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.**