



Appendix A: Chargeback Policy

A. Improved Chargeback Overview

Family Dollar is working towards clearly defining chargeback expectations for our suppliers and enhancing our compliance standards to be in-line with our competitors. Chargebacks are fees charged to a supplier when terms of their contract have not been met and issues for errors in shipping, labeling or compliance. Chargebacks should focus on products that add waste to our supply chain, such as bad pallets, adulterated product (poisonous or deleterious substance), damaged cases or cartons, etc. Chargebacks are the most effective way to improve supplier compliance, accountability and our supply chain. Family Dollar's goal is to have what their customers want to buy and when they want to buy it. The list of chargebacks are in the *Chargeback Reason Matrix* below.

Here are the **NEW** Chargebacks:

- Adulterated Product
- On-Time/In-Full (OTIF)

B. Disputes

Any disputes on chargebacks should be addressed to the respective teams shown in the *Contacts Matrix* below.

C. Matrix

Revised Reason Code	Revised Explanation of Charges	Penalty	Team
ADLTRD	Product found adulterated upon receipt	\$500/incident	DC Ops
HNDGLU	DC Ops Handling to fix glued boxes on pallet	\$175 + \$100/hr + supplies	DC Ops
CTNMIX	DC Ops Handling to fix different product in 1 carton	\$175 + \$100/hr + supplies	DC Ops
DESTRY	DC Ops Handling to destroy product for any reason	\$175 + \$100/hr + \$freight	DC Ops
FLRMIX	DC Ops Handling to fix floor load not pre-sorted by product/SKU	\$175 + \$100/hr + supplies	DC Ops
MISMTC	DC Ops Handling to fix carton marking / actual content mismatch	\$175 + \$100/hr + supplies	DC Ops



Revised Reason Code	Revised Explanation of Charges	Penalty	Team
PALLET	DC Ops Handling to fix any pallet quality issue (i.e. overweight/height; broken; leaning)	\$175 + \$100/hr + supplies	DC Ops
PALMIX	DC Ops Handling to fix same product/SKU together on pallet	\$175 + \$100/hr + supplies	DC Ops
WRNGDC	DC Ops Handling to process/correct product shipped to wrong DC	\$175 + \$100/hr	DC Ops
CTNMRK	DC Ops Handling to fix carton markings (i.e. missing ANY required markings on cartons)	\$175 + \$100/hr + supplies	DC Ops
ITMMRK	DC Ops Handling to fix missing product/item/inner packaging or marking	\$175 + \$100/hr + supplies	DC Ops
PCKLBL	DC Ops Handling to fix gift labels falling off product	\$175 + \$100/hr + supplies	DC Ops
PCKPLY	DC Ops Handling to fix missing/adding poly over garments	\$175 + \$100/hr + supplies	DC Ops
PPDPOD	For Prepaid: DC Ops to request proper Proof of Delivery not accompanying shipment	\$200	DC Ops
PRPPDN	For Prepaid: DC Ops Lumper charges to unload, pallet build, pallet up/downstack	Lumper Fees (if not already prepaid)	DC Ops
RTRNVN	DC Ops Handling to process Return to Vendor product	\$175 + \$100/hr + \$freight	DC Ops
RTRNWT	DC Ops Handling for excess storage time waiting to Return to Vendor authorization > 3 days	\$175 + \$25/day per pallet	DC Ops
SPPRJT	DC Ops Handling to process any Special Project request	\$175 + \$100/hr + supplies (Quote Upon Request)	DC Ops
FR	Non-compliance of Freshness Policy at Receipt [example: yard/in-gate < 9 mo Guaranteed Shelf Life (GSL) for 12 mo expiration item]	20% penalty; any DC Ops handling will be charged separately as required (i.e. destroy, return to vendor)	Merch
Revised Reason Code	Revised Explanation of Charges	Penalty	Team



TRDTL	For Collect: Excess driver wait on loading time > 2hrs (Detention at Loading)	\$75 + \$60/hr	Trans
TRTONU	For Collect: Booking charge of Trailer Ordered Not Used (after dispatch)	\$75 + \$300; after 2 in same month, \$200+\$300 each	Trans
TRINFO	For Collect: Charges & handling to fix incorrect/wrong shipment information (e.g. failure to load trucks based on loading method provided to Family Dollar, failure to load Family Dollar assigned carrier, incorrect pickup location, incorrect load specifications)	\$75 + \$Difference in Freight	Trans
VCOTIFOTIF	Non-compliance of On Time and In Full service level commitment	\$375/PO	VC

D. Contacts Matrix

Contacts	Emails
Distribution Center Operations (DC Ops)-Chargebacks	DC201/9990: NCDCCchargeback@familydollar.com
	DC203/9540: VADCCchargeback@familydollar.com
	DC204/9560: OKDCCchargeback@familydollar.com
	DC205/9580: KYDCCchargeback@familydollar.com
	DC206/9590: IADCCchargeback@familydollar.com
	DC207/9550: FLDCCchargeback@familydollar.com
	DC208/9570: NYDCCchargeback@familydollar.com
	DC209/9510: INDCCchargeback@familydollar.com
	DC210/9515: UTDCCchargeback@familydollar.com
	DC211/9530: TXDCCchargeback@familydollar.com
Merchandise - Guaranteed Shelf Life (GSL)	FD_Food@familydollar.com
Transportation	Freightchargeback@dollartree.com
Vendor Compliance	VendorCompliance@familydollar.com