



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

Prefix/Reason Code	Explanation of Charges	Penalty	Contact
DCADULTRTD	Product found adulterated upon receipt	\$500	DC Ops - Chargebacks
DCHANDGLUE	DC Ops Handling to fix glued boxes on pallet	\$75 + \$100/hr + supplies	DC Ops - Chargebacks
DCHDCTNMIX	DC Ops Handling to fix different product in 1 carton	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCHDESTROY	DC Ops Handling to destroy product for any reason	\$75 + \$100/hr + \$freight	DC Ops- Chargebacks
DCHDFLRMIX	DC Ops Handling to fix floor load not pre-sorted by product/SKU	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCHDMISMTC	DC Ops Handling to fix carton marking / actual content mismatch	\$75 + \$100/hr + supplies	DC Ops - Chargebacks



Prefix/Reason Code	Explanation of Charges	Penalty	Contact
DCHDPALLET	DC Ops Handling to fix any pallet quality issue (i.e. over weight/height; broken; leaning)	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCHDPALMIX	DC Ops Handling to fix same product/SKU together on pallet	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCHWRONGDC	DC Ops Handling to process/correct product shipped to wrong DC	\$75 + \$100/hr	DC Ops- Chargebacks
DCNOCTNMRK	DC Ops Handling to fix carton markings (i.e. missing ANY required markings on cartons)	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCNOITMMRK	DC Ops Handling to fix missing product/item/inner packaging or marking	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCPACKLABL	DC Ops Handling to fix gift labels falling off product	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCPACKPOLY	DC Ops Handling to fix missing/adding poly over garments	\$75 + \$100/hr + supplies	DC Ops- Chargebacks
DCPREPPOD	For Prepaid: DC Ops to request proper Proof of Delivery not accompanying shipment	\$200	DC Ops- Chargebacks
DCPREPUPDN	For Prepaid: DC Ops Lumper charges to unload, pallet build, pallet up/downstack	Lumper Fees	DC Ops- Chargebacks
DCRETURNVN	DC Ops Handling to process Return to Vendor product	\$75 + \$100/hr + \$freight	DC Ops- Chargebacks
DCRETURNWT	DC Ops Handling for excess storage time waiting to Return to Vendor authorization > 3 days	\$75 + \$25/day per pallet	DC Ops- Chargebacks
DCSPPROJECT	DC Ops Handling to process any Special Project request	\$75 + \$100/hr + supplies (Quote Upon Request)	DC Ops- Chargebacks
FR	Non-compliance of Freshness Policy at Receipt (i.e., yard/in-gate < 9 mo for Guaranteed Shelf Life (GSL) for 12 mo expiration item)	20% Handling + 6% Freight + 20%; any DC Ops handling will be charged separately as required (i.e. destroy, return to vendor)	Merchandise-Guaranteed Shelf Life (GSL)



Prefix/Reason Code	Explanation of Charges	Penalty	Contact
TRCLCTLOAD	For Collect: Carrier charges to perform Loading that should have been done by Supplier	\$75 + \$Carrier Charge	Transportation
TRDETLOAD	For Collect: Excess driver wait on loading time > 2hrs (Detention at Loading)	\$75 + \$60/hr	Transportation
TRFAILBLBR	Carrier charges to fix block and brace on shipment	\$75 + \$Carrier/Third Party Charge	Transportation
TRTNOTUSED	For Collect: Booking charge of Trailer Ordered Not Used (after dispatch)	\$75 + \$300	Transportation
TRWRGINFO	For Collect: Charges & handling to fix incorrect/wrong shipment information	\$75 + \$Difference in Freight	Transportation
VCOTIFOTIF	Non-compliance of On Time and In Full service level commitment	\$375/PO	Vendor Compliance

D. Contacts Matrix

Contacts	Emails
Distribution Center Operations (DC Ops)-Chargebacks	DC201/9990: NCDCChargeback@familydollar.com
	DC202/9520: ARDCChargeback@familydollar.com
	DC203/9540: VADCChargeback@familydollar.com
	DC204/9560: OKDCChargeback@familydollar.com
	DC205/9580: KYDCChargeback@familydollar.com
	DC206/9590: IADCChargeback@familydollar.com
	DC207/9550: FLDCChargeback@familydollar.com
	DC208/9570: NYDCChargeback@familydollar.com
	DC209/9510: INDCChargeback@familydollar.com
	DC210/9515: UTDCChargeback@familydollar.com
	DC211/9530: TXDCChargeback@familydollar.com
Merchandise - Guaranteed Shelf Life (GSL)	FD_Food@familydollar.com
Transportation	Freightchargeback@dollartree.com
Vendor Compliance	VendorCompliance@familydollar.com