



Supplier Chargeback Reference Guide - Private Brand Products

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.

<u>Supplier Non-compliance Issue</u>	<u>Chargeback Amount</u>
1. Product(s) ship without a valid product and/or packaging test report = <i>Test Report must have a passing (or waived) result. Test reports expire after one year from the release date.</i>	\$5,000.00
2. Product(s) ship without a passing In-Factory Product Inspection = <i>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).</i>	\$3,000.00
3. Product ship without an approved Factory Audit =	\$3,000.00
4. Product ship without an approved Social Accountability Audit =	\$3,000.00
5. A products manufacturing facility / location is moved without appropriate BSB Buyer and QA PM notification and written QA PM approval =	\$3,000.00
6. A finished product is produced and / or packaged in a way not representative to the passing test report and BSB approved sample =	\$5,000.00

In addition to the non-compliance chargeback fee, failure to follow the Private Brand process may result in the PO being canceled.