

All vendors are required to comply with each point of the Vendor Standards Manual unless instructed otherwise by our purchase order or in writing by the Logistics Manager.

This section includes:

- Information on how vendors will be notified of chargebacks.
- A complete list of all violations and assessment amounts
- Quality control procedures used to inspect for materials, construction and overall cosmetic appearance

**Vendor Standards Violation Notification**

At the beginning of each month you will receive an email for the violations assessed for the prior month. The notification will detail the period for which the assessments apply, along with two files (one containing the violation information for all PO's assessed and another itemising the violations assessed to apply as chargebacks)

All chargeback disputes must be in writing and sent to the Logistics Manager. **Foot Locker will not research inquiries for receipts over 6 months old.**

# Foot Locker Asia Pacific

Section 8 – Vendor Compliance Program,  
Chargebacks and Policies

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## Violation Code Policy

With respect to the asterisk (\*) violation codes noted below, per unit charges are not to exceed 25% of the cost of the unit.

Code	Violation Description	Policy
<b>Ticketing Violations</b>		
<b>Unit Violations</b>		
* 100	Barcode height less than 12mm	\$1.00 per Unit (Min Charge of \$200.00)
* 101	Wrong UPC, SKU, or size on label	\$1.00 per Unit (Min Charge of \$200.00)
* 102	Wrong size or size schedule per the PO	\$1.00 per Unit (Min Charge of \$200.00)
* 103	Wrong retail price	\$1.00 per Unit (Min Charge of \$200.00)
* 104	Wrong ticket location/ticket not visible to be easily scanned	\$1.00 per Unit (Min Charge of \$200.00)
* 105	Barcode will not scan	\$1.00 per Unit (Min Charge of \$200.00)
* 106	Barcode scans incorrectly	\$1.00 per Unit (Min Charge of \$200.00)
* 107	Too many barcodes visible/No Master barcode	\$1.00 per Unit (Min Charge of \$200.00)
* 108	No UPC on polybag/Not centred	\$1.00 per Unit (Min Charge of \$200.00)
* 109	Polybag taped on wrong side	\$1.00 per Unit (Min Charge of \$200.00)
* 110	Polybagged unit over maximum dimensions	\$1.00 per Unit (Min Charge of \$200.00)
* 201	No UPC on retail units	\$1.00 per Unit (Min Charge of \$200.00)
* 202	Retail units not ticketed	\$1.00 per Unit (Min Charge of \$200.00)
* 203	Missing/Incorrect Style # or Description	\$1.00 per Unit (Min Charge of \$200.00)
* 204	Missing/Incorrect SKU	\$1.00 per Unit (Min Charge of \$200.00)
* 205	Missing/Incorrect season code	\$1.00 per Unit (Min Charge of \$200.00)
* 206	UPC not on catalogue at order entry or receipt > 50 UPC's	\$25 plus \$5.00/UPC
<b>Caslot Violations</b>		
301	No caslot label on outside of caslot or multi-pack	\$1.00 per Unit (Min Charge of \$200.00)
302	Caslot label scans incorrectly	\$1.00 per Unit (Min Charge of \$200.00)
303	Caslot label will not scan	\$1.00 per Unit (Min Charge of \$200.00)
304	Caslot label placement	\$1.00 per Unit (Min Charge of \$200.00)
<b>Carton / Merchandise Problems</b>		
401	Missing UCC 128 label	\$5.00 per carton or \$200.00 whichever is greater
402	Incorrect UCC 128 label	\$5.00 per carton or \$200.00 whichever is greater
403	UCC 128 label scans incorrectly	\$5.00 per carton or \$200.00 whichever is greater
404	UCC 128 label will not scan	\$5.00 per carton or \$200.00 whichever is greater
405	UCC 128 label missing non-standard case indication	\$5.00 per carton or \$200.00 whichever is greater
500	No inserts in case	\$1.00 per Unit (Min Charge of \$200.00)
501	Case not sealed with security tape	\$1.00 per Unit (Min Charge of \$200.00)
502	Incorrect markings on case	\$1.00 per Unit (Min Charge of \$200.00)
503	Undersized cases	\$1.00 per Unit (Min Charge of \$200.00)
504	Oversized cases	\$1.00 per Unit (Min Charge of \$200.00)
505	Underweight cases	\$1.00 per Unit (Min Charge of \$200.00)
506	Overweight cases	\$1.00 per Unit (Min Charge of \$200.00)
507	No polybag	\$1.00 per Unit (Min Charge of \$200.00)
508	Mixed sizes/PO's/SKU's (not noted on case)	\$1.00 per Unit (Min Charge of \$200.00)
509	Bin merchandise on hangers	\$1.00 per Unit (Min Charge of \$200.00)
510	Case sealed with inferior tape	\$1.00 per Unit (Min Charge of \$200.00)
511	Non-standard units per carton	\$1.00 per Unit (Min Charge of \$200.00)
512	Inferior polybag	\$1.00 per Unit (Min Charge of \$200.00)
513	Concealed Shortage	\$1.00 per Unit (Min Charge of \$200.00)

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PO Violations / Documentation		
600	Incorrect caselots per carton per PO	\$1.00 per Unit (Min Charge of \$200.00)
601	Shipped over from PO	\$1.00 per Unit (Min Charge of \$200.00)
602	Product substitution (colour, style, etc)	5% of Receipt (Not to Exceed \$1,000.00)
603	Incorrect pack type per PO (bin, multi, case)	\$1.00 per Unit (Min Charge of \$200.00)
604	Missing/Incorrect/Incomplete packing slip	\$100.00 per occurrence
605	Shipped under from PO	\$1.00 per Unit (Min Charge of \$200.00)
Load Tender / Scheduling Violations		
701	Late Delivery	\$50.00 per occurrence
702	No Shows	\$200.00 per occurrence
703	No appointment	\$200.00 per occurrence
704	Reloading of unacceptable PO's	\$350.00 per occurrence
705	PO Delivered in Incorrect OTB Month	5% of Receipt
801	Pallet over height	\$200 per pallet
802	Trailer not loaded by PO/SKU	5% of Receipt (not to exceed \$1,000.00)
803	Pallets not packed by PO/SKU	5% of Receipt (not to exceed \$1,000.00)
804	Mixed PO's on pallets (not labelled)	5% of Receipt (not to exceed \$1,000.00)
805	Pallets not labelled with PO number	5% of Receipt (not to exceed \$1,000.00)

**NOTE: In the category of unit ticketing violations, if more than one error is made on an individual ticket you will not incur more than \$1.00 per unit. The \$200.00 minimum charge will not apply to fees assessed at less than \$1.00 per unit. All charges are in USD**

### **Quality Control Procedures**

Samples of all merchandise (existing and new product) are checked as they are received at the service centres. This includes footwear, apparel, hard-goods and accessories.

We inspect for materials, construction and overall cosmetic appearance.

If the merchandise is of inferior quality, the following procedures are exercised:

- The merchandise is put on “quality control hold” and service centre management is notified
- The buyer is notified and samples are sent to the buying office upon the buyer’s request
- The vendor is contacted by the buyer to discuss a resolution, return authorisations and/or other terms and conditions
- The product is accepted, returned to the vendor, or sent out for repairs as per the agreed upon resolution between the buyer/buying department and vendor/agent

### **Cancellation Policy**

- All orders are considered cancelled if not shipped by the Ship Complete Date
- We will not accept any product beyond the Cancel Date without prior authorisation from the Buying Director.

### **Right to Reject Non-Conforming Merchandise**

Delivery of merchandise which does not conform to the terms of our purchase order as to quality, quantity, assortment, packing, packaging or in any other respect, will be deemed to materially impair the value of the merchandise and constitutes a breach of the terms of our purchase order. We shall have the right to cancel the purchase order and/or reject and return to the vendor, at the vendor’s expense, all or any part of the merchandise. Such returns will not require prior notice to the vendor and the return itself shall be adequate notice of rejection of the merchandise.