

Last modified: 02/20/20

Neiman Marcus Group

| CODE | CARTON LABELING & PACKAGING | AMOUNT | UOM | SERVICE FEE |
|------|---|--------|--------|-------------|
| 301 | CARTON LABEL MISSING REQ INFO | \$10 | CARTON | \$150 |
| 302 | CARTON LABEL INACCURATE INFO | \$10 | CARTON | \$150 |
| 303 | GS-1 LABEL PLACEMENT INCORRECT | \$10 | CARTON | \$150 |
| 304 | GS-1 LABEL NON-SCANNABLE | \$10 | CARTON | \$150 |
| 305 | NOT PACKED by SKU/STYLE as EXPECTED | \$10 | CARTON | \$150 |
| 306 | NOT PACKED by STORE as EXPECTED | \$10 | CARTON | \$150 |
| 307 | UNAPPROVED 20 DIGIT BARCODE | \$10 | CARTON | \$150 |
| 308 | UNAUTHORIZED PACKING MATERIAL | \$5 | CARTON | \$150 |
| 309 | NO SECURITY TAPE | \$5 | CARTON | \$150 |
| 310 | NO CARTON INSERT | \$5 | CARTON | \$150 |
| 311 | CARTON WEIGHT EXCEEDS MAX | \$5 | CARTON | \$150 |
| 312 | CARTON SIZE EXCEEDS MAX | \$5 | CARTON | \$150 |
| 313 | INSUFFICIENT PACKING MATERIAL IN CARTON | \$5 | CARTON | \$150 |

| CODE | FLOOR READY | AMOUNT | UOM | SERVICE FEE |
|------|---|--------|----------|-------------|
| 401 | NO OR NON-COMPLIANT HANGER | \$0.40 | EA | \$250 |
| 402 | UNAPPROVED HANGER DEPT (NMD) | \$0.40 | EA | \$250 |
| 403 | NO STYLE# ON MERCHANDISE | \$0.10 | EA | \$250 |
| 404 | NO HANDBAG/SHOE DUST COVERS (NMD) | \$7 | EA | \$250 |
| 405 | UNSECURED SHOE BOX LID | \$0.10 | EA | \$250 |
| 406 | NO POUCH W/JEWELRY SHIPMENT (NMD) | \$1 | EA | \$250 |
| 407 | PROTECTIVE COVERING - MISSING OR NOT ACCORDING TO ITEM DIMENSIONS (GOH) | \$0.25 | EA | \$250 |
| 408 | NOT PACKED BY SELLING UNIT | \$500 | SHIPMENT | |
| 409 | PREP | \$500 | SHIPMENT | |
| 410 | 100% INSPECTION (Failed QA Audit) | \$500 | SHIPMENT | |
| 411 | MISSING TICKET | \$0.10 | EA | \$250 |
| 412 | INCORRECT UPC ON TICKET | \$0.10 | EA | \$250 |
| 413 | MISSING/INCORRECT INFO ON TICKET | \$0.10 | EA | \$250 |
| 414 | UPC NOT SCANNABLE | \$0.10 | EA | \$250 |
| 415 | RETAIL NOT ON UPC TICKET | \$0.10 | EA | \$250 |
| 416 | INCORRECT RETAIL ON TICKET | \$0.10 | EA | \$250 |
| 417 | INCORRECT TICKET ON MERCHANDISE | \$0.10 | EA | \$250 |
| 418 | MISSING/INCORRECT INFO ON TICKET | \$0.10 | EA | \$250 |

| CODE | EDI/ASN/SHIPMENT ACCURACY | AMOUNT | UOM | SERVICE FEE |
|------|-----------------------------|--------|--------|-------------|
| 501 | MISSING ASN | \$10 | CARTON | \$250 |
| 502 | INCORRECT DC LOCATION | \$500 | ASN | |
| 503 | INCORRECT STORE/DC LOCATION | \$500 | ASN | |

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|-----|---|-------|-------------|-------|
| 504 | ASN Qty > PO Qty (SE) | \$250 | ASN | |
| 505 | GTIN TRANSMITTED - NOT ON PO (UP or UI) | \$500 | ASN | |
| 506 | GTIN TRANSMITTED - NOT ON PO/STORE (US) | \$500 | ASN | |
| 507 | SKU NOT EXPECTED | \$50 | CARTON | \$250 |
| 508 | SKU NOT IN CARTON | \$50 | CARTON | \$250 |
| 509 | SKU NOT ON ASN/SHIPMENT | \$50 | CARTON | \$250 |
| 510 | ASN CASE UNIT SHORTAGE | \$50 | CARTON | \$250 |
| 511 | ASN CASE UNIT OVERAGE | \$50 | CARTON | \$250 |
| 512 | OVERALL SHIPMENT ACCURACY <98% | \$250 | ASN | |
| 513 | INVALID 856 DATA FORMAT | \$250 | ASN | |
| 514 | INVALID 810 DATA FORMAT | \$10 | PER INVOICE | \$150 |
| 517 | MISSING 810 INVOICE | \$250 | PER PO | |

| CODE | PACKING SLIP | AMOUNT | UOM | SERVICE FEE |
|------|-----------------------------|--------|--------|-------------|
| 601 | NO PACKING SLIP AS REQUIRED | \$10 | CARTON | \$250 |
| 602 | MISSING P/S INFO | \$5 | CARTON | \$250 |
| 603 | INACCURATE P/S INFO | \$5 | CARTON | \$250 |

| CODE | PURCHASE ORDER | AMOUNT | UOM | SERVICE FEE |
|------|-------------------|--------|-----|-------------|
| 701 | PO EARLY | \$250 | PO | |
| 702 | PO LATE/CANCELLED | \$250 | PO | |
| 703 | MISROUTE | \$250 | PO | |

| CODE | FTC REQUIREMENTS | AMOUNT | UOM | SERVICE FEE |
|------|---------------------------------------|--------|----------|-------------|
| 901 | FUR LABELING NOT COMPLIANT OR MISSING | \$1000 | SHIPMENT | |
| 902 | NO COUNTRY OF ORIGIN ON MERCHANDISE | \$1000 | SHIPMENT | |
| 903 | MULTIPLE COUNTRIES OF ORIGIN | \$1000 | SHIPMENT | |
| 904 | MISSING FABRIC CONTENT | \$1000 | SHIPMENT | |

Drop Ship

Compliance violation amounts will be issued per PO @ Order cost:

* Charge of **\$25** for Order Cost **less than \$300**

* Charge of **\$150** for Order Cost **greater than \$300**

| CODE | VIOLATIONS |
|------|--|
| 201 | LATE SHIP |
| 202 | MULTIPLE SHIP DATES |
| 203 | FURNITURE/RUG EARLY NO NOTIFICATION |
| 204 | FAILURE TO RESPOND TO COMMUNICATION WITHIN 48HRS |
| 210 | PACKING LIST RECIEVED AFTER 48HRS |
| 211 | INCORRECT SUBMISSION OF PACKING LIST |
| 212 | NO PO/TICKET NUMBER |
| 213 | INACCURATE PACKING SLIP INFORMATION |
| 220 | WRONG MERCHANDISE |
| 221 | SUPPLIER ERROR |
| 222 | OVERAGE |
| 223 | ORDER SHIPPED INCOMPLETE |
| 231 | ORDER SHIPPED AFTER CONFIRMATION/CANCEL |
| 232 | MISROUTE |
| 233 | INCORRECT TRACKING |
| 234 | NO ASSEMBLY INSTRUCTIONS INCLUDED |
| 235 | POOR PACKAGING |
| 240 | NO FIBER CONTENT OR CARE LABEL |
| 241 | NO COUNTRY OF ORIGIN |