
REQUESTS WILL INCUR EXPENSE OFFSETS.**

**All hyperlinks are available when viewing the routing guide online.**

Boscov's Department Store, LLC

P.O. Box 4116, Reading, PA 19606-0516 / Phone: 610.779.2000 / [www.boscovs.com](http://www.boscovs.com)



Dear Trading Partner,

Boscov's Department Store compiled the following information to assist you in addressing our purchase order requirements and preparing your merchandise shipments for delivery to our company. Our distribution supply chain is committed to delivering your products to our stores in a timely and efficient manner. To achieve this goal, the mutual efforts of supplier and retailer must be focused on implementing the industry standards put forth by GS1 (formerly VICS). An integral element of complying with industry standards is the transmission and receipt of business documents via EDI.

Our required method of sending and receiving business documents is through EDI transmissions. This is the most efficient and accurate way to communicate vital information obtained through purchase orders and sales. Please see the *EDI Mapping Specifications* posted in the vendor section of our web site for more details. Our EDI partnerships are currently enabled by OpenText Inc. (formerly GXS Corporation). OpenText Inc. can assist you in becoming EDI-enabled. They can be reached at [www.OpenText.com](http://www.OpenText.com) or 1-877-446-6847.

This Routing Guide describes Boscov's corporate requirements for shipping, packaging, and preparing imported and domestic merchandise for our receipt. Failure to comply with these guidelines will result in an expense offset fee, as outlined in our guide.

The Guide follows the *Retail Price Marking, Hanger Application Floor, Shipment Packaging, and Receipt Ready Shipments* standards that GS1/VICS has published. These standards can be found at [www.vics.org](http://www.vics.org) in the *Guidelines* section under *Voluntary Guidelines to Floor-Ready Merchandise*. For *Purchase Order Terms and Conditions*, please see Section XII of this guide.

Lastly, this Routing Guide contains critical information regarding Import documentation, Customs compliance and Boscov's Code of Conduct for all vendors. Please contact our Import Manager or Director of Vendor Services should you require further clarification.

We appreciate your cooperation and adherence to these requirements.

**Corporate Offices: 4500 Perkiomen Avenue, Reading, PA 19606-0516**

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## 1. Program Definition and Document Purpose

Bosco's is leveraging a Supplier Direct Fulfillment (SDF) network, also referred to as "Drop Ship," as a fulfillment type to support Bosco's ecommerce assortment. In this model the eCommerce customer orders are passed directly to our supplier partners to fulfill and ship to our customers. *Fulfillment of direct-to-consumer orders via SDF for [boscovs.com](https://boscovs.com) requires additional capabilities, special processes and program specific policies for participating suppliers.* A supplier is required to follow the assortment, operational, shipping, technology and contractual policies referred to in this document. The SDF program adds value for the Bosco's consumer AND our vendor partners:

- Drives incremental sales growth for Bosco's and its vendors
- Enables extended assortments, which means more selling opportunities and better utilization of vendor inventory
- Effective backup for Bosco's purchased inventory – if we run out, orders can be routed for fulfillment
- Creates better selection = happier more loyal customers
- Utilizes automated trading via OpenText and is efficient and cost-effective

In this document, references to Supplier or Vendor shall be considered as synonymous.

Any supplier specific amendments to the policies stated in this document must be agreed and approved by Bosco's in writing.

The most recent version of this document will be available for supplier access at [vspec.boscovs.com/index.html](https://vspec.boscovs.com/index.html).

### 1.1. Program Requirements

Basic Requirements:

- Vendor and Bosco's must agree to standard terms of business and co-sign a Vendor Direct to Consumer Trading Agreement
- All products must have a unique UPC (Universal Product Code) that has been approved by the GS1US (formerly Uniform Code Council)
- Vendor must trade with Bosco's via OpenText, as specified in Bosco's Vendor Direct Standards Manual
- Each vendor must provide daily inventory status on all items via OpenText in order for us to provide accurate product availability information to consumers

### 1.2. Operations Requirements

Bosco's will transmit orders via OpenText once a day. Vendors must:

- Receive, process and ship orders daily. If possible, systems should be configured to pull in Bosco's orders multiple times daily
- Fulfill (pick, pack & ship) products directly to a [boscovs.com](https://boscovs.com) customer in individual unit quantity
- Fulfill a standard Bosco's customer order within **two (2)** business days of receiving an SDF customer order
- Transmit a shipment confirmation, via OpenText, the same day as each shipment. Each shipment confirmation must contain the carrier tracking number for each package
- Provide and maintain Bosco's with on-hand inventory availability quantity commitments to support web demand Include a Bosco's branded pack list and shipping label, per Bosco's branding standards, in each customer shipment Receive products returned directly from customers (e.g., undelivered or refused shipments) and notify Bosco's of returned orders within five (5) days of receipt to ensure customer's and Bosco's credits are properly issued.
  - Standard returns for delivered products may differ based on negotiated terms between Bosco's and the vendor.
- Respond to Bosco's with customer order exception or inquiries within one (1) business day

## 2. Product Content Creation and Display

Boscov's has an eCommerce merchandising team managing online product content displayed on BOSCOVS.COM. This includes all information displayed to the customer on the product detail pages such as product description, narrative copy, specifications, images/graphics and video.

- The Boscov's Merchandising Office is responsible for final selection, approval, initial product setup and works with the SDF Operations team to support the display status of all e-Commerce products available for sale.
- Suppliers are required to complete a Boscov's Assortment Worksheet, with assistance from the Boscov's Merchandising Office and SDF Operations Team, a minimum of four (4) weeks prior to the supplier's scheduled launch date or desired display date (if adding new UPC/SKU's to an existing SDF assortment) on the [BOSCOVS.COM](https://www.boscovs.com) storefront.
- Suppliers are required to provide digital assets (photographs) of products per Boscov's eCommerce image specifications.
- Suppliers are required to provide physical product samples to the SDF Operations Team if digital assets per Boscov's specifications are not provided. Sample submission in lieu of digital assets must be approved by the SDF Operations Team.

### 2.1. Rebate Information

The supplier will negotiate all planned rebate promotions with the Boscov's Merchandising Office. An Online Rebate Request Form must be submitted to a Boscov's merchant a minimum of two (2) weeks prior to the planned start of a rebate promotion on [BOSCOVS.COM](https://www.boscovs.com). All content information displayed on the Website or inserted with the product must have prior approval from Boscov's.

### 2.2. Product Submission

#### 2.2.1. Assortment:

*To sell online, vendors must work out a product assortment with their Boscov's buyer that will provide the appropriate assortment breadth, while supporting Boscov's margin requirements and quality standards.*

- Suppliers must submit product recommendations to Boscov's Merchandising Office for negotiation and approval.
- Brand name, made-to-stock products that do not require an Open-to-Buy (OTB) commitment by Boscov's
- Assortment is economically viable, after COGS and shipping, based on Boscov's margin requirements via SDF (determination of this will be worked out between vendor and Boscov's Merchandise Buyer)
- Products approved for sale online through Boscov's SDF program will utilize a product content template specified by Boscov's to create a record of the core item data in the Boscov's systems.
  - Suppliers MUST NOT submit products through this process without prior authorization from Boscov's.
- Provide product content (copy, detailed specifications) and images in digital format to Boscov's and/or a physical sample(s) if requested
  - Suppliers will be required to provide all digital assets for a product. Any imagery provided must be high resolution, jpeg images in the RGB format meeting Boscov's defined specifications. Digital assets must be provided to Boscov's based on a defined submission process dictated by Boscov's.
- Product content submitted by the supplier will be leveraged as the official record used to resolve any cost disputes or other discrepancies.

#### 2.2.2. Catalog Data Submission

Item/UPC submission for entry into Boscov's order management systems:

- Boscov's Preferred Method: Via GXSCatalogueTM (formerly QRS) program. By supplying your data to GXS, you are capable of distributing your catalog to Boscov's and many other top retailers without the need to send separate files to each account
- Note – [Boscovs.com](https://www.boscovs.com) vendors must also provide additional product attributes (such as extended sizes, color, etc.) in order to properly represent your items on the website. Your [Boscovs.com](https://www.boscovs.com) buyer can provide you with the details on this separate process. These must comply with all NRF size and color codes.

The standard timeframe for product setup online is four (4) weeks from the point that all information (Product information, Images and Detailed Specifications, Features and/or copy) is successfully submitted to the Boscov's Merchandising team.

### 2.3. Cost of Goods

The wholesale cost for SDF UPC/SKU's will be negotiated between the Boscov's Merchandising Team and the Supplier and is expected to be the cost to ship the product directly to the customer through the Boscov's SDF program, and is defined as the Boscov's Cost of Goods Sold. Costs submitted via the Boscov's defined submission templates will be the binding cost and costs cannot be changed without Merchant approval.

- Cost updates must be submitted via the bulk upload template specified by Boscov's for each supplier.
- Boscov's reserves the right to approve cost changes or reject then remove product from sale.
- Suppliers shall allow five (5) business days for product cost changes to be approved and applied. Cost changes are not approved until Boscov's expressly communicates their approval in writing.
- Orders placed prior to the cost update in Boscov's systems will generate purchase orders at the cost of goods in the Boscov's system at the time the order was placed. Suppliers shall ship the order at the cost listed on the purchase order.
- Cost updates will not be granted retroactively. Orders invoiced at a different cost than reflected on the purchase order will error out at Boscov's and may potentially delay payment while offline resolution is being pursued.

### 2.4. Product Pricing

Suppliers may submit suggested retail pricing, MAP (minimum advertised price) and MSRP (manufacturer suggested retail pricing).

- MAP pricing can only be set by the manufacturer, and Boscov's will not accept pricing which is higher than pricing listed on other authorized retailer's websites.
- Boscov's reserves the right to specify selling price unless a MAP is defined.

## 3. Quality Assurance for Products and Packaging

**Suppliers are responsible to ensure that all product descriptions, knowledge sheets, feature/benefit information, specifications, photography, images, video animation or interactive media, graphics, audio, website addresses and other content (collectively, "Product Content") furnished by the supplier to Boscov's for any Merchandise displayed on websites relating to Boscov's eCommerce programs is accurate, complete, and comply with all relevant laws. Boscov's reserves the right to request product quality certification, (or physical samples if no certification is available) to ensure the product meets acceptable safety, manufacturing and packaging standards.**

- The decision to QA SDF product is at the discretion of the Boscov's Merchandising team.
  - Boscov's may accept tests done for or by other retailers, as well as any available documentation from internally requisitioned 3rd Party QA.
  - Safety Certification may be requested for specific product categories as well as Proposition 65 status.
  - If documentation does not provide all necessary information, additional sample testing may be required at the supplier's expense.
- For physical samples suppliers shall follow the below policy:
  - One (1) physical, production run sample of each item being sold must be provided along with the following:
    - Must arrive at Boscov's exactly as they would be shipped to a Boscov's customer (same materials, design, construction, appearance, measurements, features and packaging materials).
    - Submit Product Data Sheets with product samples.
    - Any inserts that will be included in the shipment to the customer including instructions, manuals, warranty information or other inserts must be submitted to Boscov's with the samples.
- In the event that the supplier cannot provide adequate documentation, Boscov's may send the product to an independent lab to verify quality or safety at the supplier's expense.
- All products must have appropriate labeling to meet US regulatory requirements and import regulations. In general, this requires every product (and its container) imported into the United States to be individually marked with its country of origin. This marking must be as legible, indelible, and permanent, as the nature of the product or container will permit. The marking must be conspicuous, i.e., easily readable and visible upon casual inspection. Special labeling requirements are required for electronics to comply with FCC standards.
- Boscov's will continue to monitor SDF product quality throughout the life of the partnership. Products with high rates of damage or defective reports may be suspended from sale until package and/or product quality is re-certified.

### 3.1. Site Visitation

Boscov's or its designated agent shall be permitted, but not obligated, to inspect the Supplier's property and operations at any reasonable time. Boscov's may inspect products to be used in filling orders at Supplier's plant prior to shipment and may reject those Products which, in Boscov's sole discretion do not conform to samples, descriptions or specifications provided by the Supplier.

## 4. Supplier Profile

### 4.1. Getting started with Supplier Direct Fulfillment

- If you are a new vendor to Boscov's you will need to be set up within our A/P systems and approved as a trading partner. If you are currently doing business with Boscov's, the setup process is simpler and involves activating your account to receive SDF orders
- Overall setup time varies depending upon duration of OpenText setup, testing and the time necessary to reach agreement on terms of business. The SDF team will work to ensure the quickest possible setup
- Note that setting up new items in a buyer's assortment generally requires eight (8) weeks lead time for product samples to be photographed, retouched and sized, copy to be written and web pages assembled and approved. Please utilize the new item setup form for Boscov's.
- To get started, log onto <http://vspec.boscovs.com/BoscovsSDFVendorAgreement.html> and follow the OpenText startup process (see following pages), including our setup form and to find important resources such as OpenText mapping guides, Boscov's Vendor Standards and Shipment Routing Guides
- In order to participate in the SDF program, complete all setup forms and return as directed by each form. Upon receipt of all setup forms, the SDF project manager will coordinate the various Boscov's teams to setup A/P, OpenText, etc.

#### Contracts:

*The following is a list of contracting and setup forms that must be completed in order for an SDF partnership to be enabled at Boscov's.*

- Boscov's Vendor Agreement including all Exhibits
- Boscov's SDF Term Sheet
- Complete IRS form W-9 (or proper substitution for non-USA Vendor)
- Provide Certificate of Insurance
- Complete Boscov's Vendor Setup Form

**Suppliers are responsible for notifying Boscov's of changes to their supplier profile such as contact information changes and fulfillment center closures.**

### 4.2. Contact Information

- Contact change information shall be submitted to Boscov's within three (3) business days of change.

### 4.3. Supplier Facility Closures

Suppliers are required to notify Boscov's of any warehouse, service center, or parts center closures that may inhibit the supplier from meeting the Boscov's order fulfillment standards.

- Suppliers are required to submit annually, a list of all planned warehouse closures including holidays and year-end inventorying.
- Changes to this list must be submitted at least 10 business days prior to the closure.
- In the event of an emergency (unexpected) closure, Boscov's must be notified immediately.
- The supplier is expected to take appropriate action to ensure they do not receive customer orders during their closure period.
- In the event of an emergency (unexpected) change in fulfillment location, Boscov's must be notified immediately.

### 4.4. Supplier Fulfillment Facility Changes

Boscov's takes many considerations into account when evaluating a supplier for inclusion in its SDF program. One of these considerations is the fulfillment location for a given supplier in relation to what Boscov's regards to be its core customer and region. A change to this location may have financial impacts to Boscov's which would cause them to re-evaluate a supplier's status within the SDF program.

- Suppliers are required to notify Boscov's in the event of a planned fulfillment center move as far in advance as is reasonably possible to give Boscov's time to evaluate any potential financial impact.

## 5. Inventory Management

**Boscov's SDF assortment offering is a supplier managed inventory program supported by SDF suppliers. Reported inventory availability determines product availability for customer purchase. This section outlines key policies for reporting and managing inventory for this program.**

## 5.1. Inventory Availability

- Inventory communicated to Boscov's is expected to be 100% available for Boscov's customers as the Boscov's systems interpret the reported values as "available-to-promise" to Boscov's customers.
- Suppliers will submit inventory quantities at least daily during standard business days.
- Suppliers should anticipate inventory needs based on historical sell-through and anticipated promotions.
  - Boscov's may provide anticipated sales forecasts however, unless otherwise specified in writing and signed by an authorized Boscov's representative, these forecasts in no way obligate Boscov's to purchase any minimum quantities nor do they guarantee sales.
- Suppliers must report available inventory at the UPC/SKU level.
- A minimum of 95% of the "available" assortment is expected to have quantity available at any point in time.

## 5.2. Inventory Reporting

### Daily Inventory Advice File (Required Document)

All Boscov's SDF vendor partners are required to submit a daily inventory file via OpenText. The following guidelines must be followed in order to comply with the standards of the SDF program:

- Suppliers are required to provide inventory quantities for products offered on BOSCOVS.COM through Boscov's designated 3rd party SDF order processing provider.
- Suppliers are responsible for ensuring inventory is accurate on a daily basis.
- All UPC/SKU's shall be flagged in Boscov's designated 3rd party SDF order processing provider as "Available".
- Only "approved" UPC/SKU's shall be transmitted to Boscov's designated 3rd party SDF order processing provider.
- Suppliers are required to zero out inventory the same business day for out of stock products.
  - Any order that cannot be filled within the standard fulfillment time period due to the lack of inventory shall be canceled.
  - Backorders and substitutions are NOT permitted.
- Suppliers must notify Boscov's through Boscov's designated 3rd party SDF order processing provider whenever a UPC/SKU is discontinued.
  - UPC/SKU status shall be changed to "Discontinued".
  - Inventory shall continue to be reported on the discontinued UPC/SKU until the product inventory is completely depleted or until an item is to be no longer sold on BOSCOVS.COM. When an item is to be no longer available and/or once inventory is depleted, a feed with "0" units available must be sent.

Boscov's will take order quantities up to the reported available inventory levels.

## 6. Customer Order Processing and Fulfillment

Consistent fulfillment is the key to maintaining a positive customer experience with Boscov's. This section outlines key order processing and fulfillment policies that will ensure a quality experience for the Boscov's customer.

### 6.1. 3rd Party Order Processing Interface

#### OpenText Technology Requirements:

Suppliers must be able to transmit/receive all order processing messages electronically through Boscov's third party SDF order broker, CommerceHub\*. We require all vendors to contract with OpenText, Boscov's vendor for Supplier Direct Fulfillment. OpenText allows for an easy setup and maintenance of a robust SDF program which maximizes value for both sides. Boscov's will prioritize each vendor and turn them over to OpenText on a weekly basis. OpenText will then contact you to begin setup.

- Inventory Availability – Online SDF assortment availability will be driven and decremented against vendor provided inventory quantities by SKU
- Purchase Order – Receive a separate purchase / fulfillment order for each customer order
- Ship Confirmation – Upon fulfillment, vendor will provide confirmation of shipment (shipped, cancelled for each line item) in an SDF purchase order and include shipment tracking details within 24 hours of shipment
- Invoice – Provide a separate invoice for payment of confirmed SDF purchase order shipments

\*Suppliers have several options to manage these transactions. Any combination of browser-based (web forms) and integrated messaging is supported. Integrated options vary from basic to complex to meet your technology capabilities. Browser based management can be enabled with minimal technology investment.

#### Integration Options:

- EDI (ANSI X12)
- XML (over AS2)



- Flat / Delimited File over FTP

Web Interface Requirements:

- Computer with Internet access
- Dedicated staff to check for orders, upload inventory and enter tracking and invoice details daily

Customer SDF orders will be shipped directly from the supplier’s facilities to the customer. All SDF orders will be transmitted through Boscov’s designated 3rd party SDF order processing provider.

- Suppliers are responsible for all costs associated with using Boscov’s designated 3rd party SDF order processing provider, including setup fees, transaction fees, subscription fees or any other applicable fees associated with the transmission of data.
- Suppliers must successfully complete all testing and training and be certified as ready to go prior to launching with Boscov’s designated 3rd party SDF order processing provider.
- All suppliers are expected to be able to use Boscov’s designated 3rd party SDF order processing provider browser interface as a backup to process orders in the event of electronic communication failures, and to self-monitor program performance.
- Suppliers shall notify their Boscov’s merchant prior to requesting disconnection from Boscov’s designated 3rd party SDF order processing provider.

**6.2. Purchase Order Transmission**

Boscov’s transmits purchase orders to suppliers automatically multiple times daily. A single Boscov’s customer order may have several supplier purchase orders associated with it. The supplier purchase order will include all of the information a supplier needs to fulfill and ship their merchandise to the Boscov’s customer.

- Boscov’s will not transmit a purchase order to a supplier until the inventory availability quantity minus allocated inventory to open purchase orders is equal to or greater than the quantity requested on the purchase order.
- A purchase order is valid for immediate fulfillment and shipment once it is available to the supplier by the 3rd party SDF order processing provider.
- Each purchase order has only one “Ship To” address and one shipping service level type designation.
- A purchase order can consist of a single line item for a single unit quantity or multiple line items with multiple quantities for each line item.
- The clock on Fulfillment time begins 8am, the first full business day the purchase order is available for download in Boscov’s designated 3rd party SDF order processing provider, regardless of when the supplier actually downloads it.
- The supplier leveraging automated electronic communication will be required to submit a functional acknowledgement of the receipt of a purchase order through Boscov’s designated 3rd party SDF order processing provider.

**6.3. On-time Fulfillment**

It is essential that suppliers are able to fulfill the customer’s order on time to ensure an on-time arrival to the end customer.

- All orders must be shipped and confirmed as shipped within the standard fulfillment timeframe – two (2) business days from the day the purchase order was received in Boscov’s designated 3rd party SDF order processing provider, unless an extended standard fulfillment timeframe is agreed to by the supplier and Boscov’s.
  - All “expedited” orders (orders with shipping service level of “two day” or “overnight”) must be shipped and confirmed as shipped within one (1) business day from the day the purchase order was received in Boscov’s designated 3rd party SDF order processing provider.
- Two (2) business days is defined as no later than the third (3) business day from the time the order is received, regardless of time (See Boscov’s SDF Supplier OnBoarding Guide for details).
  - Expedited order fulfillment of one (1) business day is defined as no later than the second (2) business day from the time the order is received, regardless of time.
- A purchase order is not considered confirmed until the ship notification is processed in Boscov’s designated 3rd party SDF order processing provider and the order is closed (See 6.4. Order Status Update).
- If the supplier is unable to fulfill the order within the standard fulfillment timeframe, the supplier is expected to cancel the order.
- Suppliers are expected to meet a fill rate of 98% within the Standard Fulfillment lead-time
- Purchase orders that remain open on the third (3rd) business day are considered delinquent, unless an extended fulfillment timeframe has been pre-approved by Boscov’s.
- Failure to meet the fulfillment requirements may result in:

**Violation Code 900** --- A \$10 per order charge for each SDF order that is not confirmed as shipped or canceled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given calendar month.

#### 6.4. Order Status Update

Suppliers are required to provide an order status update of Shipped or Cancelled for each line item on a purchase order contained in an SDF order through Boscov's designated 3rd party order processing provider.

- Each line item in the purchase order must have an order status associated with it.
  - The purchase order will remain open until an order status of Shipped or Cancelled has been associated with each line item.
  - Line items in the purchase order cannot be combined or separated in the order status update for any reason.
  - A partial shipment of a multiple line purchase order is allowed at the line item level.
  - Partial shipments of quantities within a line item are NOT allowed.
  - The line item quantity in the order's status must equal the line item quantity requested on the purchase order ("Fill or Kill").
  - Combining multiple purchase orders with the same "Ship To" address is not acceptable.
  - An order status message to Boscov's identifying the item as Shipped is expected within 12 hours from the end of the business day on the shipment date.
- A supplier purchase order is considered Delinquent when any of the line items on a purchase order do not have an associated order status update after the Standard Fulfillment lead-time is expired.
- The "cancel" date on a purchase order is implied to be five (5) business days, which is two (2) business days after the purchase order becomes delinquent.
  - Suppliers bear sole responsibility for shipment after the cancel date and may result in Boscov's force canceling all outstanding line items on an open purchase order.
- The order status update must include the required data elements defined by Boscov's designated 3rd party SDF order processing provider.
- Suppliers may submit multiple order status updates at the line item level per purchase order but may not submit multiple order status updates for the same line item on a purchase order.

#### 6.5. Shipment Confirmations

The supplier is responsible for ensuring shipping information is reported accurately and in a timely manner to Boscov's.

- All shipment confirmations must include the shipper's tracking number and indicate the actual carrier and service level used on the shipment. The tracking number is defined as the small package tracking number, the PRO number or Bill of Lading (BOL). Any available master or individual tracking numbers associated with the shipment must be provided.
- Shipment confirmations must be posted in Boscov's designated 3rd party SDF order processing provider by the beginning of the third (3rd) business day from the date the order was available in CommerceHub to be considered on-time.
- Suppliers may not confirm shipment more than one (1) business day in advance of carrier pickup.

#### 6.6. Order Cancellations

Occasionally purchase orders must be canceled due to the supplier's inability to fulfill the item, or at the request of Boscov's. Supplier initiated cancellations should only occur for out-of-stock or product availability issues.

- Suppliers may not hold orders beyond the standard fulfillment timeframe.
- Suppliers may not make product substitutions under any circumstances.
- Purchase orders that cannot be fulfilled due to a lack of inventory shall be canceled as soon as possible and no later than the standard fulfillment period in order to avoid delinquency penalties.
- Suppliers must use the appropriate reason code to indicate why the purchase order line was canceled.
- For non-product availability related issues preventing a supplier from fulfilling an order (i.e., incomplete Ship-to Address, unable to identify the product ordered, etc.) suppliers shall contact the SDF Operations Team to try and resolve the problem prior to cancelling the order.

Boscov's/Customer initiated cancellations may also occasionally occur due to buyer's remorse, fraud, or other reasons.

- Boscov's asks that suppliers make a best effort to stop shipment on customer requested cancellations. If the request can be accommodated, then the order shall be canceled in Boscov's designated 3rd party SDF order processing provider.
- If a supplier cannot comply with the cancellation request they must notify Boscov's and confirm the order with tracking in Boscov's designated 3rd party SDF order processing provider within one (1) business day. Boscov's may instruct the customer to refuse delivery of the package.

Canceling an order in Boscov's designated 3rd party SDF order processing provider while still physically shipping it causes customer confusion and exposes Boscov's to potential financial loss.

- In the event a supplier processes an order cancellation via Boscov's designated 3rd party SDF order processing provider but erroneously still ships the product on that canceled order, Boscov's will not be responsible for payment of cost of goods of such product.

- Boscov's will also debit any shipping charges incurred on the 3rd party billing account associated with this type of shipment.

### 6.7. Shipment Errors:

Shipment errors such as improperly addressing a package may result in the customer not receiving their order or receiving a product he/she did not order. These errors will be handled in the same fashion as damaged or defective returns if they meet one of the following definitions:

**Damaged** – Merchandise in less than satisfactory condition due to quality (scratched/dented) or service (damaged in-transit due to supplier packaging issue).

**Defective** - Merchandise quality does not reasonably meet expectations of its intended function to the customer.

**Shipping Error** – Merchandise received does not match order due to a shipping error.

In the event that the Boscov's prepaid billing account was leveraged to ship and/or return product:

- Boscov's will manage the return process directly with the customer and will debit a supplier's future remittance for all costs related to managing this type of return including but not limited to outbound and inbound shipping costs.

In the event that the supplier has used their own shipping account to ship the product:

- Boscov's will issue a service request to the supplier requiring the supplier to issue a Call Tag to pick up the merchandise from the customer's home.
- The supplier must issue the Call Tag from the supplier's carrier account.
- The supplier must not use the Boscov's prepaid billing for mis-ships, supplier damaged or defective merchandise as it is a supplier expense.
- Boscov's will instruct the supplier in the service request if they are to replace the item or process a return.

**Violation Code 901** --- For returns due to mis-ship, damaged or defective merchandise the Supplier is responsible for all service fees and shipping charges related to the return and replacement of the merchandise.

### 6.8. Parts Replacement

Products received without all of the required parts (including warranties and assembly instructions) or with some components damaged shall be eligible for parts service by the supplier, so as to avoid a return.

- Suppliers may provide direct contact information for Parts & Service if they have an adequately trained and staffed toll-free method for the customer to work with them.
- For both direct contacts and Boscov's handled service requests, suppliers must replace any defective or missing parts requested within three (3) business days of notification. These parts shall be sent directly to the customer. The replacements parts due to defective or missing parts cannot be shipped using the Boscov's prepaid billing account.
- If parts are not available to complete the customer's order, or if the supplier is unable to provide parts service, then a replacement order will be issued for the customer at the supplier's cost.
- In the event the supplier does not have a publicly available Parts and Service Department, Boscov's will take care of the customer and forward parts requests to the contact provided.

### 6.9. Branding

The supplier's involvement in order fulfillment should remain transparent to the end customer.

- Suppliers must comply with Boscov's branding standards for all products shipped via the SDF program.
- A BOSCOVS.COM branded packing list must be included in every shipment per Boscov's branding specifications:
  - The appropriate Boscov's logo must always appear on the packing list. Boscov's logos provided to the supplier cannot be altered and must maintain the specified fonts, formats and proportions.
  - Standard text on the packing list provided to the supplier cannot be altered.
  - Deviations from the packing list specifications require a special exemption by Boscov's.
- The following Ship Label guidelines apply to all direct-to-customer shipments:
  - Must **NOT** identify either the supplier or Boscov's as the shipper; instead the Ship-From on all labels shall read: "Fulfillment Center."
  - Boscov's customer service number shall be included in the Ship-From section of the label.
  - Boscov's Purchase order Number **must** be entered in the Carrier reference field at the time of shipping the order in order for Boscov's to reconcile freight costs.
  - For multiple carton shipments, a copy of the packing list must be included with each carton and/or the ship label must identify the number of cartons associated with the purchase order.
- Boscov's merchandising team must approve all branded documents prior to use.

- Inserts, including rebates, cannot be included without prior authorization from Boscov's.
- Supplier branding on exterior shipping boxes must be reviewed and approved by Boscov's.
- Suppliers must not include any sales information on the packaging or inside the box advertising a conflicting sales channel.

## 6.10. Holiday Shipping Schedules

During key holiday shopping seasons, Boscov's may advertise guaranteed arrival for orders placed by a site-wide cut-off. This cut-off schedule will be shared with suppliers to ensure that they will be able to fulfill the orders on-time, and meet the carrier shipment cutoff deadlines.

- Suppliers are expected to be able to ship orders on time and via the Boscov's specified ship method.
- Suppliers not able to execute to the "last ship date" schedule to ensure that customers will receive their order by the special holiday date must notify Boscov's in writing prior to "last ship date" and take Boscov's instructed action.

## 7. Shipping and Transportation

**Boscov's will work with suppliers to determine the best transportation method for goods to arrive safely at the end customer's home.**

### UPS Prepaid Billing

In order to better manage program efficiency for our vendors and for Boscov's, we use the UPS prepaid billing program:

- Boscov's will provide a unique UPS shipper ID to each vendor to use for all Vendor Direct shipments. Use of this account will allow UPS to bill Boscov's directly for all freight charges
- Vendors not currently using UPS will be asked to establish service in order to meet the standard. Setting up a UPS account is simple and no-cost

### Shipping Requirements:

- Support Boscov's pre-determined SDF carriers (UPS SurePost is preferred small package parcel carrier)
- Ability to set up the carrier with prepaid (freight) billing to Boscov's (using Boscov's shipping account) and map purchase order number in the carrier reference field
- Provide shipment tracking number with fulfillment confirmation
- Exterior product packaging must be able to withstand shipment (and returns) by parcel or common carrier
- Unbranded, generic exterior packaging preferred for shipping

### 7.1. Freight Terms

All Shipments are considered FOB ("Free on Board") destination (unless otherwise negotiated with Boscov's approved personnel), designating that the supplier ships on Boscov's prepaid shipping account but is responsible for the product until it reaches the end customer.

- Suppliers are responsible for ensuring the products arrive to the "Ship To" customer's home in "as ordered" (excellent and working) condition and are properly packaged to withstand shipping conditions (see section 7.2 Packaging Standards for more information).
- Suppliers will be responsible for filing freight claims to recover funds for damage or losses deemed the fault of the carrier.
- Shipping fees are paid by Boscov's through prepaid Billing.

In the event Boscov's approves the use of a Vendor pre-paid/add billing arrangement whereby the supplier is leveraging their own carrier accounts, products will still be considered FOB destination.

- The supplier must specify the supplier's carrier to be leveraged and receive Boscov's approval to leverage.
- The supplier must negotiate with Boscov's, prior to leveraging this shipping arrangement, the billing approach for costs associated with Vendor pre-paid/add shipments.
- The Supplier is responsible to arrange for pickup at their warehouse and delivery to the customer.
- The Supplier is responsible to arrange for pickup and return or disposal of returned product.
- Freight costs associated with transportation of the product shall be paid by the supplier, and cost passed on to Boscov's as per the agreed upon billing arrangement.
- Freight costs associated with return transportation of the product shall follow the policies outlined in the return section of this policy document (see section 10. Returns).

## 7.2. Packaging Standards

Bosco's expects that all suppliers actively test their product packaging to ensure that it is adequate to protect shipments to the end customer. At minimum packaging must pass standard drop tests, and meet the International Safe Transit Association (ISTA) packaging standards. Bosco's relies on the supplier to know the product and to appropriately package it to minimize damages and poor customer experience.

- Suppliers are responsible for ensuring all packaging is strong enough to protect the product en route to the customer via the selected carrier.
- Original packaging must be sufficient to support a return trip as well, in the event the customer chooses to return the product.
  - Damage that occurs on the return trip due to poor packaging may be the responsibility of the supplier if the customer leverages the original packaging for the return

## 7.3. Freight Billing

Bosco's prefers to leverage its existing carrier relationships. In most cases suppliers will ship using these preferred carriers and bill the cost of shipping directly to Bosco's on a prepaid account.

- Transit costs for direct-to-consumer shipments shall be billed directly to Bosco's using the assigned prepaid billing account(s).
  - Special approval is required for supplier paid freight.
- Suppliers may not use the prepaid billing account for non-Bosco's related shipments.
- Suppliers may not use the prepaid billing account for shipment charges related to returns/replacement of supplier related damage, defective or mis-shipped products.

<b>Violation Code 902 --- Unauthorized Use of prepaid Billing Account ---</b> Improper use of prepaid shipping account results in debit of charges due to improper use + \$25 fee per occurrence
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In special cases Bosco's may choose to leverage the supplier's carrier for unique products, services (i.e. white glove, setup/install) or rates. In such cases the supplier will assume additional responsibilities.

- Suppliers must gain Bosco's written authorization to leverage the supplier's carrier. Goods shipped by the supplier without leveraging Bosco's shipping accounts must be expressly approved in advance in writing.
  - Bosco's reserves the right to refuse payment of shipping charges incurred for the use of unauthorized freight carriers.
  - The supplier must ensure the carriers selected for these services are staffed and equipped to provide these services.
  - Suppliers will be liable for any damages incurred (created) from these shipping carriers set up teams. In this event, the supplier is responsible for seeking restitution from the carrier for incurred damage.

In all cases, customers pay for freight up-front at the point of order placement. It is essential that suppliers take steps to ensure that the customer is never solicited for additional fees after their order is taken.

- Regardless of billing profile between Bosco's and the supplier, all freight must be paid for the customer.
  - No shipments may be sent "Collect" to the customer.
  - Under no circumstances shall the "Ship To" customer have to pay any additional fees to a carrier to have a shipment delivered.

## 7.4. Parcel Package Routing

Parcel package is described as any single parcel or piece with a chargeable weight of <150 lbs., is less than 130 inches in length and girth combined and ships via parcel carriers such as FedEx or UPS.

- All parcel orders are to be shipped via the carrier designated by Bosco's (i.e. UPS).
- Time sensitive, i.e. perishable foods, will be discussed on an individual basis.
  - Food or other perishable products may require 2nd Day air shipping.
  - Suppliers shall appropriately package perishables to prevent spoilage or other damage (e.g., melting).
- Bosco's requires signature required service be used for high value product.
  - Bosco's does not allow additional insurance to be purchased for product shipments.
  - Certain product will be required to be sent with signature-required delivery. Your Bosco's eCommerce Operations team contact will specify this product or wholesale cost threshold in advance of the online launch of the merchandise.

- Suppliers not following the signature required service policy, which suffers a shipment loss (customer dispute of non-receipt), would be held responsible for all replacement costs (including shipping fees).
- In the event the supplier has followed all Boscov's policies, is leveraging FOB destination terms and suffers a loss on a high value product, Boscov's agrees to pay the supplier the wholesale cost of goods – (minus) any amount reimbursed by the carrier.

#### **7.5. Non-parcel (Oversized, White Glove Service/Over the Threshold Delivery):**

These policies pertain to products that cannot be shipped via a standard parcel carrier due to their size, weight, or special services required.

- Suppliers shall work with Boscov's to determine the appropriate carrier and billing approach on an individual basis.
- Products requiring this carrier service must be identified during the product selection process.
- Carriers and rates must be approved by Boscov's prior to the online launch of the merchandise.
  - Freight charges for non-approved carriers will not be reimbursed.
  - Curbside delivery is not accepted. Freight carriers must be able to deliver a minimum of Over the Threshold service.

### **8. Customer Service Commitment**

**SDF Suppliers play a critical part in the customer relationship, acting as an extension of Boscov's, with a direct touch point to Boscov's customers.**

#### **8.1. Supplier Customer Service**

Suppliers must provide a Customer Service contact that can be reached during business hours. This contact will work with Boscov's merchandising, operations and customer service teams to address customer order inquiries and issues. This contact is not intended to have direct Boscov's customer contact.

- Contacts shall be provided on the Supplier Contact Setup Form, and include a point contact name, e-mail and phone number.

Service requests are direct inquiries from Boscov's customers communicated via a Boscov's representative and must be resolved as quickly as possible.

- Suppliers must be able to accept and respond to Boscov's service requests within one (1) business day.
- Failure to respond may result in the following compliance violation fine:

**Violation Code 903** --- Failure to respond to the Service Requests within one (1) business day will result in a \$20.00 penalty per service request. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, suppliers may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.

Ideally, suppliers shall provide an email that reaches multiple people (i.e., distribution list), or a customer service queue that will be worked during regular business hours to ensure coverage independent of any one individual's work schedule.

- Boscov's service requests can be routed to one email address only.
- Suppliers must ensure that service requests can be processed throughout the year, even when the regular point person may be unavailable (e.g., vacation).
  - If the supplier is unable to provide an email address that reaches multiple people, they must notify Boscov's Web Operations of an alternative contact one (1) business day in advance of the primary contact going out of the office.
- All service requests must be responded to via email to the mailbox designated by Boscov's SDF Operations Team.
  - The email response must include the original service request and supplier comments clearly displaying the action the supplier has taken.

#### **8.2. Product Warranty**

Boscov's encourages Suppliers to warrant to the customer that their products are free of any defects in workmanship and materials. Boscov's may require warranties for some electronic or mechanical products, such as watches, home electronics and appliances. Boscov's must preapprove all warranties. Suppliers choosing to warrantee their product must supply the terms of the warranty to be accessed by the end customer. Boscov's customer service representatives will leverage warranty information to provide customer assistance.

- Details of the warranty must be provided to Boscov's.
  - Product Warranties may be posted online for easy customer access.

Warranty information must comply with Boscov's standards and must meet the following criteria:

- Identify the manufacturer or guarantor of the warranty and provide a domestic USA service address.
- Specify the extent, duration and limitations of the warranty coverage.
- Outline how the customer may obtain warranty service and satisfaction.
- Provide customer service contact method with adequate customer support.

Boscov's may reject a warranty at its discretion if the warranty is misleading, meaningless, illegal or overly restrictive. 8.3. Product Recalls

### 8.3. Product Recalls

Suppliers must notify Boscov's within 24 hours of awareness of the need to execute a product recall.

- Suppliers may be authorized to contact Boscov's customers directly in order to manage the recall process.
- Costs incurred by Boscov's as the result of a product recall may be charged back to the supplier/manufacturer (or debited from future invoices).

## 9. Invoicing and Payment

### 9.1. Reconciliation

- Boscov's will only reconcile financials per the electronic invoice transaction.
  - Paper invoices are NOT accepted for SDF purchase orders.
- Invoice transactions for SDF must be processed through Boscov's designated 3rd party SDF order processing provider.
- Invoices must be submitted for each purchase order and may not be consolidated or otherwise grouped together.
- Payment terms will be as outlined in the Boscov's SDF Supplier Terms Sheet or applicable SDF Product Supplier Agreement.

### 9.2. Cost of Goods Sold

- Suppliers may not invoice customer purchase orders at a higher cost than was listed on the purchase order.
- Cost discrepancies between the purchase order and the invoice will error out at Boscov's and may delay payment while the matter is researched offline.
- See Section 2.3 – Cost of Goods for additional information on managing product cost changes.

### 9.3. Add-ons

The wholesale cost for SDF UPC/SKU's will be negotiated between the Boscov's Merchandising Team and the Supplier and is expected to be the cost to ship the product directly to the customer through the Boscov's SDF program, and is defined as the Boscov's Cost of Goods Sold.

- Any additional handling fees to support the SDF program must be negotiated with your Boscov's merchant.
- The handling fee (if approved) shall be included as a separate fee on the invoice.
  - Separate store and eCommerce wholesale costs for the same UPC/SKU is not currently supported by Boscov's.
  - If Boscov's has approved an additional handling fee to support the SDF program, the handling fee must be separated from the wholesale cost and submitted with the invoice at the order level
- Shipping charges shall be billed directly to Boscov's through prepaid billing arrangements with the carrier specified by Boscov's
  - For approved shipments with carriers NOT setup for Boscov's prepaid billing, suppliers may submit shipping costs on the invoice if those costs have not already been paid for by Boscov's in another fashion
- Unauthorized shipping expenses will not be paid, and unexpected shipping costs may delay the payment process while the expenses are confirmed.
  - Boscov's reserves the right to refuse payment of shipping charges incurred for the use of unauthorized freight carriers.

### 9.4. Deductions

- Unless otherwise negotiated, cost of actual returns (where the product is returned to the supplier or agreed field destroy) will be deducted from the supplier's invoice as they occur.
- Compliance violations will be deducted from the supplier's invoice in the payment period in which they occur.
- Upon termination of the partnership between Boscov's and the supplier, Boscov's may hold back a percentage of the last payment beyond the standard terms, in order to allow time for any returns to occur. This is done to avoid a situation where the supplier must write a check to Boscov's. Full payment will be made once the returns period for the last order has expired.

## 10. Returns

### 10.1. Customer Returns Policies

#### 10.1.1. Direct Return to Supplier (RTV) Program

- The supplier must accept customer returns based on the negotiated supplier/Boscov's return policy.
  - Boscov's Customer return policy permits customers to return most products at any time for any reason. Suppliers are expected to take such returns and shall negotiate return terms with Boscov's.
  - Perishable products and low value products that are not financially viable to return may be set up as "field destroy". Suppliers shall notify Boscov's if they cannot resell unused customer returns.
- To be eligible for full credit, customer returns must be received in new, unused condition with all components accounted for.
  - To ensure jewelry and watches are returned in an unused (no wear), as sold condition, suppliers may apply Mylar tags or special packaging. Suppliers shall contact Boscov's for approval on the approach and recommended Mylar tag suppliers.
- Re-stocking and handling charges are not accepted by Boscov's.
  - All re-stocking and handling charge considerations must be negotiated with the Boscov's merchant.
- There shall not be any direct communication between a supplier and Boscov's customers unless requested by Boscov's Web Operations or contacted directly by Boscov's eCommerce customer (generally to deal with product specific questions like missing items).

#### 10.1.2. In Store / Boscov's Fulfillment Center Return Program

- All product purchased via BOSCOVS.COM can be returned directly to any Boscov's physical store location (if feasible) or via mail to the Boscov's eCommerce Returns Center.
- Boscov's will arrange for the return of products back to suppliers unless one of the following conditions are met:
  - The supplier has negotiated a return allowance with Boscov's.
  - The product qualifies as a field-destroy.
  - The product can be sold on the selling floor in a liquidation setting.
- Boscov's will issue a debit against a future invoice remittance payment for all products approved for returned-to-supplier (RTV) or designated as Field Destroy, unless the supplier has negotiated a return allowance with Boscov's to cover returns.

### 10.2. Return Policy Exceptions

- In the event a customer return is received outside of the supplier/Boscov's agreed upon return window, suppliers shall contact Boscov's SDF Operations Team for instructions.
  - Depending upon the circumstances, the product may need to be shipped back to the customer, or an exception (at Boscov's expense) may be granted.
  - Should a return be received back used (and not defective), or missing components, the supplier may contact Boscov's for resolution with the customer.

### 10.3. Mis-Ships, Damaged and Defectives

All returns shipped back to the supplier are at the expense of the customer with the exception of mis-ships, defective or damaged merchandise, which will be charged back to the supplier. Please see section 6.7 Shipment Errors for more information regarding mis-ships, damaged and defective returns.

### 10.4. Field Destroy

Boscov's supports a field destroy or customer donation process for cost and safety concerns under the following circumstances:

- Product received by the customer that is damaged, defective or with shipment error and whose retail value is less than the amount stipulated in the Boscov's Supplier Terms Sheet or identified previously as a field destroy product.
- Product is designated as Field Destroy or Customer Donation at the request of the supplier.
  - Product designated field destroy at the request of the supplier is subject to Boscov's approval.
  - Products deemed difficult for customer disposal may still require pick up and return.

Field Destroy returns are considered "accepted" when the customer contacts customer service.

- The customer will receive full credit for the return.
- Boscov's will not seek authorization from the supplier to process returns that meet the Field Destroy criteria stated above.
- Boscov's will issue a debit against a future Invoice remittance payment for valid Field Destroy returns unless the supplier has negotiated a return allowance with Boscov's.



### 10.5. Return Notifications and Credit Memos

Suppliers will provide Boscov's with notification of receipt of a customer return through Boscov's designated 3rd party SDF order processing provider. The returns notification will also act as a credit memo, and suppliers will see the cost of goods sold for any returned goods debited from subsequent payment.

- All customer returns must be processed in Boscov's designated 3rd party SDF order processing provider within five (5) days of receipt of the customer package.
- A customer inquiry which reveals non-compliance will result in the following compliance fee:

**Violation Code 904** --- Failure to meet return notification requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the 5 days.

- Suppliers will be debited for the full cost of goods sold for all customer returns to the supplier unless terms have been otherwise negotiated
  - In the event the supplier receives a return back that shows obvious customer use, and is not defective, suppliers will be instructed to utilize a process to dispute the creation of a credit memo. These returns will be reviewed and audited by Boscov's to determine if the supplier shall not be debited for the cost of goods of that returned product. Boscov's may contact the supplier for clarification and feedback regarding the return.

### 10.6. Undelivered Returns

When a package is returned directly to the supplier by the carrier due to customer refusal or the carrier's inability to deliver the package it is considered undelivered.

- The same policies are in effect for undelivered returns as for all customer returns.
  - If a shipment is refused by the customer or returned directly to the supplier, the supplier agrees to submit a credit memo within five (5) days of receipt of returned product.

### 10.7. Return Authorizations

Boscov's customers return products directly following the instructions on the pack list. Suppliers must be able to process returns without returns authorizations.

- Customers will NOT be required to obtain a Return Authorization prior to shipping their returns back.
- Suppliers may pre-assign RA's or assign a blanket RA# and insert this information with the shipment, however Boscov's cannot guarantee use of a Returns Authorizations process. Any insert containing this information must be approved in advance by Boscov's.

## 11. Compliance

**Suppliers are expected to follow all Boscov's policies. Boscov's reserves the right to terminate a partnership or apply a chargeback fee for non-action to repeat non-compliance offenses to any policies listed in this manual.**

### 11.1. Compliance Fee Schedule

All suppliers participating in SDF at Boscov's will be subject to the SDF violations schedule outlined below:

#### ASN Violations

Code	Description	Fee Schedule	Routing Guide Section
800	ASN does not match carton contents	\$25 +transportation + .25 per unit	SDF Program Vendor Participant Policies 6.9
801	Asn received after receipt of merchandise	\$25.00	SDF Program Vendor Participant Policies 9.3
802	No usable ASN	\$7.50 per carton	

#### Carton Violations

Code	Description	Fee Schedule	Routing Guide Section
820	Insufficient packaging resulting in mdse damage		

#### Other Violations

Code	Description	Fee Schedule	Routing Guide Section
840	Unapproved additional charges	\$25 + cost of additional charges	SDF Program Vendor Participant Policies 6.4
841	Transmitting Inventory not set up with Boscovs	\$25 + .10 per kilo-character or portion their of	SDF Program Vendor Participant Policies 5.2
842	Vendor cancelled PO due to out-of-stock or discontinued mdse		
843	Vendor provided incorrect mdse info/photo		

#### Packing Slip Violations

Code	Description	Fee Schedule	Routing Guide Section
860	Packing slip not included	\$25 + processing	
861	wrong purchase order referenced	\$25.00	
862	No purchase order number referenced	\$25.00	

#### PO Violations

Code	Description	Fee Schedule	Routing Guide Section
880	Quantity shipped exceeds quantity ordered	\$25 + processing + Transportation + .25 per unit	SDF Program Vendor Participant Policies 6.7
881	Quantity shipped short against ASN	\$25 + processing + .25 per unit	SDF Program Vendor Participant Policies 6.8

#### Transportation Violations

Code	Description	Fee Schedule	Routing Guide Section
900	A \$10 per order charge for each SDF order that is not confirmed as shipped or canceled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given calendar month.	\$10 per order	SDF Program Vendor Participant Policies 6.3
901	For returns due to mis-ship, damaged or defective merchandise the Supplier is responsible for all service fees and shipping charges related to the return and replacement of the merchandise.	Service feels + Shipping Charges	SDF Program Vendor Participant Policies 6.7
902	Unauthorized Use of prepaid Billing Account --- Improper use of prepaid shipping account results in debit of charges due to improper use + \$25 fee per occurrence	\$25 per occurrence	SDF Program Vendor Participant Policies 7.3
903	Failure to respond to the Service Requests within one (1) business day will result in a \$20.00 penalty per service request. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, suppliers may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.	\$20 per request per day past 24 business hours	SDF Program Vendor Participant Policies 8.1
904	Failure to meet return notification requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the 5 days.	\$25.00	SDF Program Vendor Participant Policies 10.5
905	Invalid Tracking information	\$25 + processing	SDF Program Vendor Participant Policies 6.9
906	Failure to use correct carrier	\$25 + transportation	SDF Program Vendor Participant Policies 7.4

#### UPC Violations

Code	Description	Fee Schedule	Routing Guide Section
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920	No UPC on item	\$25 + .25 per unit +processing	
921	Manual entry charge for UPC/EAN Catalogue Data	\$5 per UPC/EAN manually Entered	
922	UPC Catalogue Incorrect	\$25 + \$0.25 per unit	
923	Other UPC/EAN Charges	\$25 + \$0.25 per unit	
924	Keying charge for UPC/EAN catalog data corrections	\$25 + \$5 per unit	

### 11.2. New Supplier Partnership Evaluation

New suppliers are closely monitored during their first 60 day evaluation period for policy and process compliance. All violations and variances are managed closely with the supplier to correct.

- Violations during that 60 day evaluation period may be assessed or waived pending collaborative review by Boscov's Merchandising and Boscov's SDF Operations Team.
- Suppliers with extreme or uncorrectable issues will be evaluated for removal from the SDF program.

### 11.3. Service Level Management

Supplier service level performance and adherence to the policies will be monitored on an ongoing basis. Supplier performance evaluations will be conducted at least semi-annually and communicated with the supplier.

- Service level performance metric categories include, but are not limited to financial impact, operational performance (e.g., fill rates, fulfillment lead-time), policy compliance and relationship commitment.
- All suppliers are assigned a Supplier Classification upon entering the program. Supplier classifications are defined as a categorizing technique used to measure supplier performance in pre-defined metrics.
- Changes in a Supplier Classification will be based on service level performance and communicated to suppliers prior to the change.

## 12. Supplier Direct Fulfillment (Drop Ship) – Contact Information

Boscov's Supplier Direct Fulfillment to customer program is straightforward, easy to implement and highly automated. If you have any questions or need assistance, please contact us using the information below:

AREA	NAME	E-MAIL	PHONE NUMBER
Supplier Direct Fulfillment Manager	Lori Reilly	<a href="mailto:lreilly@boscovs.com">lreilly@boscovs.com</a>	(610) 370-5821
Operations - Order Management	Michelle Satz	<a href="mailto:msatz@boscovs.com">msatz@boscovs.com</a>	(610) 370-5823
New Supplier Direct Vendor/V2C On boarding	Jennifer Dengler	<a href="mailto:jdengler@boscovs.com">jdengler@boscovs.com</a>	(610) 370-5824