

Neiman Marcus | Group

DROP SHIP OPERATIONS MANUAL

Neiman Marcus

BERGDORF
GOODMAN

HORCHOW

Neiman Marcus
lastcall

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Introduction to Neiman Marcus Group

NMG is the leading retailer for luxury apparel, footwear, jewelry and home goods. The Neiman Marcus Group is transforming the luxury experience every day with a commitment to being the best. For over a century, we have set the standard for luxury and innovation in fashion retailing. Today, we continue to lead in discovering new designers and directions, offering unsurpassed service, and developing better way to shop. NMG's commitment is to offer superior quality in a range of styles and designers.

OUR BRANDS

- **Neiman Marcus:** The destination for the best the world has to offer – an inviting experience of fashion, luxury and unparalleled service.
- **Bergdorf Goodman:** Delivering true modern luxury in the selection of our merchandise, the artistry of our environment and our digital presence.
- **LastCall:** The styling authority that consistently offers great value on the best selection of designers, trends and true finds.
- **Horchow:** A leading online resource for luxury furniture, fine linens and unique décor.

I. NEIMAN MARCUS Drop Ship Program Overview

What is Drop Ship?

Drop Ship is a fulfillment method in which the retailer transfers customer orders and shipment details to the manufacturer or wholesaler (Brand Partner), who then ships the goods directly to the customer.

Why Drop Ship?

NMG sees Drop Shop as an opportunity to drive top line growth and to enhance the customer experience. The Drop Ship Program offers the opportunity to explore new assortments and attract new customers. This allows NMG to expand existing assortments through additional styles, sizes and colors. In addition, NMG has the ability to test new business opportunities with new price points, classifications and categories. NMG will continue to offer the customer the unexpected and engage potential non-core customers with assortment additions beyond our current edit.

NMG Drop Ship Platform Partner

NMG partners with Dsco, from DropShip Commerce, as the software solution for the Drop Ship Program. Dsco is an integration platform that creates networked supply chains—simplifying and standardizing the way retailers and Brand Partners connect and exchange catalog data, inventory, and customer orders. Dsco offers flexibility to Brand Partners for integration connections to their platform. Partnering with Dsco allows both NMG and Brand Partners to streamline operations and efficiencies, while driving sales and order volume.

Benefits of Dsco

- Dsco is a NMG sponsored service to allow for ease of program entry and growth
- No Brand Partner fees to utilize this service
- No data and/or transactions fees
- Standardized language that allows Brand Partner to integrate with NMG and share order data
- Increased visibility to merchandise intelligence
- Dashboard visibility to track product and sales performance

Brand Partner Testing and Data Exchange

The Dsco platform has been integrated with NMG's e-commerce systems. Connecting to Dsco is flexible and allows a Brand Partner to integrate based on their desired connectivity method. Once connected, tested and integrated with the Dsco platform, there is no further technical data testing or validation required.

II. BRAND PARTNER STANDARDS

Brand Partners that are selected to be a part of NMG's Drop Ship Program must have reliable business processes in place to support fulfillment of all orders, while ensuring that all NMG standards and customer expectations are met. Below is a summary of the basic requirements for all Drop Ship Brand Partners.

NMG Brand Partner Expectations

- Maintain and transmit accurate inventory data
- Process and ship/cancel orders according to timeframes outlined (Section 4)
- Ability to fully execute to packaging, labeling, and shipping requirements (Section 5)
- Provide a primary and secondary dedicated resource to assist with customer service related issues

III. CATALOG & ITEM ASSORTMENT

Assortment selection will be initiated by the NMG buying and merchant teams. Brand Partner will be required to provide all needed item attributes, features, rich selling copy, and Brand Partner photography/images (and/or samples as requested) in accordance with NMG standards. All Brand Partners provided elements must be accurate, as information will be directly displayed on NMG product pages.

Item Information (Brand Partner → NMG)

- Brand Partner must grant NMG access to their UPC catalog in order to facilitate item setup. If UPC catalog is not available, NMG Partner Skus (provided by NMG) must be entered
- Brand Partner must complete the Direct Sellable Form including all requested item attributes, features, rich selling copy, and images (and/or samples as requested) in accordance with NMG standards

Brand Partner Photography

All submitted photography follows a photography approval process to ensure that images are cohesive to the site's creative direction. Stills are routed to the Director of Photography for initial approval. Styling, lighting, and technical composition are reviewed and required to meet below minimum requirements.

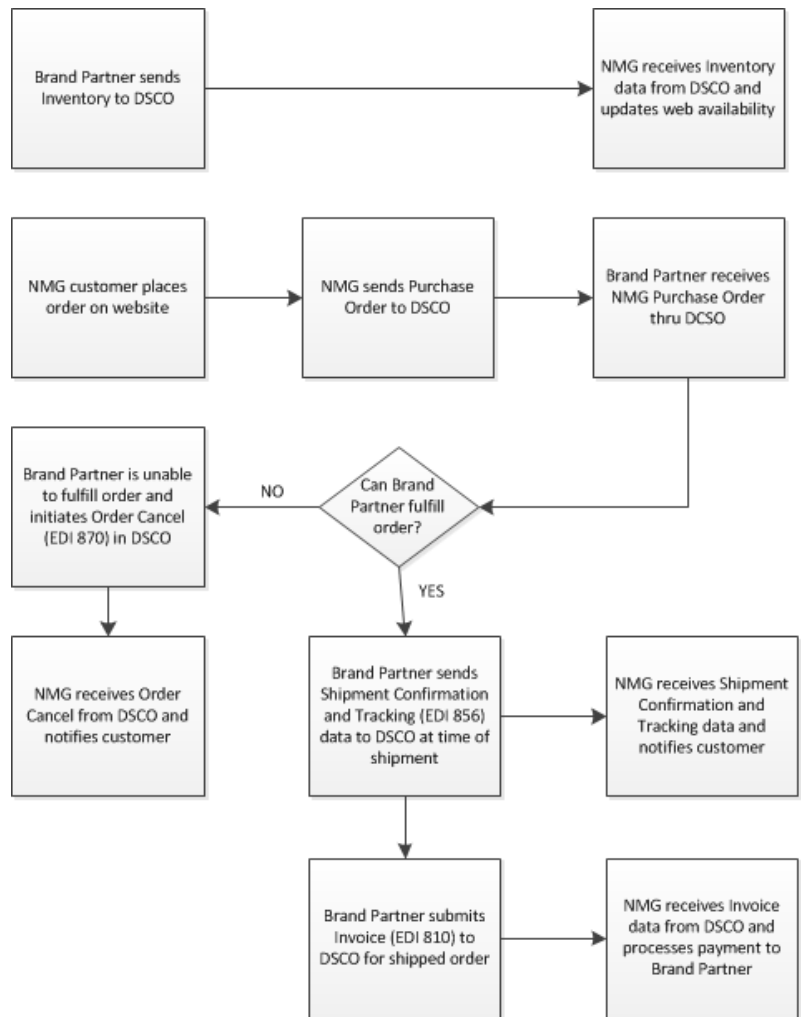
Brand Partner Photography –Technical Requirements

- ✓ Minimum size : 1200 pixels by 1500 pixels (4 x 5 ratio format)
 - Preferred size : 2400 pixels by 3000 pixels 8"x 10"format
- ✓ Product centered to fill the image area
- ✓ 300 pixels per inch resolution
- ✓ Background should be knocked out, or stark white
- ✓ Clipping path around product
- ✓ TIFF format is preferred, JPEG and other formats are acceptable
- ✓ RGB or HEX value preferred, No Alpha Channels

Photography Submission Process

Brand Partner should submit images to NMG by providing an Image URL Link (preferred method) for each style using the Direct Sellable form. Upon receipt, the images are submitted for approval to Director of Photography.

IV. TRANSACTION MAPPING & INTEGRATION



Inventory (EDI 846)	<ul style="list-style-type: none"> ▪ Brand Partner is responsible and required to submit accurate inventory levels for each NMG designated sku ▪ NMG recommends Brand Partner to transmit inventory 3x per day. At minimum, Brand Partner is required to submit updated inventory once per day ▪ Any value transmitted >0 indicates that the Brand Partner has sufficient stock to fulfill orders ▪ Actual inventory quantity is required, if an item is out of stock, inventory must be submitted as "0". This will prevent future orders against goods not on hand, and order cancellations due to not in stock ▪ Any change to Brand Partner stock availability, must be submitted ▪ Sku Availability will be monitored
Purchase Order (EDI 850)	<ul style="list-style-type: none"> ▪ NMG transmits customer orders hourly, 7 days a week ▪ NMG utilizes 5010 MAPS for Purchase Order transmissions
Shipment – ASN (EDI 856)	<ul style="list-style-type: none"> ▪ Transmission triggers customer communication that order has shipped and provides customer order tracking visibility ▪ Brand Partner must ship any non-custom order, complete within 0-1 business days of order transmission unless otherwise agreed upon terms have been established. ▪ No product substitution is permitted, unless approved by NMG Drop Ship Operations ▪ Fill or Kill at line level. Brand Partner must ship line complete, or cancel entire line ▪ It is expected that orders are shipped based on the shipping service level sent in the Purchase Order ▪ Must contain valid tracking number ▪ Must be submitted the same business day as shipment ▪ Must be submitted by Expected Ship Date transmitted on PO, for Shipment to be considered On Time
Order Cancel (EDI 870)	<ul style="list-style-type: none"> ▪ Order cancellations, for any item that cannot be fulfilled by the Expected Ship Date, must be submitted within 24 hours of order transmission ▪ Cancellations must be submitted for any order line that cannot be completely fulfilled by the Expected Ship Date ▪ For any line item cancelled due to inventory position, Brand Partner must update inventory file (EDI 846) and re-transmit with the out of stock status of "0" ▪ Orders fulfilled after a cancellation has been requested by consumer will result in non-payment by NMG
Invoice (EDI 810)	<ul style="list-style-type: none"> ▪ Brand Partner must submit invoice within 24 hours of shipment ▪ Invoices are only accepted after the Shipment/ASN has been successfully submitted ▪ Information provided in this transaction must be based on the Purchase Order sent: Invoice #, PO #, Invoice total amount, Line Item Sku, Line Item Unit Price, Line Item Qty ▪ Orders containing multiple items, must be transmitted on single invoice ▪ Invoices for merchandise shipped after the order has been cancelled will not be paid

Brand Partner → Dsco Integration

Because of Dsco's flexibility, Brand Partners can integrate and share data with Dsco using various connections. Dsco supports EDI, FTP, SFTP, AS2, and API as automated connection methods. In addition, the Dsco portal allows Brand Partners to manually handle various tasks through a browser based application. Brand Partners can easily create new SKUs, update existing SKUs, retrieve new orders, cancel orders, and provide shipment information for fulfilled orders. The Dsco portal is perfect for Brand Partners who have only a few SKUs or who process only a few orders at a time. For an overview of all connection types, visit: <https://support.dsco.io/hc/en-us/articles/236110208-Integrating-with-Dsco>. While various integrations are supported through the Dsco platform, please see benefits below of EDI & API connections.

EDI & API Benefits

- **Higher efficiency** – Sending and receiving data takes seconds or minutes, as opposed to days, and can be processed immediately. This saves time for both retailers and Brand Partners.
- **Improved trading partner relationships** - Sending and receiving data requires cooperation, as well as increased communication between trading partners, which enhances the business relationship.
- **Lower costs** – Manual data keying and document processing is reduced or even eliminated, which can potentially reduce the costs of labor, paper, and the costs associated with errors.
- **Improved accuracy** – Potential for errors related to manual and duplicate entry are eliminated, which can reduce compliance offsets.
- **Improved order status and inventory visibility and efficiency** – Order details and inventory status can be shared, which allows for better inventory management.
- **For EDI Specs, visit:** <https://support.dsco.io/hc/en-us/articles/236101188-EDI-for-Suppliers>
- **For API Specs, visit:** <https://support.dsco.io/hc/en-us/articles/227054227-Dsco-API>

Should EDI or API not be an option, below are other approved integration connections to support the Drop Ship Program:

- Flat-file exchange using a variety of flat-file formats including: CSV, TAB, PIPE, and even XLS.
- Manual - Batch Upload/Download (XLS, CSV, TAB)
- Dsco Portal: Web based application with manual entry screens

Brand Partner On-Boarding to Dsco

Dsco's Gandalf On-Boarding tool is a virtual onboarding process to setup and connect inventory data, process test orders and invoices, and move Brand Partner account to PRODUCTION.

On-Boarding Steps:

- Implement integration methods and load data
- Configure protocol for data source and destination
- Determine data formatting by mapping Brand Partner data or using Dsco standard template
- Exchange inventory, order and invoice data with the Dsco platform

V. PACKING SLIP, PACKAGING AND LABELING STANDARDS

Packing Slips

Brand Partner is required to use NMG approved packing slip. Brand Partner can obtain and print NMG packing slip directly from DSCO portal. If a Brand Partner chooses to use a customized Packing Slip, it MUST be approved by the NMG Drop Ship team prior to use. (Brand Partner is responsible for any costs associated to custom Packing Slip design and implementation).

If you create your own, Packing Slip must include the following:

- NMG Corresponding logo
- Ship Attention (If transmitted on the PO)
- Ship To Customer Name, Address, Phone Number, Country
- Ship Company (If transmitted on the PO)
- Order Date
- Purchase Order Number
- Item Number (Partner Sku, EAN, UPC, Offer Item) and Description (including Color and Size)
- Item Quantity
- Ship Method
- Gift Message (If transmitted on the PO)
- Special Instructions (If transmitted on the PO)
- NMG Returns & Exchanges Policy

Packing Slip Mapping

<p><marketing_message> Order Date: <retailer_create_date> Order Number: <consumer_order_number> Purchase Order: <po_number> Ship By Date: <ship_by_date> Ship Method: <ship_carrier> <ship_method></p>	<p>Ship To: <ship_attention> <ship_first_name> <ship_last_name> <ship_company> <ship_address_1> <ship_address_2> <ship_city>, <ship_region> <ship_postal> <ship_phone></p>
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Item ID	Description	Quantity
<line_item_message>	<line_item_title> -<line_item_gift_message> -<line_item_packing_slip_message>	<number_of_line_items>
<line_item_message>	<line_item_title> -<line_item_gift_message> -<line_item_packing_slip_message>	<number_of_line_items>

Returns & Exchanges
<returns_message>

Packaging Standards

- ✓ Brand Partner must supply and ship merchandise in a new, plain corrugated box
- ✓ Box cannot contain Brand Partner name, logo, promotional or marketing material from the Brand Partner, unless otherwise agreed upon terms have been established. *Product information, warranties, cooking instructions, etc. are acceptable*
- ✓ Approved NMG packing slip must be included inside all shipments
- ✓ Sample photo of packaging is required during Program setup process

Protect **your** profits by taking the time to measure your product, and find a box with at least 2 inches clearance on each side, so it can be packed properly. Ensure adequate supply of materials ahead of peak season. When packing product, insert bubble wrap, tissue, or foam peanuts to ensure there is no extra space for the product to shift in the box during shipping. Appropriate packing and materials will ensure that the product arrives at its destination secure and undamaged.

Inadequate/improper packaging causes concealed damages. For questions contact NMD packaging at nmdpckaging@neimanmarcus.com.

Home Goods Packing Requirements

Furniture

- Special handling instructions (i.e. 'Fragile', 'Glass' or directional arrows) must be used and are helpful to Neiman Marcus furniture handlers, and to our freight carriers.
- Product with glass, doors, or drawers must be labeled 'Truck From.'
- Within the container, corner guards or reinforcements must protect all corners of the item, and edges protruding in the body of the item.
- Glass must be wrapped in bubble and placed in a separate carton, secured inside the outer container.
- Marble must be wrapped in bubble and placed in a separate carton, packed vertically within the outside container.
- Drawers, doors, hardware, shelving, etc. must be packed securely within the carton.

Mirrors/Framed Art

- Mirrors/framed art should be double-boxed, with a minimum of 3 inches on each side of the interior box, with dunnage on all six sides.
- Mirrors/framed art may be packed in a double-wall container large enough for 6" of bubble-wrap on all sides of the product.
 - Packing material between the mirror and the glass must be shock absorbent. (Do not use packing material that will put direct pressure on the mirror)
 - Raised portions of the merchandise should be protected. (Decorations or extensions)
- Containers must have some sort of reinforcement in the center of the carton to prevent collapse under extreme weight conditions (typical stacking in a ship-alone environment).
- Special handling instructions (i.e. 'Fragile', 'Glass' or directional arrows) must be used and are helpful to Neiman Marcus package handler

Dinnerware/Glassware

- Dinnerware/Glassware must be packaged by selling unit as specified on the purchase order.
- Dinnerware/Glassware should be tightly packed within the Brand Partner package, and all voids should be filled with appropriate dunnage to prevent damage.
- When applicable, the bubble wrap method can be used to cover individual items and filling voids inside carton.
- Special handling instructions (i.e. 'Fragile', 'Glass' or directional arrows) must be used and are helpful to Neiman Marcus package handlers.

Stone/Concrete/Garden/Resin

- Large or heavy stone or concrete garden items should be packed following the guidelines established for furniture product.
- Item must be packed in a double-wall container.
- Within the container, corner guards or reinforcements must protect all corners of the item, and edges protruding in the body of the item.
- The stronger points of the item should be supported. Thin and/or weaker points should not be touching sides of box or packaging.
- Heavy garden items often need to be floor loaded by the shipper. These items must be packed in such a way to prevent crushing by other packages stacked on top of them.
- Special handling instructions (i.e. 'Fragile', 'Glass' or directional arrows) must be used and are helpful to Neiman Marcus package handlers.
- Accessories or pumps need to be secure within the box. There should be no movement within the cartons. _

Rugs

- Must be in a bag of at least 6mil in thickness.
- The ends must be secured shut and taped down to the bag
- All rugs should be rolled tightly so that the ends are aligned.
- Rugs should be packed tightly into the polybag. All excess material should be taped down. Please see Rug Packaging Training document for further packaging details
- Hand Knotted rugs should be folded. _

Lamps

- Lamps should be boxed with the lamp and the shade together.
- Lamps and lampshades should be separate within the carton.
- Shade should not be touching the side of the box. If the shade cannot be suspended with space between the shade and the box then appropriate packing material may be used. Paper or any absorbent packing material to keep the shade centered may be used. Please note that paper with printed material on it is not allowed.
- A lamp base that is breakable must have at least 3" of packing material between the base and the box. (Glass, Ceramic, crystal etc.)
- All items should be secure within the box. (Not moving around)
- All small items must be easily visible to our customers. (Example: Finials or screws may be placed a poly bag and secured to the inside flap or attached to the lamp or cord.)

Ceramic or Glass Home Décor

- The most important factor for packing ceramic or glass home decor is that it is tightly packed within the Brand Partner package and all voids are filled with appropriate dunnage.
- Bubble is the preferred method of wrapping individual pieces of dinnerware/glassware.
- Accessories or pumps need to be protected and secure within the box.
- If the merchandise is to be placed in a re-shipper box, please refer to the re-shipper guidelines.

Shipping Label Requirements

The shipping label cannot contain: Brand Partner's company name, employee name, or phone number.

NMG recommends you use the 8 1/2" x 11" form. Any deviation from this form size must be approved. 8.5" x 11" half peel and stick labels can be ordered directly from FedEx by calling 1-877-339-2774 and asking for Part Number #146525.

Shipping Label Specifications – Plain Paper Label Example

<p>A From: (123) 456-7890 X 123456 SHIPPER NAME LINE 1 AAAAAAAAAAAAAA SHIPPER NAME LINE 2 AAAAAAAAAAAAAA SHIPPER STREET ADDRESS LINE 1 12345 SHIPPER CITY AAAAAA, ST 12345-789 SHIPPER COUNTRY</p> <p>B</p> <p>C</p> <p>D RECIPIENT NAME LINE 1 AAAAAAAAAAAAAA RECIPIENT NAME LINE 2 AAAAAAAAAAAAAA RECIPIENT STREET ADDRESS LINE 1 AAA RECIPIENT STREET ADDRESS LINE 2 AAA RECIPIENT STREET ADDRESS LINE 3 AAA RECIPIENT CITY AAAAA ST 12345-789 RECIPIENT COUNTRY</p>		<p>Ship Date: 04Feb10 Dry Ice: 4.6 KGS ActWgt: 999.9 LB Dims: 999 X 999 x 999 IN CAD: 4328140/INET3010</p> <table border="1"> <tr> <td>Ref #</td> <td>123456789012345678901234567890</td> </tr> <tr> <td>Invoice #</td> <td>123456789012345678901234567890</td> </tr> <tr> <td>PO #</td> <td>123456789012345678901234567890</td> </tr> <tr> <td>Order #</td> <td>123456789012345678901234567890</td> </tr> <tr> <td>Ship ID</td> <td>123456789012345678901234567890</td> </tr> </table>	Ref #	123456789012345678901234567890	Invoice #	123456789012345678901234567890	PO #	123456789012345678901234567890	Order #	123456789012345678901234567890	Ship ID	123456789012345678901234567890	<p>H</p> <p>I</p>
Ref #	123456789012345678901234567890												
Invoice #	123456789012345678901234567890												
PO #	123456789012345678901234567890												
Order #	123456789012345678901234567890												
Ship ID	123456789012345678901234567890												
<p>SHIP TO: (123) 456-7890 X 123456 BILL SHIPPER</p>													
		<p>TRK# 8690 4197 8632</p>	<p>ASR ECOD 12345</p>										
		<p>9622 0168 0 (123 456 7890) 6 00 8690 4197 8632</p> 											
<p><small>CLIENT-URSA-UVSDK-VERSION-7890</small></p>													

Shipping Label Specifications – Thermal Label Example

<p>A FROM: (123) 456-7890 SHIP DATE: 24MAR08 SHIPPER LINE 1 67890123456789012345 ACTWGT: 12.0 LB PGM SHIPPER LINE 2 67890123456789012345 CAD: 123456789/12345678 STREET ADDRESS LINE 1 3456789012345 DIMED: 12x34x56 IN STREET ADDRESS LINE 2 3456789012345 DRY ICE: 123 LB CITY 1234567890123456 ST 12345 BILL 3rd PARTY UNITED STATES US</p> <p>B</p> <p>C</p> <p>D TO RECIPIENT NAME LINE 1 3456789012345 RECIPIENT NAME LINE 2 3456789012345 RECIPIENT STREET ADDRESS LINE 1 345 RECIPIENT STREET ADDRESS LINE 2 345 RECIPIENT CITY 67890 ST 12345</p>		<p>H</p> <p>I</p>
<p>TRK# 8690 4197 8632</p>		<p>ASR ECOD 12345</p>
		<p>9622 0168 0 (123 456 7890) 6 00 8690 4197 8632</p> 
<p>Doc Tab</p>		

Shipping Label Mapping Specifications for Required Fields

Plain Paper Shipping Label Required Fields

- A. Shipper Name Line 1 = <channel> Refer to Mapping Instructions, this is the Brand Channel (<channel>) that is passed on the PO: Neiman Marcus, Bergdorf Goodman, Horchow or Last Call – **this should not have the manufacturers name/brand as the shipper.**
- B. Shipper Street Address Line 1 = Supplier Ship From Address
Shipper Street Address Line 2 = Supplier Ship From Address
- C. Shipper City/State = Supplier Ship From Address
Shipper Country = Supplier Ship From Address
- D. Recipient Name Line 1 = Customer Name (First, Last) <ship_first_name> <ship_last_name>
Recipient Name Line 2 = Ship Attention Name <ship_attention>
- E. Recipient Street Address Line 1 = Customer Ship To Address <ship_address1>
- F. Recipient Street Address Line 2 = Customer Ship To Address <ship_address2>
- G. Recipient City/State/Zip = Customer Ship To City/State/Zip <ship_city>,<ship_region><ship_postal>
- H. Ref# = Customer Ticket Number <consumer_order_number> (eg. 22631491-1)
- I. PO# = DSCO PO Number (eg. 70880494195)

Thermal Shipping Label Required Fields

Shipper Line 1 = <channel> Refer to Mapping Instructions, this is the Brand Channel (<channel>) that is passed on the PO: Neiman Marcus, Bergdorf Goodman, Horchow or Last Call – **this should not have the manufacturers name/brand as the shipper.**
Shipper Street Address Line 1 = Supplier Ship From Address
Shipper Street Address Line 2 = Supplier Ship From Address
Shipper City/State = Supplier Ship From Address
Shipper Country = Supplier Ship From Address

Recipient Name Line 1 = Customer Name (First, Last) <ship_first_name> <ship_last_name>
Recipient Name Line 2 = Ship Attention Name <ship_attention>
Recipient Street Address Line 1 = Customer Ship To Address <ship_address1>
Recipient Street Address Line 2 = Customer Ship To Address <ship_address2>
Recipient City/State/Zip = Customer Ship To City/State/Zip <ship_city>,<ship_region><ship_postal>

Ref-1 Segment = Customer Ticket Number <consumer_order_number> (eg. 22631491-1)
Ref-2 Segment = DSCO PO Number (eg. 70880494195)

Labeling Standards

All merchandise for The Neiman Marcus Group will be required to have UPC/EAN bar code and retail price ticket. The ticket requirement will enable us to better serve our customers. All merchandise must have tickets attached. If you are unable to provide UPC, the ticket must contain, at the minimum, the following: Retail Price and a Scannable UPC/EAN bar code

Federal Trade Commission (FTC)

- Enforcing laws that ensure U.S. business markets competitively operate, protect consumers, and ensure they are well informed prior to the purchase of goods is the responsibility of [The Federal Trade Commission](#) (FTC).
- Proper labeling and marking of imported goods in the area of textiles, wool and fur products are a primary concern. The FTC closely monitors imported products to ensure that specific regulations are adhered to.
- The Fur Labeling Act, which is regulated by the FTC, requires manufactures to identify fur components utilized within their commodities with specific labeling. The guidelines to this act are noted in this section.
- Though guidelines to the Fur Labeling Act, textiles, and wool are provided to our foreign Brand Partners, this in no way eliminates the responsibility of our Brand Partners to ensure on their own, the correct labeling and marking of goods exported to NMG. We urge our Brand Partners to review the U.S. regulations that pertain to the goods that they sell. There may be other requirements that apply.

VI. ORDER STATUS, SHIPMENT, DELIVERY, and CANCELLATIONS

Order

All received orders must be reviewed for accuracy. By accepting the order, the Drop Ship Brand Partner is agreeing to the entire order which includes the Expected Ship Date, ship method, item/style and item cost.

- 1) In order to ensure compliance with the Federal Trade Commission (FTC; www.ftc.gov) guidelines, Brand Partner must be able to meet the stated ship date, or subsequent ship dates:
 - All drop shipment orders must be shipped (and shown as shipped in DSCO) BY the expected ship date.
 - If the Brand Partner is unable to meet the expected ship date, the date must be revised and the order status must be updated in DSCO with the new ship date. This process is critical since customer care may need to contact the customer to accept the new ship date or cancel the order
 - *EXCEPTION:* Epicure/Food shipments must be shipped exactly ON the expected ship date.
- 2) The carrier stated on the order must be used. Exceptions may be requested for large items or furniture but must be approved prior to shipment.
- 3) If there is an order discrepancy with the item/style and/or cost, contact the Drop Ship team dropship@neimanmarcus.com. Brand Partner must ship any non-custom order, complete by Expected Ship Date transmitted on original Purchase Order. Shipment notice (EDI 856) including valid tracking number must be submitted on same day as shipment. All shipments that fail to comply with this requirement will be subject to non-compliance offsets.
- 4) Any ship date revision due to unavailability must be submitted within 1 business day. This is considered a multiple ship date revision and is subject to non-compliance offsets.
- 5) All orders must ship complete with all parts (items, parts, directions, hardware, assembly, instructions and/or list of ingredients) and all paperwork included. Brand Partners should never ship an incomplete set without prior Drop Ship team approval.
- 6) No product substitutions are permitted, unless pre-approved by the NMG Drop Ship Operations team.

Shipment/Delivery/Cancellations

Shipment – Fill or Kill at Line level

NMG Drop Ship program requires fill/kill at the line level – the PO line must be either Shipped Complete or Cancelled. There are no partial shipments of quantities within a line. Any line item on the PO that cannot ship complete by the Expected Ship Date must be cancelled.

- Example: If Line 1 is for 3 units of Partner Sku 1234123412343, but the Brand Partner only has 1 available to ship by the expected ship date, all 3 units in the line must be cancelled.
- If one line of a PO cannot be shipped, but the remaining line(s) can, the Brand Partner should ship the lines that can be filled complete by the Expected Ship Date - EXCEPT in the case of groups/collections.
- If an order is made up of separate line items that are all part of a group (Dinnerware service sets) or collection (Bedroom set), and some of the lines are not available to ship, Brand Partners should contact DropShip@NeimanMarcus.com prior to shipping only part of the order.
- Brand Partners are NOT permitted to make product substitution, unless authorized by NMG. If the product ordered is not available to ship within the standard fulfillment time, the order must be cancelled.

Carrier Selection

FedEx is NMG's carrier of choice. NMG will issue each Drop Ship Brand Partner a FedEx third-party billing account number to be used in conjunction with Brand Partner's FedEx account. The account assigned is to be used exclusively for drop ship orders. NMG will not pay shipping expenses for merchandise shipped unless the assigned FedEx third party billing account is used. All orders must ship using ship method initially transmitted on the PO. Ship Method upgrades are not permitted unless requested by NMG.

All Brand Partners are required to transmit a valid tracking number within the shipment confirmation. The data in the Tracking Number field is provided directly to the customer and will link directly to the carrier tracking website.

During your DSCO account setup, please reference the data mapper within the DSCO platform for additional carrier and ship method mapping details.

All routing (ship method) changes for Drop Ship Brand Partners must be approved by contacting DropShip@NeimanMarcus.com. Failure to comply with the routing instructions will result in a chargeback of all freight charges. Packing, paperwork, and merchandise violations will result in a fine to cover additional costs. Over shipment, unauthorized substitutions, shipments which are not in compliance with purchase order specifications will be returned to the sender on a freight prepaid basis without recourse to NMG, and without obtaining verbal or written authorization label. The freight charges as well as handling charge will be charged back to the Brand Partner. As dictated by The Neiman Marcus Group Purchase Order Legal Terms, Brand Partners are prohibited from contacting NM Direct customers except as directed by NMG.

Expedited Shipments

All Brand Partners must have the capability to support expedited shipments (FedEx 2Day, FedEx Priority Overnight, etc.). All orders must ship using ship method initially transmitted on the PO. All expedited orders transmitted prior to 12pm CST are required to ship same business day, with corresponding ship method.

Cancellations

Any order cancellation must be submitted within **24** hours of order transmission

- *Exceptions: Perishable (Food) items set to arrive on Customer Arrival Date & Made to Order items with defined delivery window.*

Orders that a Brand Partner ships **after** NMG has cancelled the order, and the Brand Partner has confirmed the cancellation, will be returned to the Brand Partner and include shipping charges. Invoices submitted against cancelled orders will not be paid.

After item delay(s), due to changed ship date, a customer may notify NMG that they no longer want the product. NMG will inform the Brand Partner as soon as this happens, who will in turn confirm that the order has been cancelled. The Brand Partner **must** alter the order immediately so that it does **not** ship to the customer. These orders will also be returned to Brand Partners and include shipping charges.

Once Brand Partner has acknowledged order, NMG is required to contact the Brand Partner in order to request to cancel the order.

International Shipments

Any International shipments will be routed directly to the NMG distribution center with appropriate paperwork. NMG will forward the shipment on to the customer.

VII. RETURNS, EXCHANGES, REFUSALS & UNDELIVERABLE SHIPMENTS

Returns

Customers can refer to the NMG provided Packing Slip for instructions on how to process their return to NMG.

Neiman Marcus Return Policy:

At Neiman Marcus, we respect and value every customer. Because your trust is important to us, we want you to be completely happy with every purchase. If you are not satisfied, for any reason, we are glad to accept returns of saleable merchandise for a full refund or exchange within 30 days of receipt. Please visit www.neimanmarcus.com/returns for full return policy and steps to start your return.

Bergdorf Goodman Return Policy:

At Bergdorf Goodman, we respect and value every customer. Because your trust is important to us, we want you to be completely happy with every purchase. If you are not satisfied, for any reason, we are glad to accept returns of saleable merchandise for a full refund or exchange within 30 days of receipt. Please visit www.bergdorfgoodman.com/returns for our full return policy and steps to start your return.

Last Call Return Policy:

At Last Call, we respect and value every customer. Because your trust is important to us, we want you to be completely happy with every purchase. If you are not satisfied, for any reason, we are glad to accept returns of saleable merchandise for a full refund or exchange within 30 days of receipt. Please visit www.lastcall.com/returns for our full return policy and steps to start your return.

Additional Return Policy Details

- Returned merchandise should be in the same condition as when you received it, unworn, undamaged, with original tags and packaging (if applicable).
- Altered apparel, special orders, perishable or personalized/monogrammed items, and items identified as "final sale" cannot be returned.
- We are happy to honor requests for adjustment if your merchandise was purchased at regular price and then reduced within 10 days of purchase.
- NMG reserves the right, at its sole discretion, to determine if returned merchandise is in saleable condition.

Horchow Return Policy:

At Horchow, we respect and value every customer. Because your trust is important to us, we want you to be completely happy with your order. If for any reason you are not satisfied, we will gladly accept your timely return of unwashed, eligible items or defective merchandise. Returned merchandise should include the Brand Partner packaging and tags and be in the same condition as when it was received. Used merchandise cannot be returned unless defective. A pickup and/or restock fee may apply. If you have any questions or need assistance in returning furniture, call 1.877.944.9888. Please visit www.horchow.com/returns for our full return policy and steps to start your return.

Customer Exchanges

All customer exchanges are handled at a NMG store or NMG Fulfillment centers through our NMG Returns process.

Undeliverable or Returned Shipment

If shipment is undeliverable or returned directly, Brand partner must contact NMG Drop Ship team dropship@neimanmarcus.com within 1 business day.

VIII. INVOICING AND COST

A Brand Partner must input either a UPC or Partner SKU (provided by NMG). Invoicing – Must send 1 invoice per order and must submit through the Dsco platform.

Brand Partner may only send an invoice through the Dsco platform once valid tracking information has been provided.

NMG requires a 3-way match of PO, Shipment and Invoice in order to process a Drop Ship invoice for payment. It's important that all fields of the invoice are properly filled out.

Invoice Submission

Invoice must be submitted through the Dsco platform within 24 hours of the shipment. A valid tracking # is required in the Dsco platform in order for the invoice to process. No paper invoices will be accepted.

Invoice Field Requirements

- Invoice ID
- PO Number
- Invoice Total Amount
- Invoice Date
- Invoice Currency Code
- Invoice Subtotal (Excluding line items – no tax and no freight)
- Line Item Title
- Line Item Unit Price
- Invoice Terms Discount Percent
- Ship To Location
- ASN ID
- Invoice Seller/Invoice #
- Carrier
- Ship Method
- Tracking #
- Line Item SKU/UPC/EAN or Partner SKU
- Dsco Supplier Name
- Dsco Supplier ID

Do not include any third party billed shipping charges or sales tax on any invoice. NMG does not allow freight, insurance, handling, packing, crating or any other miscellaneous charges on a merchandise invoice. Please refer to the Accounts Payable section on NMGOPS before contacting the Drop Ship operations team or Accounts Payable to check on payment or charge back information.

IX. COST/PRICE STRUCTURE & STANDARDS

If Brand Partner notices a discrepancy in cost – contact the Drop Ship team immediately dropship@neimanmarcus.com **Brand Partner MUST NOT cancel/hold order. Brand Partner is NOT authorized to stop shipment.**

All pricing approved on Item Setup Form must be complete at submission and no additional fees.) Or charges (i.e. shipping, handling, packaging, etc.) of any type are permitted without NMG's consent.

X. CUSTOMER SERVICE

If the Drop Ship Operations team makes an inquiry about an order that is overdue or in jeopardy of becoming overdue, the Brand Partner must respond to the inquiry within 1 business day.

The Brand Partner, under no circumstance, is to contact the NMG customer unless directed by NMG. Any customer order related questions, including customer inquiries must be forwarded to dropship@neimanmarcus.com for resolution.

Brand Partner Customer Support

To ensure the highest level of attention and care, each Brand Partner must have a dedicated resource to monitor order fulfillment and respond to any order related inquiries from the NMG Drop Ship team. Resource must have access to email and be available during regularly scheduled business hours. Should the primary resource be unavailable to out of office – a secondary contact must be provided. Please note that Brand Partner must respond to any NMG customer service inquiries within 1 business day. Any changes to assigned resource must be sent to dropship@neimanmarcus.com

XI. CHANGE PROTOCOL & SERVICE DELAYS

Brand Partner must notify NMG immediately via verbal and email notification of operational or significant changes that may affect fulfillment of NMG customer orders. Notices should be directed to dropship@neimanmarcus.com Service Delays (holidays, etc.) must be written to NMG within 60 days. Notices should be directed dropship@neimanmarcus.com

NMG will post alerts on www.NMGOPS.com to notify Brand Partners of any significant or operational changes. Brand Partners are able to setup email notifications through our operations portal. To guarantee correct delivery, please ensure that contact information held by NMG is up to date. Any changes to contacts should be directed to dropship@neimanmarcus.com

XII. CONTACT INFORMATION

Department	Function	Contact Information
Drop Ship Operations team	Drop Ship Program initial setup and inquiries ; DSCO integration coordination; Day to Day operations; Purchase Order Inquiries	DropShip@neimanmarcus.com
DSCO	Drop Ship platform partner; Order & data transmission; Technical support	https://support.dsco.io
NMG Operations Portal	Brand Partner access to NMG requirements, document library, vendor links, current and archived alerts	https://nmgops.com
Accounts Payable	Resource for invoice status, claim copies and check information	https://nmgaponline.com
Packaging Department	Packaging related questions and standards	nmdpackaging@neimanmarcus.com