



Vendor Floor Ready Manual

Vendor Non-Compliance Fees

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VENDOR NON-COMPLIANCE FEES

It is the responsibility of the vendor/agent to ensure that all production merchandise is in full compliance with all applicable industry, government, and ShopKo standards. Any necessary clarification of the standards must be sought by the vendor/agent prior to product commitments. Vendor/agent will be held financially accountable for all issues of non-compliance to Quality, Compliance, and Floor Ready Standards. A \$500 punitive charge will be assessed to all repeat offenders.

VENDOR RETURNS

Whenever possible, merchandise that does not meet ShopKo's standards, specifications, or purchase order requirements will be returned to the vendor/agent to dispose of or sort and refurbish, at ShopKo's option. It is understood that ShopKo's right to return merchandise shall apply to all merchandise when found to be defective any time prior to resale or after resale, and upon the return of the defective merchandise, ShopKo shall have the right to charge back to vendor/agent the cost of such merchandise, a 10% consolidation fee plus any in or outbound freight charges, as well as all applicable customer liabilities.

I. NON-COMPLIANCE PENALTIES FOR VIOLATIONS THAT CAN BE CORRECTED INTERNALLY (DC OR STORE):

A. FLOOR READY VIOLATIONS:

<u>Type</u>	<u>Assessment</u>
1. Missing UPC	\$0.25/Unit
2. Pre-ticketing	
a. Failure to ship preticketed	
- Mixed SKU case	\$0.40/Unit
- Single SKU case	\$0.35/Unit
b. Failure to preticket correctly	\$0.15/Unit
c. Failure to match proper size/color to items	\$0.15/Unit
d. Incorrect Price Ticket Placement	\$0.15/Unit
e. Incorrect Hangtag Placement	\$0.15/Unit
2. Hangers	
a. Failure to ship garment on hanger	\$0.35/Unit
b. Not using proper hanger supplier	\$0.25/Unit
c. Unacceptable type and/or size of hanger	\$0.25/Unit
d. Damaged hangers	\$0.25/Unit
e. Incorrect Hanger Color	\$0.25/Unit
f. Incorrect Font on Size Clips	\$0.25/Unit
g. Incorrect Size Clips	\$0.25/Unit
h. Incorrect Size Clip Color	\$0.25/Unit
i. Missing size clip	\$0.25/Unit
j. Not placed on hanger per standards	\$0.25/Unit
k. Not properly securing two-piece garments	\$0.25/Unit
l. Mixing garment on hangers with flat merchandise	\$0.25/Unit
3. Packing	

ShopKo's Distribution Center has a separate chargeback policy for packaging inaccuracies which disrupt distribution flow. Please contact the Distribution Center with any questions at 920-337-6220.

II. NON-COMPLIANCE VIOLATIONS THAT CANNOT BE CORRECTED:

A. FLOOR READY VIOLATIONS:

<u>Type</u>	<u>Assessment</u>
1. Labeling	
a. Lack of adherence to specified format	\$0.15/Unit
b. Non-conformance to sizing standards	\$0.15/Unit
2. Packaging	
a. Incorrect Main Label type, placement, or attachment	\$0.15/Unit
b. Incorrect Hangtag type, placement, or attachment	\$0.15/Unit
c. Trash Free	\$0.15/Unit
3. Folded Garments	
a. Not folded	\$0.15/Unit
b. No size strip	\$0.15/Unit
c. Incorrect size strip type or placement	\$0.15/Unit
d. Non conformance to folding standards(trash free)	\$0.15/Unit

III. PRIVATE BRAND MARKETING:

	<u>Assessment</u>
a. Not using proper supplier	\$0.25/Unit
b. Not using approved artwork/graphics	\$0.15/Unit
c. Non conformance to packaging standards	\$0.15/Unit
d. Using unapproved hangtags (including disclaimer tags, vendor generated tags, etc.)	\$0.15/Unit
e. Incorrect marketing placement	\$0.15/Unit

ATTENTION: SHIPPING GARMENTS WITH COMPETITORS HANGTAGS IS CONSIDERED BRAND INFRINGEMENT AND IS A SERIOUS CHARGE. THEREFORE A PENALTY OF \$1000 WILL BE ASSESSED IN ADDITION TO THE FEE OF "FAILING TO PRE-TICKET CORRECTLY" AND ANY OTHER APPLICABLE VIOLATION (S).