

Belk Supplier Direct Fulfillment (SDF) Program

Vendor Participant Policies

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SDF Program Overview

Belk Supplier Direct Fulfillment (SDF) program is a strategic program intended to directly support Belk's goal to bring customers high quality, high value products with a breadth and depth of assortment that meets the expectations and needs of our ever growing customer segment. The SDF program leverages vendor partnerships to provide competitive assortments as well as fulfill and ship orders directly to the belk.com customers. The SDF program has established policies and guidelines which are designed to ensure vendors consistently maintain Belk brand, service levels and customer shopping experience at belk.com. Those policies and guidelines are defined in detail in this **Belk Vendor Participant Policies Document**.

A. Document Purpose

This document is intended to assist vendors in setting up the necessary infrastructure to participate in Belk's SDF program. Vendors may need to modify their internal processes, make system modifications or purchase equipment in order to meet program guidelines.

B. Terminology

Terminology and acronyms used in the Belk Supplier Direct Fulfillment program includes but are not limited to the following:

- Customer Order = Order generated on the web by a retail customer or through retail customer call-in to the call center
- SDF = Supplier Direct Fulfillment
- DTC = Direct to Consumer
- PO = Purchase Order
- SKU = Stock Keeping Unit (single unit of a product within a line item)
- RA = Return Authorization
- RTV = Return-to-Vendor
- EDI = Electronic Data Interchange
- UPC = Universal Product Code (12 digit UPC)
- EAN = European Article Number (13 digit UPC)
- IAN = International Article Number (13 digit UPC)

C. SDF Vendor Onboarding Overview

Onboarding refers to the set-up process SDF vendors will go through until the vendor is LIVE on the belk.com website. A Belk SDF Onboarding Coordinator will contact the vendor to discuss their ability to meet the minimum requirements of the program. If selected to participate, vendors will be contacted to attend an SDF Vendor Kickoff session via WebEx GoToMeeting and will receive the SDF Supplier Onboarding documentation. Processing of Vendor Setup forms will start the SDF Vendor onboarding process.

While implementation timing will vary among vendors, the typical Onboarding process (**Diagram A below**) takes 5-8 weeks. Please review the Key Milestones as they are outlined. The process starts with Onboarding Management and concludes with Launch & Stabilization. This may also serve as your onboarding checklist.

Diagram A – SDF Vendor Onboarding Process Overview

Key Milestones:

1. Onboarding Management

- Vendor Pre-qualification Survey - Completed
- SDF Vendor Intro Packet - Received
 - Belk Vendor Participant Policies
 - SDF Vendor Agreement
 - Vendor Profile
- Kickoff Conference Webinar - Attended
- Breakout Session - Attended
- Implementation Timeline - Set

2. Documentation Required

- SDF Vendor Agreement - Completed & Signed
- Vendor Profile - Completed
- Certificate of Insurance - Submitted
- IRS W-9 - Submitted
- SDF Vendor Agreement – Countersigned by your Belk Buying Team

3. Assortment Selection & Production

- Product Selection & Pricing - Completed
- CAR's training if needed - Received
- Assortment data in CAR's - Entered
- Digital Images & Copy - Submitted

4. Order Processing Interface Setup

- CommerceHub Agreement – Signed
- CommerceHub Testing – Completed
 - Receive EDI 850 PO with 13 digit Vendor UPC
 - Provide an EDI 846 inventory file for testing containing 13 digit vendor UPC
 - Complete 856 ASN with tracking information
- Belk Branded Packing List – Approved

5. Shipping/Fulfillment Guidelines & Carrier Enablement

- Belk Pre-paid FedEx Account Numbers - Created/Enabled
 - FedEx account numbers setup and enabled within vendors warehouse management system
- FedEx Shipping Label - Approved

6. Launch & Stabilization

- Launch Welcome Letter – Received
- 13 Digit Vendor UPC populated in EDI 846 - Completed
- Inventory EDI 846 File – Loaded & Live
- Launch
- Stabilization – 60 day post launch compliance & operational review

SDF Onboarding Process	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8
Onboarding Management	█							
Documentation Required			█					
Assortment Selection	█							
Order Processing Interface				█				
Carrier Enablement				█				
Launch & Stabilization							█	

SDF Vendor Onboarding takes an average of 5-8 weeks to complete.

1. Onboarding Management

To complete the SDF Onboarding Management portion of the process a vendor must:

- Complete the Vendor Pre-qualification Survey. An SDF Onboarding Coordinator will contact you to review the survey and discuss any operational challenges.
- Attend a Vendor Kickoff Webinar, where the SDF policies, setup and operational guidelines will be reviewed in detail. Questions will be answered directly after, during your breakout session.
- Determine and mutually agree on an implementation timeline.

2. SDF Vendor Onboarding Documentation Requirements

For a vendor to participate in Belk's SDF program, vendors must agree to follow the policies and guidelines set forth by Belk. Belk requires vendors to review policies and procedures and acknowledge agreement at the time of document execution. Vendors will receive the SDF Vendor Onboarding documentation which consists of the following:

A. SDF Supplier Onboarding Documentation

- **Belk SDF Vendor Kickoff Presentation**
- **SDF Vendor Participant Policies**
- **Belk SDF Vendor Agreement**
- **Belk SDF Vendor Profile**
- **Belk SDF Onboarding checklist**

Vendors should review the vendor introduction packet and agree to the program requirements or discuss any operational challenges or questions with internal staff prior to participating in a SDF Vendor Kickoff Session. Questions can be directed to Belk's SDF team, Belk's buying team or while in attendance of a Vendor Kickoff Webinar. All SDF Vendor Set Up documents are expected to be completed and submitted to the Belk SDF team no later than 1 week after attending the Vendor Kickoff Session.

All forms and documents should be submitted to your [Belk SDF Onboarding Coordinator](#).

To send via carrier:

Belk
C/O SDF Onboarding Team
Belk eCommerce
2801 West Tyvola Road
Charlotte, NC 28217

To send via Email:

Send to: SDFVendorCare@belk.com

Subject: Belk SDF Vendor Set Up Forms - <Enter VENDOR NAME>

NOTE: Signing and submitting the SDF Supplier Agreement signifies that the vendor has reviewed and agrees to all of the terms and conditions defined in both the Vendor Profile document and the SDF Vendor Participant Policies.

- Vendors are expected to complete, sign and send all applicable Belk SDF vendor participation documents to Belk's SDF Onboarding Coordinator no more than one (1) week after attending a SDF Kickoff Conference.
- Belk will suspend Onboarding until the appropriate SDF Vendor Participation documents are signed.
- Vendors may not start contracting and working with CommerceHub[®] Technologies (Belk's 3rd party order broker) until all necessary documents are signed and submitted by the vendor and counter signed by the Belk buying team.

If you have any issues, questions or are unsure if you have all the proper documents, please contact your Belk SDF Onboarding Coordinator or your buying team.

B. Taxation Setup and Exemptions

Belk can provide vendors with resale certificates (Multijurisdictional Uniform Sales & Use Tax Certificate) for merchandise it purchases and resells on belk.com to its customers within the United States, including APO / FPO boxes. This serves as written documentation for vendors, confirming that Belk is reselling the vendor's merchandise and therefore the vendor does not need to collect tax from Belk. Belk is responsible for assessing any necessary taxes to the end consumer, and remitting those taxes to the appropriate state. If a vendor's situation warrants Belk completing a Multi-jurisdictional Uniform Sales & Use Tax Certification, please contact your assigned Belk SDF Onboarding Coordinator who will provide you the appropriate internal contact to obtain the certificate(s). Any questions regarding sales tax should also be coordinated through your assigned SDF Coordinator.

Belk Ecommerce holds nexus in approximately 20 states. Belk collects taxes and pays them to these states. Upon request, Belk will provide a multi-jurisdictional tax exemption certificate which will cover the states in which it is registered to collect tax. Additionally, the following states will accept Belk Ecommerce's home-state (NC) exemption certificate (AZ, CO, ID, IA, IL, IN, KS, ME, MI, MN, NE, NV, NJ, NM, ND, OH, RI, SD, UT, VT, WA, WY). To the extent that Belk is not registered in one of these states, Belk can provide a NC home-state exemption certificate in lieu of that state's exemption certificate. Vendors should specify in their resale certificate request whether a home-state exemption certificate is also needed.

In the case where a Vendor has a sales tax obligation in a state where it fulfills orders on behalf of Belk, additional arrangements may be made to ensure that all sales tax liabilities are appropriately met. Currently, the sales tax

provisions in CA, DC, HI and MA require that the Vendor collect the applicable sales tax from Belk, as a home state exemption certificate is not accepted by these states. If you have questions or concerns regarding such tax obligations, or how to resolve any other related taxation issues, please contact your SDF buying team. It is the vendor's responsibility to ensure that the Vendor understands and complies with the laws of the states in which they operate, including obtaining appropriate documentation in support of the resale exemption.

3. SDF Assortment Selection and Production

Belk Buyers will select and give final approval to all SDF merchandise assortments. The SDF program is a vendor managed inventory program driven by actual customer sell-thru demand. Belk is looking to leverage the SDF assortments vendors are willing to support.

For the initial assortment, vendors should present to their Belk Buyer their strongest selling products for consideration, which are representative of the breadth the vendor has to offer.

Online assortment:

- Most vendors should target 50-100 incremental SKUs (not currently sold on belk.com) and rollout additions post-launch.
- Create a plan to broaden the assortment offering post the initial assortment launch for Belk online.
- Recognize unique merchandising opportunities to expand online sales:
 - Style extensions into 'unlimited' colors and sizes.
 - New product categories to expand customer base.
 - Products not practical for in-store marketing (oversized products, lower/higher-value, variable/lower demand, etc.)
 - Test market for new products before placing them in stores.

A. Approved product submission

Belk Buying teams and Belk Web Production teams manage all of the product content displayed on belk.com. Once vendors and Belk Buying teams agree on a SDF assortment selection, vendors are required to provide Belk three main types of information to support the setup, presentation and selling of merchandise on the belk.com website:

- Product set up detail (product part numbers, brief product name/descriptions, cost, etc.)
- Product copy and features (detailed product descriptions, product attributes, product features, product warranty, etc.)
- Product images, digital photography and product video. Please see **(Diagram B)** below for the Belk Vendor Provided Image Guidelines and requirements.
- Digital assets are required for all SDF products. Physical samples are not desired due to cost to handle and increases to setup time.

Diagram B – eCommerce Vendor Provided Image Guidelines

Photography Guidelines

Product

- Shoot against a white seamless sweep
- Slight shadows for visual grounding

On Figure

- Shoot against white seamless sweep
- Provide image with space around subject

Color: RGB

Image requirements:

- Include clipping path with a tolerance of zero
- Silhouette

Size:

- Minimum – 3" x 5" (900 x 1500) pixels
- Resolution – 300dpi
- RGB

File format: EPS, JPG, PSD, TIFF

Delivery: Belk Buying Office

Vendors should:

- Recommend a financially viable, market competitive product assortment to your Belk Buying team.
- Review and agree to an initial merchandise assortment, pricing and product life/availability with the Belk buyer during the selection process.

Belk may suspend onboarding activities until the vendor submits a completed SDF Assortment Worksheet to the buying team. Belk utilizes CARS (Content Acquisition Request System) for the obtainment of vendor product information, specifications and digital images. **The SDF Operations team will work with Belk's CAR's associates to coordinate assistance for vendors on the CARS process for merchandise set-up.**

B. Assortment Safety and Quality Assurance

Appropriate product safety and quality certification documents should be provided (upon request) for all products. Pending review of safety and quality documents, where documentation is inadequate or where there is an elevated level of risk; Belk may require additional safety testing or QA inspection.

- Belk may accept tests done for or by other retailers, as well as any available documentation from internally requisitioned 3rd Party QA.
- Safety Certification may be requested for specific product categories.
- If documentation does not provide all necessary information, additional sample testing may be required at the vendor's expense.
- In the event that the vendor cannot provide adequate documentation, Belk may send the product to an independent lab to verify quality or safety at the vendor's expense.
- Belk will continue to monitor drop ship merchandise product quality throughout the life of the partnership. Products with high rates of damage or defective reports may be suspended from sale until package and/or product quality is re-certified.

C. Cost of Goods and Product Pricing

Costs submitted via any of these documents will be the binding cost and cannot be changed without Merchant approval.

- Cost updates must be submitted in the appropriate format specified for each vendor.
- Vendors should allow 30 days for product cost changes to be approved and applied. Cost changes are not approved until the Belk buying office expressly communicates their approval to the Vendor.
- Orders placed prior to the cost update in Belk systems will generate fulfillment orders at the cost of goods in the Belk system at the time the order was placed. Vendors should ship the order at the cost listed on the fulfillment order. Costs submitted via a customer PO through CommerceHub must be honored and fulfilled as to not impact the customer. Vendors should then pursue offline resolution.
- Cost updates will not be granted retroactively. Orders invoiced at a different cost than reflected on the fulfillment order will error out at Belk and may potentially delay payment while offline resolution is being pursued.

Vendors may submit suggested retail pricing, MAP (minimum advertised price) and MSRP (manufacturer suggested retail pricing).

- MAP pricing can only be set by the manufacturer, and Belk will not accept pricing which is higher than pricing listed on other authorized retailer's websites.

The wholesale cost for SDF SKU's is expected to include all related costs to receive, store, pick, pack and stage the product for direct shipment to Belk's customers.

- Any additional handling fees to support the SDF program must be negotiated with your Belk merchant.
- The handling fee can be included in the wholesale product cost, (ONLY if the product is not sold in Belk stores) or it must be a separate fee.
- Separate store and eCommerce wholesale costs for the same SKU is not currently supported by Belk.

D. Rebates and Promotions

Belk Brick and Mortar and Online channels consider products for different promotional offer types such as free shipping, special pricing, etc. Belk also welcomes product with special manufacturer rebates or special offers. Vendors with special promotional product or rebate offers should discuss such items with their buying team.

4. SDF Order Processing Interface Setup - CommerceHub

Belk has partnered with CommerceHub Technologies, Inc. (CommerceHub), a third party order processing software provider, to provide Belk visibility across its SDF supply chain. The partnership with CommerceHub enables Belk to have timely and accurate information available about the external fulfillment network. It also makes it easier for vendors to view and reconcile orders and invoices regardless of the vendor’s technological capabilities or connections.

All SDF vendors are required to establish a direct connection to the CommerceHub vendor network. Vendors must maintain an active CommerceHub connection in order to receive and process orders. Vendors are responsible for all costs associated with using CommerceHub, including setup fees, transaction fees, subscription fees or any other applicable fees associated with the transmission of data. CommerceHub offers vendors several service solutions to comply with the Belk order processing requirements.

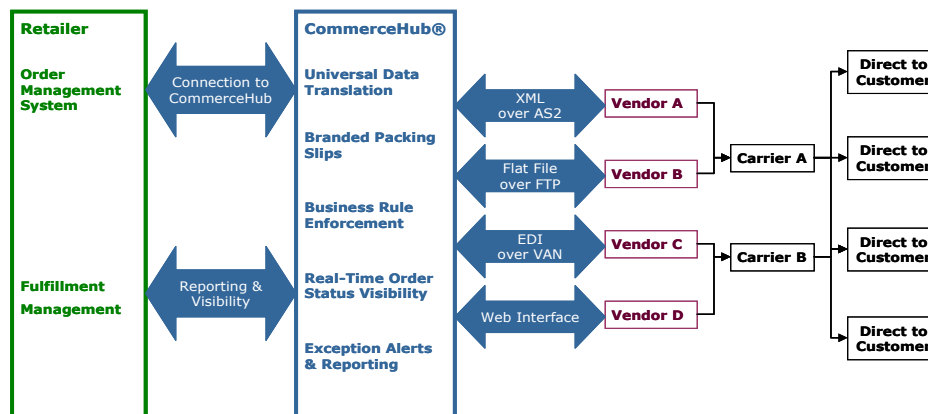
A. CommerceHub Interface

Once a vendor has attended a Vendor Kickoff Session and has submitted their completed SDF documentation with required signatures, Belk will provide vendor contact information to CommerceHub Technologies Inc. They will then send information about their services, the CommerceHub Supplier Agreement and the connection options for the Belk SDF program, (**Diagram C below**).

Vendors must complete the following:

- o Select a connection type: Integrated (e.g., XML, EDI, and Delimited File) or Web Browser.
- o Sign and return the CommerceHub Supplier Agreement, along with the one-time set-up fee for the selected connection type, to CommerceHub within 1-2 weeks of attending a SDF Kickoff Conference.
- o Complete integration, testing and training in the CommerceHub “Test Environment”.
- o Complete coding of Belk’s branded packing list if not using the pre-populated packing lists provided through CommerceHub.
- o Complete Web-based Browser tutorial and training provided by CommerceHub.
- o CommerceHub will approve the vendor to move to the production environment upon passing testing and completing the CommerceHub training.

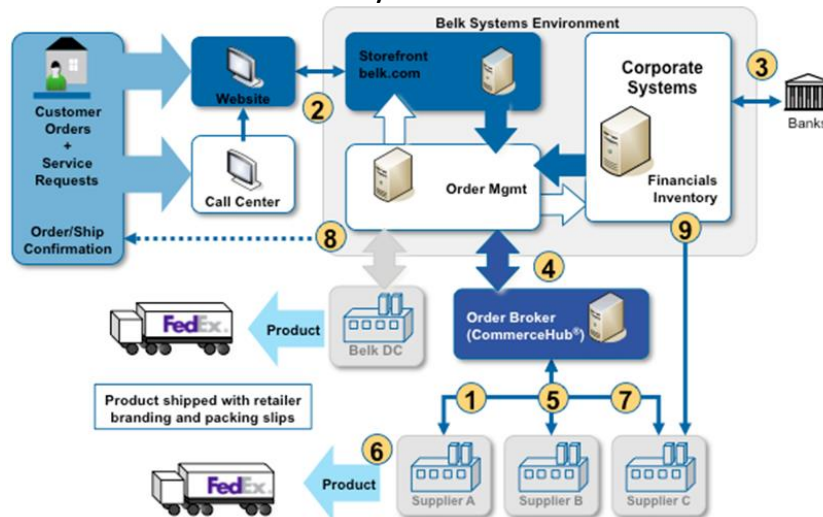
Diagram C - CommerceHub Interface



B. SDF Order Process Overview

The SDF order process leverages CommerceHub to broker order transmissions to/from SDF vendors. An overview of the SDF order process lifecycle is illustrated in (Diagram D) below.

Diagram D – Order Process Lifecycle



1. SDF Vendor Provides a positive inventory position to Belk via CommerceHub
2. A customer places an order for a product via the Belk.com website or call center.
3. When an order is placed, Belk obtains a credit authorization (reservation of funds / fraud check) for the order that is valid for 7 calendar days. **NOTE: Belk cannot collect payment from customers until the product(s) on the order are confirmed as Shipped in CommerceHub.**
4. Belk transmits customer orders multiple times daily to CommerceHub who in turn brokers the order to SDF Vendors.
5. Vendors pick up SDF PO's from Commerce Hub via an integrated (e.g., EDI, XML, FTP) or Web Browser connection.
6. The Vendor fulfills the PO, includes the Belk branded packing list and ship label, and ships the order to the customer's designated 'ship to' address.
7. The Vendor then closes the order in CommerceHub by associating a Shipped or Cancelled status with each line item on the PO and providing valid tracking information.
8. CommerceHub sends all closed PO information to Belk, who parses the confirmation message and updates the customer order data to obtain payment from customer and send ship confirmation e-mails.
9. An invoice transaction is required at the time of ship confirmation. Separate invoice transactions are not permitted. Payment for shipped orders is based on contractual payment terms.

C. CommerceHub Vendor Agreement

Vendors must sign a CommerceHub Vendor Agreement before they can begin IT integration for the Belk SDF Program. Existing CommerceHub vendors will only need to sign a pricing addendum to cover the fees associated with setting up the Belk connection and receiving orders through that connection. Vendors are required to pay a one-time set up fee, which varies depending on the connection type selected. Once in production, Vendors will pay a monthly service fee as well as an order cycle fee (includes all inbound/outbound communication). Please refer to the CommerceHub Supplier Agreement or contact CommerceHub's Sales Support team (salessupport@CommerceHub.com) for additional details on connection fees.

The CommerceHub contract is expected to be signed within two (2) weeks of the SDF Kickoff Conference date, if not sooner. Onboarding will be suspended until the CommerceHub contract is signed.

D. CommerceHub Service Solutions

CommerceHub’s supplier solutions are designed to make it simple for vendors to participate by offering different connectivity options that will enable its partners to be 100% compliant with Belk’s SDF requirements. A CommerceHub Client Services representative will assist vendors in determining what type of solution best fits a vendor’s order processing needs. Below in **(Diagram E)**, are brief introductions to CommerceHub’s Web-based and Integrated connection options.

Diagram E - CommerceHub Connections

	Option 1 Browser	Option 2 Integrated	Option 3 Custom
Supplier Usage	CommerceHub Drop Ship Master (DSM) web interface to receive orders and process all messages related to those orders	Electronic exchange of files with CommerceHub in formats such as EDI, XML, or Delimited Files to receive orders and process all messages related to those orders	Possibly, a combination of Browser and integrated connectivity
Technical Complexity	Low	High	Medium to High
Expected Order / SKU Volume	Low	High	Medium to Hig

Option 1: Browser Partner - CommerceHub Drop-Ship Master

This web-based solution offers a flexible option for low order volume relationships. Drop-Ship Master is a CommerceHub solution which enables a vendor a quick cost-effective setup option to receive Belk customer orders for fulfillment through a browser connection. Using Drop-Ship Master’s web-based application, a vendor only needs Internet access and a standard printer to become 100% compliant with Belk’s program. Drop-Ship Master provides each supplier with visibility to order status, customized downloadable packing lists which meet Belk branding standards, and access to queries and reporting on Belk orders.

Option 2: Integrated Partner

The Integrated Partner solution is for higher velocity and automated communication. Integrated vendors exchange data, such as order confirmations and shipment confirmations, in predefined file formats. CommerceHub supports many different file formats including, but not limited to, EDI, XML and delimited formats with delivery options including web-enabled file transfer, File Transfer Protocol (FTP), VAN or AS2. This solution allows you to transfer Belk orders directly to your system without manual order entry. Vendors may choose to integrate one or all of the transactions required by Belk. Becoming an integrated supplier offers many benefits including:

- **Speed:** Integration allows suppliers to save time, personnel and energy by automating the process of data exchange.
- **Reliability:** Integration reduces the human error of non-automated data exchange.
- **Cost Savings:** With greater speed, increased reliability and efficiency, integration will save you time, errors and ultimately money.

Option 3: Custom Integration

CommerceHub will work with each vendor to determine, if a custom integration is needed.

E. CommerceHub Contact Information

CommerceHub® has several functional areas to support the vendor relationship. Any of the contacts referenced in each department can and will offer assistance to you at any point in time. Belk will contact CommerceHub to start working with a vendor when all required program documentation is complete.

- **Vendor Sales Support Team** -- The Vendor Sales Support team is responsible for communication with any new SDF vendors for the retailer. This team works to provide and obtain vendor subscriber agreements, helps suppliers determine what connection type they need with CommerceHub®, and works very closely with the Vendor Implementation team. **Email:** salesupport@CommerceHub.com
Phone: 518.810.0700
- **Vendor Implementation Team** -- The Vendor Implementation team is responsible for supporting the integration of new SDF vendors. This team works with each vendor to assess their capabilities and establish a quality connection to the Hub. The group works with Belk's Onboarding team to manage account setups, testing, and certification for all connections. **Email:** partnersetup@CommerceHub.com
Phone: 518.810.0700
- **Client Services/Customer Support (CS) Team** -- The Customer Support team is responsible for the day-to-day monitoring and support of the vendor's production environment, and should be considered the vendor's primary point of contact for any production related inquiries. This team sends and responds to communication (phone and email) related to Hub connectivity for Belk and its vendor base. The CS team is available between the hours of 8AM and 6PM Eastern, Monday to Friday, as well as after hours on-call support. **Email:** customersupport@CommerceHub.com
Phone: 518.810.0700, opt. 2

F. Invoicing and Financial Reconciliation

Belk does not accept paper invoices, credit memos or debit memos. All invoicing must be done through CommerceHub in order to ensure proper processing and accurate reconciliation. Payment terms and any applicable fees will be as outlined in the Vendor Profile

1. Ship Notification (EDI 856 or equivalent) with Invoice Information

Invoicing information is transmitted as part of the confirmation transactions and is the final communication in the initial order life cycle. The invoice confirmation must include the merchant SKU, total invoice amount and invoice number. Each PO should have a unique invoice number. Assigning a unique invoice number to each PO speeds the reconciliation process and eliminates confusion when researching questions or addressing payment issues.

2. Reconciliation

Belk needs to reconcile payment with the vendor. This includes the unit costs, **any additional applicable fees at the line item level**, total invoice amount and an invoice number. Belk will only reconcile financials per the electronic transaction processed via CommerceHub. **Paper invoices will not be processed or paid.** Cost discrepancies between the PO and the invoice will cause an error in the Belk system and may delay payment.

Upon reconciling any discrepancies, the Belk Accounts Payable department will then deduct the applicable negotiated allowances, returns and any compliance violations accrued from the invoice and remit payment to the vendor.

- In lieu of a damage/defective allowance, cost of actual returns (where the product is returned to the vendor) will be deducted from the vendor's invoice as they occur.
- Compliance violations will be deducted from the vendor's invoice in the payment period in which they occur.

- Upon termination of the partnership between Belk and the vendor, Belk may hold back a percentage of the last payment beyond the standard terms, in order to allow time for any returns to occur. This is done to avoid a situation where the vendor must write a check to Belk. Full payment will be made once the returns period for the last order has expired

G. Belk Branding and Pack List

Branding is an important part of the Belk SDF program because vendors are representing Belk and acting as an extension of their supply chain whenever they fulfill and ship a product to a Belk customer. The goal is for SDF vendors to provide a consistent brand image so as to remain invisible to Belk customers.

1. Belk Marks and Logos

Vendors are not permitted to use the Belk logo, any Belk owned marks or Belk phone numbers, on any merchandise or product literature, except in certain defined circumstances, and only with Belk's prior approval. Any merchandise that uses the Belk logo and/or Belk owned marks will be rejected, unless the usage has been expressly approved in advance by the Belk Marketing and Legal Departments. The vendor cannot issue press statements or releases about their partnership agreement or its relationship with Belk without Belk's prior written consent. The vendor is not permitted to include any inserts with the Merchandise that in any way promote direct sales to the Vendor or any third party and cannot use or purchase directly or indirectly any of the Belk Marks as search terms.

The belk.com logo cannot be altered and must maintain the colors, specifications and proportions provided. Only vendors printing the Belk packing list from their internal systems will need the Belk logo as it is pre-formatted on CommerceHub's downloadable pack list. Vendors can download the approved formatted logos from CommerceHub's resource center under the "Packing Slip Guide" link.

2. Belk Branded Pack List

Belk currently leverages a common packing list format for all shipments. This means the same format is leveraged for gift packages/messages as well. All orders may potentially contain line-level gift messages.

Vendors can comply with Belk branding specification by leveraging a CommerceHub Generated pack list or Vendor Generated pack list. The easiest way to comply with the packing list specifications is to use the CommerceHub generated pack list. Depending on the vendor's connection this may require manual downloading and printing of the pack list files. Vendor Generated pack lists require more IT development for the vendor during setup however it allows the vendor flexibility to automate and integrate the pack list generation into their fulfillment process. The decision on which one to use generally depends on the vendor's ability to integrate this manual download into their fulfillment process.

- **CommerceHub Generated:** Enables a vendor to download .PDF file of the completed and fully compliant Belk branded packing list. All vendors can use this option. **Belk will obtain a sample pack list from CommerceHub for approval prior to use.**
- **Vendor Generated:** Requires a vendor to produce the Belk branded packing list from its own systems. Vendors must strictly adhere to the Belk specification and **Belk must approve the pack list prior to use.** Branded Pack List samples must be sent to SDFVendorCare@belk.com for approval. Only vendors with an integrated connection can use this method. Development of the pack list may take several weeks; therefore vendors are strongly encouraged to begin development early so as to not delay launch of their product. Branded pack list samples must be printed from one of the actual printers that will be used to print LIVE orders. Pack lists should not be faxed copies or photocopies, and should not contain any extra markings such as handwriting or stamps. Rejected branded pack lists must be modified to meet the branding specifications or in accordance to requested changes from Belk.

Packing List Layout Specifications

- Paper type: Standard bonded
 - Standard Size(s): 8.5" x 11" or A4
 - Edges: Straight
 - Orientation: Portrait/single-sided
 - Text Color: Black (PMS 001)
 - Font: Helvetica (primary font)
 - Printer: Laser or inkjet
- For detailed field font and orientation specs refer to the CommerceHub – Belk Packing Slip Guide.

Packing List Field Specifications

All standard text and field headings in the packing list must match EXACTLY per the specifications. Please refer to the sample packing lists for the location of each field. Vendors should consult with CommerceHub® on the specific mapping instructions for each field.

Diagram F – Belk Branded Pack List

Vendor's Packing Slip Sample:

- Order Header Section – includes “Ship To” and “Bill to” addresses
 - Ship To Address should include Customer’s address and telephone number
- Order Summary Section – includes CO #, PO #, Order Date and shipping method, as well as, the barcode for the order
- Order Merchandise Table – should have columns for Item number, Item Description, Qty. Shipped, Qty. Return and Return Reason
- Return Reasons Section – shows codes for the reasons items may be returned
- Returns Instructions Section – Details for returning an item to a Belk store or to the Fulfillment Center . Should also include the section for Fine Jewelry
- Gift Message Section – Gift message for recipient of the item(s)
- Returns Label – Should have the
 - Barcode
 - Customer’s return address (1st line should be the order number)
 - Address for BFC or Vendor’s return address (If the vendor accepts the returns directly)
 - The “Regular Return Label – Postage Required” messaging at bottom left corner.

5. Shipping/Fulfillment Guidelines & Carrier Enablement

Vendors must use Belk approved partner carriers and must leverage Fed Ex Prepaid accounts established by Belk. Vendors must get pre-approval from Belk to leverage a Vendor paid/add agreement. All shipments, regardless of the freight payment terms, must adhere to the branded shipping label specifications. Belk's SDF program currently has one approved carrier: **FedEx and FedEx SmartPost**

Failure to leverage a Belk approved carrier or receive pre-approval to leverage an alternative carrier may result in denial of payment of shipping charge remittance and/or compliance fees. Questions regarding Belk transportation agreements, approved carriers or customer shipment billing can be directed to Belk's transportation department or your SDF Onboarding Coordinator (see Belk SDF contact list for appropriate contact).

A. Purchase Orders (Customer Orders)

Belk SDF purchase orders (PO's) can only be received via CommerceHub. These purchase orders are live customer orders. Vendors should consult CommerceHub's Vendor Implementation Team for integration specifications and questions, as these will vary based on the CommerceHub connection type selected by the vendor.

Vendor integration specifications should be set up to accept PO's with single line/single item, single line/multiple item, multiple line/single item, and multiple line/multiple item PO transmissions. Each PO has only one "Ship To" address. Combining multiple fulfillment orders with the same "Ship To" address is not acceptable.

PO's are transmitted from Belk to CommerceHub in multiple transmissions daily.

- **Browser Vendors** are encouraged to check for customer orders a minimum of once daily (morning) to ensure acknowledgement of orders transmitted the night before.
- **Integrated Vendors** are encouraged to plan order file downloads a minimum of once daily.

B. On-time Fulfillment

It is essential that vendors fulfill customer orders on-time to ensure an on-time delivery. Vendors are encouraged to pick up customer orders the same day they become available in CommerceHub. On-time fulfillment guidelines are as follows:

- Vendors are responsible for shipping orders within two (2) business days regardless of when the Vendor actually downloads it, unless an extended standard fulfillment timeframe is agreed to and approved by Belk.
- **Once the PO is transmitted to CommerceHub, it is *available* for pickup by the Vendor. The clock starts ticking on the fulfillment time at 8:00 a.m. on the first business day following transmission.**
- A fulfillment order is not considered confirmed until the ship notification is processed in CommerceHub.
- A vendor fulfillment order is considered *Delinquent* when any of the line items on a fulfillment order do not have an associated order status update after the Standard Fulfillment lead-time is expired.
- Open orders beyond the standard fulfillment period of two (2) business days (that remain open on the third 3rd business day) are considered delinquent and are subject to compliance infractions.
- The "cancel" date on a fulfillment order is implied to be one (1) business day after the fulfillment order becomes delinquent.
- Vendors bear sole responsibility for shipment after the cancel date and may result in Belk canceling all outstanding line items on an open fulfillment order.
- Vendors are expected to meet a fill rate of 98% within the Standard Fulfillment lead-time.
- **Failure to meet the fulfillment requirements may result in:**

- **01** – A per order charge for each SDF order that is not confirmed as shipped or cancelled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given month.

C. Order Status Updates (Shipped / Cancelled)

The order status update connection setup is critical to the vendor's effectiveness in the SDF program. Vendors should consult CommerceHub's Vendor Implementation Team for integration specifications and questions on submitting order status updates, as they will vary based on the connection type selected by the vendor. There are a few key order status specifications that vendors should be aware of:

- **Vendors are NOT permitted to hold back orders, or make product substitutions.**
- Belk supports a ("Fill or Kill") policy. If you cannot fulfill the entire quantity of an order line for the same item, the order line must be cancelled. No partial fulfillment will be accepted.
- All line items on the PO are required to have an order status (Shipped/Cancelled) associated with it for the order to CLOSE.
- Vendors may submit multiple order status updates at the line item level per fulfillment order

D. Order Cancellations

Occasionally fulfillment orders must be canceled due to the vendor's inability to fulfill the item, or at the request of Belk. Vendor initiated cancellations should only occur for out-of-stock or product availability issues.

- Fulfillment orders that cannot be fulfilled due to a lack of inventory should be canceled as soon as possible and no later than the standard fulfillment period in order to avoid delinquency penalties.
- For non-product availability related issues preventing a vendor from fulfilling an order (i.e., incomplete Ship-to Address, unable to identify the product ordered, etc.) vendors should contact Belk Web Operations to try and resolve the problem prior to cancelling the order.

Belk/Customer initiated cancellations may also occasionally occur due to buyer's remorse, fraud, or other reasons.

- Belk asks that vendors make a *best effort* to stop shipment on customer requested cancellations. If the request **can** be accommodated, then the order should be canceled in CommerceHub.
- If a vendor cannot comply with the cancellation request they must notify Belk and confirm the order with tracking in CommerceHub within one (1) business day. Belk may instruct the customer to refuse delivery of the package.

Cancelling an order in CommerceHub while still physically shipping the order causes customer confusion and exposes Belk to potential financial loss.

- Vendors will not be paid for a customer order that is canceled CommerceHub but still shipped by the vendor.
- Belk will debit any shipping charges incurred on the FedEx billing account associated with this type of shipment.

E. Shipment Confirmation

It is very important for vendors to submit all of the required information at the appropriate level in the Ship Confirmation status. This includes Ship date, quantities shipped, tracking number, appropriate carrier code and appropriate service level. **Table 1** below references the elements required for all Belk confirms.

Table 1 - SDF Order Status / Confirmation Business Requirements Summary

Field	Definition
Confirmation Message Header	
Transaction ID	Vendor Transaction ID (e.g. shipment number). Must be unique or Belk will reject.
Transaction Date	CCYYMMDD, Vendor transaction date
Merchant ID	CommerceHub ID for Belk
Confirmation Message Detail	
Merchant SKU	Merchant's SKU for product
Vendor SKU	13 digit required value (Vendor EAN or Vendor 12 digit SKU + leading "0")
Quantity	Quantity shipped or cancelled from original order
Action	Either 'v_ship' or 'v_cancel'
Confirmation Package Detail	
Shipping Code	Shipping Code / level of service
Shipping Date	CCYYMMDD, Date of shipment
Package Tracking Number	Tracking Number of the package

- All shipment confirmations (EDI 856) must include the **shipper's tracking number** and indicate the actual carrier and service level used on the shipment
- **Multiple tracking numbers (for multiple carton products) can be provided in CommerceHub**
- **Vendors MUST enter the tracking number for each package**
- **Using the Master Tracking number of a shipment is NOT reconcilable**
- For SmartPost, enter the USPS tracking and **NOT** the Ground tracking
 - The USPS tracking should contain 22 digits. If it contains more than 22 digits then it is likely including the Application Identifier (3 digits) and/or the Zip Code (5 digits) before the tracking number.
 - Submitting more than 22 digits into Commerce Hub is not an issue for Belk to reconcile, but it can create confusion for customer tracking.
 - All tracking information entered into CommerceHub is customer facing.
- **When shipping a package that meets the SmartPost requirements of <= 15 lbs total combined weight, where the dimensions = Length + Girth (2xW + 2xL) is less than or equal to 84 inches, Vendors are expected to send back the SmartPost shipping code and corresponding tracking information.**
- **Please note, Belk does not pre-determine if a package should be shipped SmartPost from a Vendors facility due to variations in packaging and ability to combine orders where possible.**
- **Any package weighing over 15 lbs and/or has Length + Girth measuring more than 84 inches should be sent via Home Delivery.**
- Tracking numbers entered into Commerce Hub must be complete and accurate. Vendors are advised to map or program the appropriate amount of numeric characters in their own systems for the tracking information as to not allow them to be cut off when entered into CommerceHub.
- CommerceHub does not have a maximum digit restriction in the tracking number field.
- Shipment confirmations must be posted in CommerceHub by the beginning of the third (3rd) business day to be considered on-time.
- Vendors may not confirm shipment more than one (1) business day in advance of carrier pickup.

F. Shipment Errors

Shipment errors may result in orders being lost in transit, or the customer receiving a product he/she did not order. These errors will be handled in the same fashion as damaged or defective returns if they meet one of the following definitions:

Vendor Damaged --- Merchandise in less than satisfactory condition due to quality (scratched/dented) or service

Defective --- Merchandise quality does not reasonably meet expectations of its intended function to the customer.

Shipping Error --- Merchandise received does not match order due to a shipping error.

- An SDF Onboarding Coordinator will contact the Vendor to provide details of the shipping error.
 - Belk may request Vendors to ship against a new PO as a method to replace the item(s) for the customer.
 - Belk will provide the Vendor with the appropriate shipping method to be used for the customer order.
 - The Vendor must not use the Belk prepaid FedEx account for defective, mis-shipped or vendor damaged (*less than satisfactory condition due to quality, scratched or dented where outer shipping carton is in good condition with no damage*) merchandise as it is a vendor expense.
- **02** – For returns due to defective, mis-shipped or vendor damaged merchandise, the Vendor is responsible for all service fees and shipping charges related to the return of the merchandise if necessary. This includes any Belk labor fees or customer contact expense incurred servicing the customer return.

G. Un-deliverables and Customer Refusals

When a package is returned directly to the vendor by the carrier due to customer refusal or the carrier's inability to deliver the package it is considered undelivered.

- The same policies are in effect for undelivered returns as for all customer returns.
- If a shipment is refused by the customer or returned directly to the vendor, the vendor agrees to submit a credit memo within five (5) business days of receipt of returned product.

H. Carrier and Shipping Service Level Codes

Belk customers have several choices for shipping service levels. Belk utilizes FedEx to support the following service levels: **FedEx SmartPost, FedEx Ground, FedEx 2nd Day Air and FedEx Overnight**. Vendors are expected to adhere to the shipping service level communicated on the PO unless their terms in the Vendor Profile form state that they do not support expedited shipping levels. Vendors are responsible for specifying the carrier and service level used in the shipment confirmation. There are several valid carrier and service level code cross-reference groups that vendors can use. Once the vendor completes the initial consultation with CommerceHub, a follow up email with the cross-reference mapping groups are sent to the vendor. CommerceHub will work with vendors to establish exact carrier and service codes.

Belk requires all vendors to utilize FedEx SmartPost

I. Small Parcel Package Routing

Small parcel is typically defined as less than 70 lbs., and less than 130 inches in length and girth combined. Products fitting these guidelines should have no problem shipping using Belk's standard parcel carrier (FedEx).

- All parcel orders are to be shipped via the carrier designated by Belk (i.e. FedEx Ground Home Delivery utilizing FedEx SmartPost). Packages that do not meet the weight or dimensional specifications to use FedEx SmartPost are to be shipped via FedEx Ground.

- Failure to use SmartPost when possible will result in a chargeback of the difference in cost +\$15 handling
- If SmartPost is not possible, and FedEx Ground Home Delivery is not used, a chargeback of full freight +\$15 handling will be assessed

We offer our customers multiple shipping options:



Ground Shipping
2nd Day Shipping
Overnight Shipping
APO/FPO



Ground shipping can be either FedEx Ground or FedEx SmartPost depending on the weight of the package 15lbs and under will be routed via FedEx SmartPost and over 15lbs will be routed FedEx Ground

FedEx Ground packages are delivered by FedEx Ground drivers within 1-5 business days

FedEx SmartPost packages are moved through the FedEx Ground network and then the USPS makes the final delivery. This service is optimal for lightweight residential shipments as it eliminates some of the surcharges and helps keep the shipping cost down so we can offer “free shipping” and other discounted shipping programs

Call 1.800.GoFedEx 1.800.463.3339

- **Belk does not currently ship packages to any address containing a PO Box.**
- **At this time, Belk only ships order(s) to the contiguous United States, Alaska, Hawaii, and Military APO/FPO address(es).**
- Time sensitive, i.e. perishable foods, will be discussed on an individual basis.
 - Food or other perishable products may require overnight or 2nd Day air shipping.
 - Vendors should appropriately package perishables to prevent spoilage or other damage (i.e. melting).
- Belk requires signature required service be used for high value product.
 - Belk does not allow additional insurance to be purchased for product shipments.
 - If insurance is invoiced, the vendor will be charged back the cost of the insurance service and \$15 handling
 - Certain product will be required to be sent with signature-required delivery. Your Belk Buying office will specify this product or wholesale cost threshold in advance of the online launch of the merchandise.
 - Vendors not following the signature required service policy, which suffers a shipment loss (customer dispute of non-receipt), would be held responsible for all replacement costs and will be charged full freight + \$15 handling
 - If Belk does not require signature service, and one is ordered by the vendor, the vendor will be charged the cost of the signature service + \$15 handling
 - In the event the vendor has followed all Belk policies and suffers a loss on a high value product, Belk agrees to pay the vendor the wholesale cost of good – (minus) any amount reimbursed by the carrier.
 - The vendor may not declare value unless authorized to do so by Belk. If the declared value exceeds \$5,000, the vendor will be charged full freight + \$15 handling
 - Any additional, unauthorized accessorial fees charged by the carrier will be charged back to the vendor plus \$15 handling

J. SmartPost Label Endorsements

Belk uses endorsements for all FedEx SmartPost packages. Endorsements are as follows:

- **“Carrier Leave if No Response”** – Adding the endorsement “Carrier Leave if No Response” to FedEx SmartPost labels will allow the USPS to leave the package at the customer’s residence if it is a registered mailing address and the carrier feels it is a secure location. Without this endorsement, the USPS would leave a post card for the customer advising of the attempted delivery.
- **“Return Service Requested”**

Vendors MUST include the endorsements on FedEx SmartPost labels. The below contains a step-by-step guide for how to add endorsements:

If using FedEx.com or a FedEx Café System – in the FedEx Shipping screen:

1. Select SmartPost as a Service Level
2. Go to Options > FedEx SmartPost Special Services
3. Next to “Instructions for Undeliverable Packages” select ‘View/Edit’ button
4. Select “Carrier Leave if No Response”

To set as default:

1. Choose “Shipping Profiles” from the Customize menu at the top of the screen. The View Shipping Profiles screen displays
2. Select a profile (e.g., ‘Default Domestic Shipping Profile’) and click View/Edit. The View/Edit Domestic Shipping Profile screen displays
3. Select FedEx SmartPost Instruction
4. Select “Constant” in “Behaviors” Section
5. Select “Carrier Leave if No Response” in Field Value
6. Click OK. The View/Edit Domestic Shipping Profile screen displays
7. Click OK. The View Shipping Profile screen displays
8. Click OK. The SmartPost Instructions should now be default.

For SmartPost shipments under 1 lb:

1. “Carrier Leave if No Response” is not available
2. Select “Return Service Requested” instead

If using a 3rd Party CSP (Certified Service Provider) – Please work with your 3rd Party CSP (Certified Service Provider) to include the following endorsements on SmartPost labels:

1. “Carrier Leave if No Response”
2. “Return Service Requested”
3. NOTE: “Carrier Leave if No Response” must be placed above “Return Service Requested”
4. This may require customization from your CSP in their system to add the endorsements to the labels.

K. Fine Jewelry and FJ Watches - Shipping Guidelines for SDF Vendors

Fine Jewelry and Fine Jewelry Watch Vendors are exempt from shipping SmartPost, however, we ask that you follow the guidelines below to mirror our current shipping standards.

- Customer selected Standard Shipping equal to or greater than **\$500 retail price** should be sent via FedEx Ground and have Adult Signature Required
- Customer selected Standard Shipping **over \$1,000** should be sent via FedEx 2nd Day Air and have Adult Signature Required
- Customer selected Express shipping should be sent via FedEx Express with Adult Signature Required for shipments equal to or greater than **\$500 retail price**.
- Product should be packaged and shipped in boxes. Envelopes or bags should never be used for Fine Jewelry product
- Product should be packaged appropriately to prevent damage or lost goods
- Vendors may not declare value or issue additional insurance unless authorized to do so by Belk
- Belk is considered the shipper (Vendor is using Belk’s FedEx account) and is responsible for claims

L. Non-parcel (Oversized, White Glove Service/Over the Threshold Deliver)

These policies pertain to products that cannot be shipped via a standard parcel carrier due to their size, weight, or special services required.

- Vendors should work with Belk to determine the appropriate carrier and billing approach on an individual basis.
- Carriers and rates must be approved by Belk Transportation prior to the online launch of the merchandise.
 - Failure to comply with the agreement made with Belk Transportation (including use of unauthorized carrier) will result in a charge of full freight + \$15 handling.
 - Curbside delivery is not accepted. Freight carriers must be able to deliver a minimum of Over the Threshold service.

M. Belk Prepaid Freight Billing Setup

The SDF Vendor should be shipping on Belk's prepaid account for approved carriers. Upon completion and execution of the required Belk SDF onboarding documentation with counter signatures from the Belk buying team, the SDF Onboarding Coordinator will contact FedEx to obtain unique, prepaid billing account numbers for each Vendor. Your onboarding coordinator will supply you with these account numbers and work with you to coordinate a FedEx field representative to assist with enablement if necessary.

Please use the following address when setting up Belk SDF Prepaid Billing accounts:
Belk Transportation Department
2801 West Tyvola Road
Charlotte, NC 28217
704-426-6540

N. Belk Freight Terms

All Shipments are considered FOB ("Free on Board") origin, designating that the vendor ships on Belk's prepaid FedEx account and is responsible for the product until it leaves their facility.

- Vendors are responsible for ensuring the products leave their facility in "as ordered" (excellent and working) condition.
- Belk will be responsible for filing freight claims to recover funds for damage or losses deemed the fault of the carrier.
- Shipping fees (transportation cost and approved accessorial) are paid by Belk through a prepaid FedEx account or Vendor paid/add arrangement.

In special cases Belk may choose to leverage the vendor's carrier for unique products, services (i.e. white glove, setup/install) or rates. In such cases the vendor will assume additional responsibilities.

- Vendors must gain Belk authorization to leverage the vendor's carrier. Goods shipped by the vendor without leveraging Belk shipping accounts must be expressly approved in advance in writing. Request should be sent to: VendorFreightOffset@Belk.com
 - The use of unauthorized freight carriers will result in a chargeback of full freight +\$15 handling
 - The vendor must ensure the carriers selected for these services are staffed and equipped to provide these services. If the vendor receives permission to use a carrier, and the carrier cannot perform required services, the vendor will be charged full freight +\$15 handling
 - Vendors will be liable for any damages incurred (created) from these shipping carriers set up teams. In this event, the vendor is responsible for seeking retribution from the carrier for incurred damage.

In all cases, customers pay for freight up-front at the point of order placement. It is essential that vendors take steps to ensure that the customer is never solicited for additional fees after their order is taken.

- Regardless of billing profile between Belk and the vendor, all freight must be paid for by the customer.
 - No shipments may be sent “Collect” to the customer. Failure to comply will result in a chargeback of full freight +\$15 handling
 - Under no circumstances should the “Ship To” customer have to pay any additional fees to a carrier to have a shipment delivered.
- Belk expects that vendors will optimize all shipments, just as they would if shipping on their own expense accounts. Belk reserves the right to increase audits on vendors believed to be shipping inefficiently and apply chargebacks if warranted. This includes, but is not limited to, failure to consolidate shipments when possible.

O. Ship Label Specifications

The Shipping Label “Ship From” address must reference “FULFILLMENT CENTER” and include the 1-866-235-5443 number for Belk Customer Service. The address listed should be the **vendor’s** actual fulfillment center address. The ship label should not reference the vendor company name anywhere on the label. A sample of the shipping label must be submitted to your Belk SDF Onboarding Coordinator at SDFVendorCare@belk.com for approval. The sample must be printed from one of the actual printers that will be used to print LIVE orders. Rejected branded shipping labels must be modified to meet the branding specifications or in accordance to requested changes from Belk.

FedEx Label Specifications:

Field Description or “Text” Notes

Phone Number: “1-866-235-5443” (Goes immediately above the Shipper Name)

Shipper Name:

“FULFILLMENT CENTER” (All CAPITALS – 2nd line of the shipping label)

Ship Address: Address, City, State, Zip (The physical address of the vendor)

REF 1 Field: PO Number (Belk SDF PO number)

System Generated Labels:

Standard Sizes: 4.09” x 6” (small) or

6” x 8” (large)

Label type: Adhesive

Edges: Rounded

Paper type: Waxed

Orientation: Portrait

Printer: Thermal (Zebra, Eltron, etc.)

Colors: White background, black font

Font: Standard carrier format

Resolution: 203 dpi (8 dots/mm)

Smart post labels must have the following endorsement added to the label in the area below the “Ship From Address (See next page for example) Adding the Endorsement **“Carrier Leave if No Response”** to FedEx SmartPost labels will allow the USPS to leave the package at the customer’s residence if it is a registered mailing address and the carrier feels it is a secure location. Without this Endorsement, the USPS would leave a post card for the customer advising of the attempted delivery.

Belk Transportation and SDF Vendor Care ask that you conform with making this update to the FedEx SmartPost Labels. We will provide a step-by-step guide for how to make the updates. If you have any questions or concerns, please reach out to your SDF Vendor Care contact and support will be provided.

Diagram G – Belk Ship Label Sample

Vendor's FedEx Shipping Label Sample:

Shipping Label "SHIP FROM" section should contain the Belk Customer Service # 1-866-235-5443 on the first line. Second line should populate with "Fulfillment Center" and then the Vendor's Fulfillment Center Address. Package should be coded for "FedEx Home Delivery" with the Big "H" showing. Also should show the package is a "GND Prepaid Account"

Vendor's FedEx Smart Post Shipping Label Sample

Shipping Label "SHIP FROM" section should contain the Belk Customer Service # 1-866-235-5443 on the first line. Second line should populate with "Fulfillment Center" and then the Vendor's Fulfillment Center Address. Other required elements are circled in red below. SmartPost will show 2 barcodes also.

P. Product Packaging

Certain vendor marketing information (e.g., phone number for direct sales) should not appear on the outermost shipping carton. Vendors may be required to cover selected content or modify the shipping cartons if it is determined that the vendor's marketing material results in channel conflict with Belk or creates customer confusion. Belk must approve all shipping cartons with vendor related marketing copy prior to use. Vendors are responsible for adequately packing all of the products. If vendors have not tested the durability of their packaging, the International Safe Transit Association's (ISTA) transportation and vibration packaging standards are good resources for ensuring products meet the minimum requirements to withstand the shocks and stresses normally encountered during handling and transportation of merchandise.

To acquire a copy of those standards, please contact:

ISTA 1400 Abbott Road
 Suite 310
 East Lansing, Michigan 48823
 Phone #: 517-333-3437
 Website: www.ista.org

Q. Returns

SDF vendors have 2 options in which returns can be handled for Belk Drop Ship Orders. These options are as outlined below. In cases where deemed appropriate (as with perishable products) a field-destroy arrangement (typically involving a discount) may be negotiated. The return method selected will determine the return address that will populate on the packing slip:

Option #1: Customer returns are sent directly back to the direct ship vendor's fulfillment location.

- The Supplier must accept customer returns in accordance with Belk 180 day return policy. Customers are allowed 190 days from the order shipment date to the date the merchandise arrives at your facility.
- For Fine Jewelry and Area Rugs (4-ft. x 6-ft. and larger), returns will be accepted within 90 days of purchase.
- All returns are to be shipped back to the Supplier at the expense of the customer with the exception of defective, vendor damaged or mis-shipped merchandise, which will be at the Supplier's expense or Fine Jewelry and specialty item returns where specifically indicated by the Belk buying office. Belk will issue a service request to Suppliers for damaged, defective or mis-shipped merchandise. The Supplier may be asked to issue a call tag and/or pay shipment expense for this type of return.
- **All returns (including undelivered) must be processed in CommerceHub within 5 business days of receipt of the returned customer package**
 - If a customer's order is not received within 10 business days and we cannot validate through FedEx tracking where that order is, Belk Customer Service will automatically issue a return or replacement. It is customer choice.
- Customers will not be required to obtain a Return Authorization prior to shipping their returns back. Suppliers must be able to accept and process Belk customer returns without RA's. **OR** Suppliers may pre-assign RA's and print them on the Merchandise Return Label portion of the Belk customer Invoice (pack list) and the ship label in the Ref#2 section
- Re-stocking and handling charges are not accepted by Belk. All re-stocking and handling charge considerations must be negotiated with the Belk merchant.

Option #2: Customer returns are returned back to Belk at our Jonesville fulfillment center.

- All products purchased via Belk.COM can be returned via mail to the Belk eCommerce Fulfillment center.
- When a future order generates for this item, the inventory will be sourced from our fulfillment center first before sending the order to the direct ship vendor.
- All additional returns processing will follow the "Returned Goods / Fulfillment Order Purchase Terms" of the Vendor Profile or as governed by the Defective/Return Allowance in place for the Vendor.

To be eligible for full credit, customer returns must be received in new, unused condition with all components accounted for. Following are general guidelines for Belk customer returns:

- To ensure jewelry and watches are returned in an unused (no wear), as sold condition, vendors may apply Mylar tags or special packaging. Vendors should contact Belk for approval on the approach and recommended Mylar tag suppliers.
- An extended return period may apply during the fourth (4th) quarter holiday season in order to encourage holiday gift giving. Vendors must accept returns in accordance with policies stated on BELK.COM, or their products cannot be sold during this time period.
 - Belk will provide advance notification of such promotional programs far enough in advance to allow vendors to opt-out. Choosing to opt-out may result in temporary removal of your product from the site, through the applicable promotional period.
- Belk will issue a debit against a future invoice remittance payment for all products approved for returned-to-vendor (RTV) or designated as Field Destroy, unless the vendor has negotiated a "Mark Out-of-Stock" allowance with Belk to cover returns.

- There should not be any direct communication between a vendor and Belk customers unless requested by Belk Web Operations or contacted directly by Belk eCommerce customer (generally to deal with product specific questions like parts replacement).
- In the event a customer return is received outside of the return window, vendors should contact Belk Web Operations for instructions.
 - Depending upon the circumstances, the product may need to be shipped back to the customer, or an exception (at Belk expense) may be granted.
 - Should a return be received back used (and not defective), or missing components, the vendor may contact Belk for resolution with the customer.

R. Credit Memos

Vendors will provide Belk with notification of receipt of a customer return through CommerceHub. The returns notification will also act as a credit memo, and vendors will see the cost of goods sold for any returned goods debited from subsequent payment.

- Vendors will be debited for the full cost of goods sold for all customer returns to the vendor.
- In the event the vendor receives a return back that shows obvious customer use, and is not defective, vendors may contact Belk A/P to receive credit for the unsellable goods that were fraudulently returned by the customer.
- All customer returns must be processed in CommerceHub within five (5) days of receipt of the customer package. A customer inquiry which reveals non-compliance will result in the following compliance fee:

- **03** – Failure to meet credit memo requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the five (5) business days.

6. Launch and Stabilization

Upon completion of the SDF Belk onboarding requirements and CommerceHub setup, vendors will receive a formal launch letter from their SDF Onboarding Coordinator. The vendor launch letter summarizes all completed onboarding activities. The launch letter also provides vendors with the necessary dates they will need to load their inventory file with CommerceHub.

Vendors are advised to complete the following inventory setup procedures:

1. Obtain Belk SDF Assortment
 - Vendors will need to contact the Belk buying team to obtain the appropriate SDF assortment that has been setup for them.
2. Validate Inventory
 - Vendors are encouraged to validate inventory availability for the SDF assortment provided by the Belk buying team and communicate any issues with item availability immediately.
3. Load and Validate Inventory File in CommerceHub
 - Vendors are requested to setup (load) their SDF inventory file in CommerceHub on the date indicated in the vendor launch letter.
 - **The Vendor UPC must be loaded into the CommerceHub inventory file as a 13-digit UPC. If your Vendor UPC is currently 12-digits, you will need to add a leading “0” Zero. Be sure to put this 13-digit number in the Vendor SKU field on your inventory file.**

A. SDF Inventory Advice (EDI 846 or equivalent)

To initiate selling of SDF vendor products, vendors are required to provide Belk with daily inventory availability quantities via the CommerceHub EDI 846 inventory file. This communication drives the product inventory availability in the Belk order management system (OMS).

CommerceHub transmits the quantities associated with a vendor’s SKU in the inventory file to Belk one time **every evening at 11:00 p.m. EST**. When there is a positive quantity associated, the product will be displayed on belk.com and will be available to sell via belk.com or via the Belk call center. If there is a zero (“0”) value associated, the vendor product will not be displayed and will not be available to sell. Vendors **MUST NOT** populate the file with a “null” value or “negative” value as the Belk system will not recognize these values. As such, product will remain with the last positive, whole number inventory quantity reported in the inventory file.

There are three ways a vendor can setup and maintain inventory quantities in CommerceHub (**Table 2**). CommerceHub will provide vendors with specifications and/or training for setting up inventory. Technical setup issues should be directed to the vendor’s assigned CommerceHub implementation manager at partnersetup@CommerceHub.com and/or CommerceHub Customer Support at customersupport@CommerceHub.com.

Table 2 – Inventory Setup Options

Inventory Setup & Maintenance Options	# of SKUs	Connection Type	
		Browser	Integrated
A. Input manually via CommerceHub’s browser interface	<25	✓	✓
B. Upload a tab delimited file (.csv) to the browser interface	>25	✓	✓
C. Transmit files via an standardized format for integrated connections (e.g., EDI 846, XML, FTP)	>25		✓

B. Belk’s SDF inventory availability policies:

- Inventory communicated to Belk is expected to be 100% available for Belk customers as the Belk systems interpret the reported values as “available-to-promise” and “private”. Belk will take order quantities up to the reported available inventory levels.
- Vendors will submit inventory quantities at least daily during standard business days.
- Vendors should anticipate inventory needs based on historical sell-through and anticipated promotions.
- Available inventory must be reported at the SKU level.
- A minimum of 95% of the “available” assortment is expected to have quantity available at any point in time.
- For out of stock products, vendors are required to zero (“0”) out inventory the same business day.
 - Any order that cannot be filled within the standard fulfillment time period of 2 business days due to the lack of inventory should be canceled. Backorders and substitutions are NOT permitted.
- For Discontinued SKU’s, vendor must advise their Belk buying office and update the SKU status in the CommerceHub inventory file.
 - Inventory should continue to be reported on the discontinued SKU until the product inventory is completely depleted or until an item is to be no longer sold on BELK.COM. When an item is no longer available and/or once inventory is depleted, the inventory for that SKU must be updated to (“0”) units in the vendor inventory file for the 11:00 p.m. Belk file upload. Only after the item updates to an “out of stock status” on Belk.com or falls off the site, should the SKU be removed from the inventory feed.

7. Belk Production Environment Testing

In some cases, the successful completion of a production test is required for the vendor to be certified as 'Operationally Ready' to launch as a Belk SDF vendor. Vendors will be notified via email by the SDF Onboarding Coordinator when a production test order is required and has been placed. All questions and technical issues with processing these test cases should be directed to the vendor assigned SDF Onboarding Coordinator at SDFVendorCare@Belk.com.

To initiate these test cases, the vendor must be in 'Production' in CommerceHub[®], successfully completed the appropriate CommerceHub[®] training, and correctly set up inventory in the CommerceHub[®] production system. This testing step applies to all connection methods and may be conducted by the Belk Web Operations team at any time post launch. It is intended to verify the vendor's ability to successfully handle orders in a production environment. These tests are live orders which are to be fulfilled and shipped in the same manner the vendor will ship orders to all Belk customers. The production test cases are designed to evaluate the SDF vendor compliance and performance in the following areas: correct address, correct returns address or returns reference, branding conformity of pack list and ship label, packaging sturdiness, tracking number validity, correct shipping service level defined on PO, and ability process a return.

A. Belk Live Test Plan

Vendors may receive a live test order. Vendors with multiple product lines or multiple warehouses may be required to complete more than 1 Live Test Plan however all test plans will consist of the following:

Single Line Order

- Vendor opens and processes physical order within "Standard Fulfillment" timeframe
- Vendor ships entire order and transmits shipment confirmation
- Vendor submits an Invoice (closes the EDI 856)
- Belk receives and inspects product, branding, packaging and CommerceHub processing
 - Processing and ship confirm must be completed in standard fulfillment time frame
 - Tracking numbers must be accurate
 - Carrier codes and shipping service levels must be accurate
 - Pack list must be original free of any additional markings
 - Packaging must be free of vendor branding or have been preapproved by Belk
 - Packaging must be sturdy and appropriate for the product being shipped
- Belk returns product (based on vendor agreement for location of return, either directly to Vendors FC or back to the Belk FC).

8. Customer Service

A. Belk Customer Service Commitment

Drop Ship Vendors play a critical part in the customer relationship, acting as an extension of Belk, with a direct touch point to Belk customers. Ideally, vendors should provide an email that reaches multiple people (i.e., distribution list), or a customer service queue that will be worked during regular business hours to ensure coverage independent of any one individual's work schedule.

- Contacts should be provided on the Vendor Profile Form, and include a point contact name, e-mail and phone number.
- Vendors must ensure that service requests can be processed throughout the year, even when the regular point person may be unavailable (e.g., vacation).
 - If the vendor is unable to provide an email address that reaches multiple people, they must notify Belk Web Operations of an alternative contact one (1) business day in advance of the primary contact going out of the office.

Service requests are direct inquiries from Belk customers and must be resolved as quickly as possible. Vendors must be able to accept and respond to Belk service requests within one (1) business day. **Failure to respond may result in the following compliance violation fine:**

- **04** – Failure to respond to the Service Request within one (1) business day will result in a \$20.00 penalty. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, vendors may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.

B. Product Recalls

Vendors **must** notify Belk within 24 hours of awareness of the need to execute a product recall.

- Vendors may be authorized to contact Belk customers directly in order to manage the recall process.
- Costs incurred by Belk as the result of a product recall may be charged back to the vendor/manufacturer (or debited from future invoices).

C. Parts Replacement

Products received without all of the required parts (including warranties and assembly instructions) or with some components damaged should be eligible for parts service by the vendor, so as to avoid a return.

- Vendors may provide direct contact information for Parts & Service if they have an adequately trained and staffed toll-free method for the customer to work with them.
- For both direct contacts and Belk handled service requests, vendors must replace any defective or missing parts requested within three (3) business days of notification. These parts should be sent directly to the customer. The replacements parts cannot be shipped using Belk's FedEx billing account.
- If parts are not available to complete the customer's order, or if the vendor is unable to provide parts service, then a replacement order will be issued for the customer at the vendor's cost.
- In the event the vendor does not have a publicly available Parts and Service Department, Belk will take care of the customer and forward parts requests to the contact provided.

9. SDF Vendor Partnership Evaluation – Post Launch

New vendors are closely monitored during their first 60 day evaluation period for policy and process compliance. All violations and variances are managed closely with the vendor to correct. **Vendors are expected to follow all Belk policies. Belk reserves the right to terminate a partnership for non-action to repeated offenses of any policies listed in this manual.**

- Violations during that 60 day evaluation period may be assessed or waived pending collaborative review by Belk Web Operations. Vendors with extreme or uncorrectable issues will be evaluated for removal from the SDF program.
- Vendor service level performance and adherence to the policies will be monitored on an ongoing basis. Service level performance metric categories include, but are not limited to financial impact, operational performance (e.g., fill rates, fulfillment lead-time), policy compliance and relationship commitment.

A. Compliance Fee Schedule

All vendors participating in drop ship at Belk will be subject to the drop ship violations schedule outlined below:

- **01** – A per order charge for each SDF order that is not confirmed as shipped or cancelled within the standard timeframe if a threshold of 98% compliance is not met for orders within a given month.
- **02** – For returns due to defective, mis-shipped or vendor damaged merchandise, the Vendor is responsible for all service fees and shipping charges related to the return of the merchandise if necessary. This includes any Belk labor fees or customer contact expense incurred servicing the customer return.
- **03** – Failure to meet credit memo requirements will result in a \$25.00 penalty charge for each customer return that is not processed within the five (5) business days.
- **04** – Failure to respond to the Service Request within one (1) business day will result in a \$20.00 penalty. A penalty of \$20.00 will be applied for each consecutive business day of non-response to the service request. Additionally, vendors may be charged for costs incurred resolving non-response to service requests, including cost to resolve the customer issue.

B. Compliance Fee Schedule for Improper Shipping Procedures

Vendors may utilize the VendorFreightOffset@Belk.com email address to dispute or inquire about infractions related to Improper Shipping Procedures. All Transportation Chargeback inquiries to Belk should be made in writing, either by mail or e-mail, and include the Debit Memo number assigned to the chargeback, a detailed explanation of the issue, and a point of contact to include name, e-mail address, phone number, and address. Vendor disputes must be made within ninety (90) days of claim notification due to the limitation of retention of some carrier’s information. Inquiries older than six (6) months may incur an expense offset fee of \$30 per aged item/claim. A letter will be sent informing you of this policy and asking if you still want the claim(s) researched.

Violation	Penalty
Unauthorized Use of FedEx Prepaid Account <ul style="list-style-type: none"> • Tracking number from FedEx billing does not match to tracking number from Commerce Hub <ul style="list-style-type: none"> ○ Tracking number must be entered correctly into Commerce Hub ○ When shipping SmartPost, the USPS tracking number must be entered into Commerce Hub ○ Must enter the tracking number for each package; only entering the Master Tracking number of a shipment will result in chargebacks 	Full Freight + \$15 handling fee
Use of Unauthorized Freight Carriers <ul style="list-style-type: none"> • FedEx is the required carrier for SDF shipments 	Full Freight + \$15 handling fee
Failure of Vendor-Selected Carrier to Perform Required Services <ul style="list-style-type: none"> • FedEx is the required carrier for SDF shipments 	Full Freight + \$15 handling fee
Shipment Sent "Collect" to Customer	Full Freight + \$15 handling fee
Declared Value Exceeds \$5,000	Full Freight + \$15 handling fee
Failure to use SmartPost <ul style="list-style-type: none"> • Packages less than or equal to 15 pounds must be shipped FedEx SmartPost 	Difference in Cost + \$15 handling fee
Failure to use Ground if Shipment is not SmartPost Eligible <ul style="list-style-type: none"> • Packages greater than 15 pounds must be shipped FedEx Ground • Package shipped via Express when customer paid for ground 	Full Freight + \$15 handling fee
Unauthorized Charges Incurred (Insurance, Signature Service when not Required)	Cost of Each Service + \$15 handling fee
Failure to Use Signature Service when Required	Full Freight + \$15 handling fee
Failure to Comply with Agreement for non-Small Parcel Shipments	Full Freight + \$15 handling fee

10. Belk SDF Key Contact Information

Vendors will be assigned a Belk SDF Onboarding Coordinator as their primary contact through launch into stabilization and beyond. The SDF Onboarding Coordinator is responsible for managing a vendor's Onboarding implementation timeline, completion of milestones and issue resolution. Although a vendor may interface with different departments at Belk to negotiate assortments or the transportation team to discuss carrier information, the Onboarding Coordinator will be working directly with the vendor through the onboarding process to ensure that all items are submitted by established onboarding milestones and meet Belk requirements. **For a detailed list of SDF contacts, please refer to the Belk SDF Contacts List:**

Belk Corporate Headquarters:

**2801 West Tyvola Road
Charlotte, NC 28217**

SDF Program / Belk Web Operations

General Program questions, customer issues, shipment errors, fulfillment concerns, service request response, taxation questions etc.

Email: SDFVendorCare@belk.com

Belk Buying Offices

Assortment updates, Assortment Management, Image and Narrative submission and questions:
Contact your individually assigned Buyer and Buying Team

Belk Customer Service (Customer Facing Contact)

Email: Belk_Customer_Care@Belk.com

Phone: 1-866-235-5443

Accounts Payable

SDF Vendor Invoicing Inquiries

Email: AP_Correspondence@Belk.com

Transportation

Shipping Violations and Infraction Inquiries

Email: VendorFreightOffSet@Belk.com

CommerceHub

Website: www.CommerceHub.com

Email: customersupport@CommerceHub.com

Phone: 518-810-0700 opt. 2

Fax: 518-810-0701

GXS catalog set up

Contact Christian Menjivar - Manager, Inside Sales

Email: cmenjiva@opentext.com

Phone: 301-340-4038

Fax: 800-787-8912

11. Related Documents

Documents are distributed to vendors in their SDF Vendor intro packet. The most updated versions of these documents are available on the Belk Vendor Center website at [WEBSITE](#). Vendors are responsible to check the Vendor section of belk.com periodically (recommended monthly) for Belk SDF program and Vendor Manual updates.

1. **Belk Vendor Participant Policies** - Policies and procedures SDF vendors are required to agree upon in order to ensure adherence to our SLA's and our program. This document also serves as the program overview to assist vendors in setting up the necessary infrastructure to participate in Belk's SDF program.
 - Onboarding Management
 - Documentation Required
 - Assortment Selection & Production
 - Order Processing Interface Setup
 - Belk Branded Pack List
 - Shipping Guidelines / Carrier Enablement
 - FedEx prepaid account setup
 - Returns
 - Shipping Label Requirements
 - Launch & Stabilization
 - Vendor Launch Letter
 - Inventory setup
2. **SDF Vendor Agreement** - Every SDF vendor will be required to sign this document and return to us. This document includes our NDA as well.
3. **Vendor Profile** - Vendor Profile information such as warehouse locations, additional account contacts such as EDI and Customer Service as well as warehouse closure information
 - Changes to the list of closure dates must be submitted at least 10 business days prior to the closure.
 - In the event of an emergency (unexpected) closure, Belk must be notified immediately.
 - The vendor is expected to take appropriate action to ensure they do not receive customer orders during their closure period.