This guide serves to identify common supplier issues related to the private branding process and related supplier chargebacks for non-compliance. The supplier is always responsible to read and understand all sections of the Bluestem Brands, Inc., Supplier Manual, including the Private Brand QA and Packaging Requirements.

**This chargeback policy is effective beginning with 8/1/2015 shipments.**

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|  **Supplier Non-compliance Issue**1. Product(s) ship without a valid product and/or packaging test report =

*Test Report must have a passing (or waived) result. Test reports expire after one year from the release date.*1. Product(s) ship without a passing In-Factory Product Inspection =

*Inspection Report must have a passing (or waived) result. At minimum, each product must be inspected annually by an approved 3rd party unless waived in writing by QA Product Manager (QA PM).*1. Product ship without an approved Factory Audit =
2. Product ship without an approved Social Accountability Audit =
3. A products manufacturing facility / location is moved without appropriate BSB Buyer and QA PM notification and written QA PM approval =
4. A finished product is produced and / or packaged in a way not representative to the passing test report and BSB approved sample =
 | **Chargeback Amount**  $5,000.00  $3,000.00$3,000.00$3,000.00$3,000.00 $5,000.00 |
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**In addition to the non-compliance chargeback fee, failure to follow the Private Brand process may result in the PO being canceled.**