

BEALLS IMPORT VENDOR CHARGEBACK POLICY:

VENDOR ALERT!

New chargebacks outline below, please review as they will be strictly enforced.

Reminder – Beall’s requires 10 working days out of port, any per diem/\$30 per day chassis charges within the 10 working day period are the responsibility of the vendor

Beall’s goal is to improve the flow of merchandise in our supply chain, from point of origin to our stores. Due to increased costs related to supply chain inefficiencies, Beall’s has implemented a chargeback policy for vendor non-compliance with our instructions and expectations noted in this International Routing Guide.

Please review the information in this International Routing Guide carefully. All questions or concerns about the information herein should be addressed prior to the shipment of goods. By following the requirements noted in this Routing Guide, your merchandise should flow through our supply chain in an efficient and cost-effective manner. Failure to comply in full with our requirements will result in vendor chargebacks as detailed below. Note that unless specifically stated, all chargebacks will include a US\$250.00 administrative fee (regardless of merchandise value).

<u>Bealls Import Vendor Chargeback Violation Key</u>	
Last Updated: SEPTEMBER 1st 2018	
Note: A US \$250.00 administrative fee will be added to <u>ALL</u> chargebacks	
Import Transportation Chargeback Codes	Costs ALL CHARGEBACKS ARE IN US DOLLARS
Consolidation:	
<p>C-1: Cargo Delivered to Incorrect FOB Port:</p> <p>Vendor will be responsible for pickup and delivery to correct FOB location. Vendor will absorb all related costs pertaining to same. If Beall's incurs any costs related to vendor's FOB delivery error, vendor will be charged back full costs plus a US\$250.00 admin fee. If the shipment misses the original approve vessel, the vendor will be charged back and additional \$1,000 per container due to lost space on the vessel.</p>	<p>*Costs to move container to correct FOB if Bealls incurs charges.</p> <p>*Shipment misses the original approved vessel</p> <ul style="list-style-type: none"> US \$1000 per container US \$50 admin fee
Factory Load	
CBM LOADED VS BOOKING REQUEST	
<p>FL1A: Factory loaded container shipped with less cbms than requested on the booking submitted to Yusen Logistics for Beall’s approval, the vendor will be charged the full dead space of the container + a \$50 administration fee.</p> <p>FL2B: Factory loaded containers in which the buying office purchased for a specific size container that results in an additional sized container; vendor will be responsible for the difference in the original size purchased and the size container needed to ship plus a \$50 administrative charge.</p> <p>Reference International Routing Guide at www.beallsinc.com</p>	<p>*FL1A: Less cbm shipped vs cbms of booking.</p> <ul style="list-style-type: none"> US\$ Full dead space US \$50 admin fee. <p>*FL1B; Additional cbms or larger container required.</p> <ul style="list-style-type: none"> US \$ Difference in original size and required size US \$50 admin fee.

<p>FL2: Factory Loaded Privilege</p> <p>For the privilege of factory loading a container in which the cbms do not meet the minimum requirement per container size, Bealls reserves the right to consolidate provided additional freight is available to consolidate. If there isn't any additional freight, the vendor will factory load at no additional charge for dead space. If the vendor refuses to consolidate, they will be charged back the dead space +\$500 per container + \$50 administrative fee.</p>	<p>FL2: If vendor refuses to consolidate:</p> <ul style="list-style-type: none"> • US \$Dead space • US \$500 per container • US \$50 Admin fee
<p>FL3: Failure to load container as specified by Beall's on booking approval. Failure to load as specified by Beall's international Logistics Dept communicated on the vendor's booking request will result in an automatic charge back of \$1.00 per carton or \$750 per container whichever is greater + a \$50 admin fee.</p>	<p>FL3: Failure to load as instructed:</p> <ul style="list-style-type: none"> • US\$1.00 per carton or \$750 per container whichever is greater • US\$50 admin fee
<p>FL4: Fumigation Related Charges</p> <p>Please note that all charges incurred by Beall's for any CY loaded container subject to Beall's required fumigation upon arrival at the US Port of Discharge will be charged back moving fees, fumigation fees, any US Customs Exam fees, and \$50 Beall's admin fee apply. If the merchandise is determined to be unsaleable / not suitable for the consumer retail market after fumigation the vendor will also be charged back, full merchandise cost, commissions, ocean freight charges, customs clearance fees and duties as well as any merchandise destruction/disposal costs incurred by Beall's.</p>	<p>FL4: Fumigation Not Completed as required by Bealls.</p> <ul style="list-style-type: none"> • Moving, fumigation, customs exam fees as applicable • \$US50 admin fee <p>If unsaleable per Beall's</p> <ul style="list-style-type: none"> • Full cost of merchandise • Commissions • Ocean freight • Customs clearance • Duties • Merchandise destruction/disposal fees
<p>OG-1: Failure to include US Fish & Wildlife notification on booking request</p> <p>Beall's requires all vendors to notify the freight forwarder / Beall's International Logistics Dept... if OGA clearance is required for the shipment at the time of booking so as to effectively schedule delivery to the appropriate Port Of Entry in the US. (Vendors must note F&W clearance is needed in the comments section of their booking request). Failure to include OGA related information on the booking request will result in a chargeback of US\$100.00 per purchase order plus any penalties costs incurred from customs or Fish and Wildlife. Any additional cost incurred should the shipment be routed via a wrong port. Any transportation charges if it is required to move the container to another port for F&W OGA clearance, customs clearance, plus any exam charges. US\$250.00 administrative fee.</p>	<p>Og-1- Fish and Wildlife is not indicated on the PO booking request submitted to Yusen Logistics.</p> <ul style="list-style-type: none"> • US \$100 per purchase order, for all POs on related BOL. • And any additional cost (example: exam) incurred from customs or fish and wildlife.) • If shipment is routed to an incorrect port, vendor will be charged back any penalties from customs and any additional dray charges incurred if the container is moved to a different port to clear OGA. Fine could be as high as \$10,000 per container. • Plus a \$250. admin fee •
<p>Air Shipments</p>	

<p>AS-1: Failure to forward original docs to Beall's / Freight Forwarder to facilitate timely Customs clearance on air shipments</p> <p>All commercial documents for air shipments must be forwarded to Beall's Freight Forwarder/Customs Broker PRIOR to goods arrival in the US for documentary audit and Customs entry purposes. Any delays/charges incurred by Beall's due to vendor's failure to submit commercial docs in a timely manner will result in a chargeback of US\$1,000.00 per purchase order plus a US\$250.00 admin fee.</p>	<p>US \$250 per purchase orders + US \$50 admin fee</p>
<p>AS-2: Failure to use Beall's Freight Forwarder to book/process air shipment</p> <p>All vendors approved to air Beall's merchandise must use Beall's freight forwarder Yusen Logistics for all air shipments. Beall's Freight Forwarder will designate the air carrier to be used. Failure to do so will result in a chargeback of US\$1,000.00 per purchase order plus a US\$250.00 admin fee.</p>	<p>US \$500 per purchase order + US \$50 admin fee</p>
<p>POE Shipments</p>	
<p>POE1: POE Container Loading Instructions</p> <p>Failure to submit the POE loading instruction form to Beall's International Logistics Dept. prior to loading the container will result in an automatic charge back. Reference POE section of Beall's Outlet International Routing Guide @www.beallsinc.com Beall's requires all purchase orders to be loaded by release month. Release months can be obtained from Beall's International Logistics Dept. at importtransportation@beallsinc.com prior to loading. Please review Section E for more details on Beall's container loading requirements. Failure to load container per Beall's container loading requirements will result in an automatic chargeback</p>	<p>POE 1: Loading by PO/release months:</p> <ul style="list-style-type: none"> • Must contact Bealls International Logistics for loading sequence prior to loading. • US \$1.00 per carton with minimum of \$500 plus a \$50 admin fee
<p>POE2: Failure to submit all documents per Beall's required POE documents list</p> <p>Beall's requires all vendors to adhere to our POE documentation requirements. Please review Section L of Beall's Vendor Partnership Guide. Submit POE container worksheet sections I & II, completed manifest and C-TPAT 7 Point Inspection 5 days from sailing date to Beall's International Logistics Dept. Then prior to vessel arrival in US port of destination vendor must submit ace customs clearance and delivery order. Failure to do so will result in an automatic chargeback. It is the vendor's responsibility to adhere to all requirements.</p>	<p>POE 2: Failure to submit required docs 10 days from sailing:</p> <ul style="list-style-type: none"> • US \$1.00 per carton with minimum of \$500.00 plus a \$50 admin fee
<p>POE3: Chassis/Per diem charges incurred (Beall's requires a minimum of 10 free days working days out of port)</p> <p>Beall's requires a minimum of 10 free working days from the day Beall's carrier picks up the container from port of entry. Any per diem/per diem related charges/chassis charges incurred by Beall's during the required 10 working days will be charged back to the vendor. Beall's will pay any per diem and chassis charge after the 11th day until the container is returned to port. Please note that Beall's will take all measures to expedite unloading of each container. For faster return of container to port please utilize only Jacksonville or Tampa ports.</p>	<p>Poe 3: Bealls requires:</p> <ul style="list-style-type: none"> • 10 free working days out of port regardless of vendors contract. • Vendor is responsible for any per diem & chassis chg. Within the 10 free working days. • \$50 admin fee
<p>Carton Markings</p>	
<p>CM-1: Incorrect carton markings. (Does not adhere to Bealls carton marking specifications and/or contains erroneous information)</p> <p>Carton markings which do not follow Beall's required format or contains erroneous information will result in a chargeback. Carton markings with the PO# must face the tail of the container. Carton marking specifications are available in our International Routing Guide.</p>	<p>CM-1: Must adhere to requirements:</p> <ul style="list-style-type: none"> • US \$1.00 per carton with minimum of \$500 plus a \$50 admin fee

Packing Variances	
<p>PV-1: Master pack or inner pack does not conform to Beall's purchase order case packing specifications.</p> <p>Master or inner pack does not confirm to specifications per Beall's purchase order. Incorrectly packed cartons will result in a chargeback of US \$0.20 per unit plus US \$50.00 administrative fee.</p>	<p>PV1: Master Pack or Inner Pack cartons are not as per Bealls requirements.</p> <ul style="list-style-type: none"> • US \$0.20 per unit + \$50 admin fee
Consolidator Repacking	
<p>CR-1: Repackaging done by Consolidator at consolidation point.</p> <p>Vendor is responsible for all repackaging and re-marking charges. If Beall's incurs any charges, the vendor will be charged back all related costs plus US\$50.00 administrative fee.</p>	<p>CR1: Repackaging at consolidation point:</p> <ul style="list-style-type: none"> • If Beall's incurs any charges, they will be billed back plus US \$50 admin fee
Product Labeling	
<p>PL-1: Merchandise received without the proper origin markings (Made in _____)</p> <p>All imported merchandise must be properly marked as required by US Law and enforced by US Customs. Failure to properly mark products most likely will not be detected until the cargo has already arrived in the US. Beall's reserves the right to return the goods to the vendor at the vendor's expense. If Beall's chooses to keep the merchandise, the vendor will be responsible for forwarding the Made in ___ labels. The labels are to be forwarded as instructed in e-mail communication from the buying office and to include the mail to address, contact person, carrier and tracking number at the expense of the vendor.</p>	<p>PL-1: Improper origin markings</p> <ul style="list-style-type: none"> • US \$1.00 per unit • \$50 admin fee • Vendor forwards correct labels @ their expense.
OBLs – For Bangladesh Shipments Only	
<p>OB-1: Failure to provide original endorsed OBLs to Beall's prior to shipment arrival in US</p> <p>Bangladesh Shipment Only- Two original endorsed OBL's (original bill of lading) are to be forwarded to Beall's Import Customs Compliance Dept. a minimum of 7 days prior to the arrival at US Port of Destination. A scanned copy of the bank endorsed OBL (front and back) is to be sent via email to isf@beallsinc.com advising of the courier name and tracking number for tracing. Original endorsed OBLs are to be sent to: Beall's Import Accounting & Compliance Dept. Attn: Beall's Import Accounting/Compliance Dept., 700 13th Avenue East – 4th Floor, Bradenton, FL 34208. Telephone: 941-744-2355. Failure to provide 2 bank-endorsed OBLs 7 days prior to the shipment's arrival at the US Port of Destination ETA will result in a chargeback of \$200.00 per OBL plus a \$50.00 administrative handling charge. There will be an additional \$100.00 per day, plus any additional charges incurred by Beall's after the vessel arrival at the US port of entry for which the container is not released due to missing/late OBL submission by the vendor. No exceptions.</p> <p><i>Note: If the shipment's payment terms are via Letter of Credit, please ensure all documentation is submitted to your bank in time to meet the above requirement. Note also, that upon receipt of the original OBLs, Beall's will need to endorse and dispatch the original OBLs to the ocean carrier for container release in the US so please be sure to allow adequate time for document turnaround.</i></p>	<p>Failure of documents to be received by Bealls Customs Compliance 7 days prior to arrival of US Port of Destination</p> <ul style="list-style-type: none"> • \$200 per OBL • US \$50 admin fee • Demurrage per day as charged by the liner
Import Accounting Chargeback Codes	
Costs	
ISF	
<p>IS-1: US Customs ISF fines incurred by Beall's</p> <p>Failure to submit accurate booking or load plan data to Beall's freight forwarder for timely ISF filing, or should Beall's incur any ISF fines/penalties from US Customs due to vendor booking/documentation errors, Beall's will chargeback vendors for all fees incurred plus a US\$500.00 per container. (Note: US Customs ISF penalties will be \$5,000.00 per</p>	<p>Load Plan for ISF Filing:</p> <ul style="list-style-type: none"> • US \$500 per container • Customs ISF Government Penalties up to \$5000 per violation • US\$50 admin fee

violation.)	
Documentation	
D-1: Incorrect Commercial Invoice Values (i.e. First Costs, discounts, Unit of Measurement, \$ Amt Extensions)	US \$150.00 + US \$250.00 admin fee
D-2: Delay in cargo movement due to incomplete documentation presented to Beall's freight for-warder upon cargo delivery	US \$150.00 + US \$250.00 admin fee
D-3: Failure to use correct HTS classifications as issued by Beall's	US \$150.00 + US \$250.00 admin fee
D-4: Failure to list all HTS classifications on commercial invoice	US \$150.00 + US \$250.00 admin fee
D-5: Incorrect/incomplete item description on commercial documentation. (Required for correct HTS classification validation by CBP per 19 CFR 141.86-87). Please DO NOT use the Beall's PO default item descriptions on your commercial documents. Vendors are required to update their commercial documents and use the full cargo item descriptions noted on their Product Detail or Product Offering Sheets. Beall's requires vendors and commercial documentation preparers to ensure that all invoice paperwork is updated to reflect a complete and accurate item description. Item descriptions can be updated during the e-Booking process, but no later than during e-Invoice creation. Commercial documents received with Beall's abbreviated default PO item descriptions will be subject to chargebacks and/or delayed payments per Chargeback Code D-5 in our Chargeback Policy. This chargeback WILL BE STRICTLY ENFORCED!	US \$150.00 per invoice + US \$250.00 admin fee
D-6: Correct Manufacturer name and address not listed on commercial invoice(s)	US \$150.00 + US \$250.00 admin fee
D-7: Country of Origin not listed on commercial invoice(s) or incorrect Country of Origin noted	US \$150.00 + US \$250.00 admin fee
D-8: Incorrect "buyer" noted on commercial documents (i.e. Beall's is not shown as "buyer" or showing buying agent as "buyer")	US \$150.00 + US \$250.00 admin fee
D-9: Incorrect "seller" noted on commercial documents (i.e. listing buying agent as "seller")	US \$150.00 + US \$250.00 admin fee
D-10: Discrepant docs presented for payment or entry (i.e. costs, unit counts, cartons etc. do not match)	US \$150.00 + US \$250.00 admin fee
D-11: Failure to submit all documents per Beall's Commercial Documentation Checklist	US \$150.00 + US \$250.00 admin fee
D-12: Customs entry rework fees paid by Beall's due to incorrect vendor documentation	TBD
D-13: Voluntary tender Customs duties outlay fees paid by Beall's due to incorrect vendor commercial documents	TBD
D-14: Bank fees incurred by Beall's due to expired/unutilized and amended LC's	TBD
D-15: Letter of credit issuance bank fees incurred by Beall's	TBD
D-16: Failure to forward original docs to Beall's / Freight Forwarder to facilitate timely Customs or carrier release (ex. original visas, BOLs etc)	US \$100.00 per purchase order + US \$250.00 admin fee
D-18: Administrative chargeback	US \$250.00

C-TPAT	
<p>CT-1: Failure to complete and submit a C-TPAT 7-Point Container Inspection Form</p> <p>Beall's requires all vendors shipping full container loads to ensure the container is secure and fit to convey Beall's merchandise. All vendors shipping FCL / POE (Delivered Duty Paid) containers must complete a security inspection and include proof of same with their docs to Beall's Import Transportation Dept. per Beall's POE documentation requirements. Failure to complete and submit a 7 point-inspection form will result in a chargeback of US\$250.00 admin fee.</p>	<p>US \$150.00 + US \$250.00 admin fee</p>
<p>CT-2: Claims / charges incurred by Beall's due to vendor's failure to ensure container was fit to convey Beall's merchandise (applicable for full container load shipments only)</p> <p>Beall's requires all vendors shipping full container loads to ensure the container is secure and fit for conveying Beall's merchandise. All vendors shipping FCL / POE (Delivered Duty Paid) containers must complete a security inspection and include proof of same with their docs to Beall's Import Transportation Dept. per Beall's POE documentation requirements. Any damages/loss/fees incurred by Beall's due to vendor's failure to ensure container was fit to convey Beall's merchandise will be charged back to the vendor.</p>	<p>TBD</p>
Purchasing/Product Development Chargebacks	
Costs	
Testing Requirements	
<p>TR-1: Failure to comply with Beall's Testing Requirements.</p>	<p>TBD</p>
Failed Testing – Merchandise Shipped	
<p>FT-1: Merchandise shipped without Beall's testing approval.</p>	<p>TBD</p>
Testing Documentation	
<p>FT-2: Failure to include Testing Certificates / Lab Test Results with booking/commercial documents packet</p>	<p>TBD</p>