

# SHOPKO®

## Vendor Partnership Manual

### Section 11 – Reverse Logistics & Product Recall

# What's New

**No changes have occurred since our last update in  
January 2018**

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## 1. Merchandise Returns

### 1.1 Customer Merchandise Returns

Shopko Reverse Logistics, located in the DePere Distribution Center, and Recall Processing (located in each of our Distribution Centers/Stores), is the consolidation point to handle the vast majority of their Vendors merchandise returns. There, Shopko Reverse Logistics and its Vendors can analyze and efficiently process the vast majority of those customer merchandise returns.

#### Product Return Policy

It is the responsibility of the Shopko Merchandise Buyers to negotiate merchandise return policies with the Vendors they deal with. Shopko reserves the right to return goods at current order cost or Shopko's average cost. The policies are consistent with the Terms and Conditions of the Purchase Order. The policies available are:

- **Defective Allowance:** Shopko reserves the right to retroactively recover any defective shortfalls.
- **Return to Vendor (RTV):** Recovery of full cost value + a 10% consolidation fee + in/outbound freight.
  1. Automatic RTV: (Preferred Method). The return of merchandise automatically to the Vendor without a written authorization each time we need to return merchandise.
  2. Request RTV: The request of a return authorization each time we need to return merchandise. RA's are requested by email via Retek. If a Return Authorization is not given within 14 days from request, we will offset merchandise cost and charges against funds currently owed to the Vendor. If insufficient funds, Vendor to remit check within 30 days of notification to lockbox:

Shopko Stores Operating Co., LLC  
PO Box 8787  
Carol Stream, IL 60197-8787
- **Credit and Destroy (C&D):** Reverse Logistics requests a Return Authorization (RA) on each merchandise return. They would recover full cost value + a 10% consolidation fee (plus inbound freight); reduced to 5% consolidation fee (plus inbound freight) if allowed by the Vendor to salvage.
- **Any changes in pricing to pre-authorized returns must be included with the Return Authorization (RA).** Chargebacks will not be allowed.

### 1.2 Product Recall Return Policy

Recall merchandise is product recalled for a merchandise vendor, consumer protection, or a government mandated process. Shopko will consolidate "recalled" merchandise for vendors in each of the Shopko Distribution Centers (unless directed to handle at store level).

- **Recall Returns:** Recovery of full cost value + a \$1.20 per carton fee + in/outbound freight (inbound freight only if merchandise is shipped collect from the Shopko Distribution Center).
- **Credit and Destroy:** Recovery of full cost value + 10% handling fee + inbound freight (no inbound freight charge if destroyed at store level) according to ship out notice.