

VENDOR RELATIONS

Vendor Relations

The goal of the Burlington's Vendor Relations department is to work together with its vendors to create strong and successful partnerships. They are the vendor's single point of contact for questions vendors may have regarding compliance issues, Accounts Payable, and EDI/Gateway inquiries. We encourage open and proactive communication to avoid issues before they arise.

Charges/Deductions

There are different types of charges and deductions that may appear on your check. A "chargeback" is any compliance related charge and will appear on your check with the prefix of "VC". A "deduction" is an invoice debit taken by Accounts Payable.

Deductions/charges must be disputed within 6 months of the deductions/charge create date. Charges disputed outside of the 6 month window will not be reviewed. Please do not accumulate charges for dispute on a monthly, quarterly, seasonal, or annual basis.

Please note:

If there is a need for an exemption, a conversation needs to be had prior to shipping your merchandise. Exemptions to any rule can only be approved by Vendor Relations and are valid for a maximum of one year (or less if noted in the approval). Merchants are unable to approve exemptions. Exemptions will not automatically renew, it will be up to the vendor to reopen the discussion for further exemption.

Vendor Compliance Charges (VC)

Vendor Compliance charges are issued when disruptions occur in our distribution centers and affects the receiving of merchandise caused by the vendor. Burlington Stores has created a compliance rule list that is intended to recover any additional costs incurred due to vendor non-compliance.

Below is the compliance rule list in its entirety. Charge amounts for a specific incident will be calculated based on a number of variables; for example, carton count, PO cost, PO units, etc. If you require further clarification, please do not hesitate to reach out to the Vendor Relations department at 609-387-7800 x73318 or Vendor.Relations@Burlington.com.

Charge Category	Compliance Rule	Rule Description	Minimum Charge	Maximum Charge
Carton Information	1989	Duplicate carton number	\$250	\$2,000
	470	Shipping label in wrong location	\$125	\$1,500
	435	Carton labels are in wrong location	\$125	\$1,500
	475	No UCC128 barcode shipping label	\$25 per carton	\$1,500
Floor Ready Issues	780	Tickets on merchandise are for a different retailer	\$100	\$2,500
	800	Incorrect ticket placement	\$125	\$2,500
	885	Merchandise partially pre-ticketed	\$250	\$2,500
	890	Merchandise not pre-ticketed with white tickets	\$250	\$.25(per unit)
	890	Merchandise not pre-ticketed with colored tickets	\$.50(per unit)	\$.50(per unit)
Packing Issues	600	Styles, colors & sizes mixed in a carton	\$125	\$2,500
	625	Cartons are not reshippable	\$25 per carton	\$500
	1415	Concealed shortage	\$125	
	1850	Cartons strapped or banded	\$125	
PO Exceptions	650	Style substitution	\$250	\$2,500
	655	Size substitution	\$250	\$2,500
	660	Color substitution	\$250	\$2,500
PO Fill Rate Issues	<i>Burlington Stores allows a 10% fill rate variance per style. It is the vendor's responsibility to notify the appropriate contact within the Purchase Order Entry team prior to shipment if the PO will be outside of this variance in order to avoid a chargeback. If the fill rate per style is within 10%, you do not need to notify the Purchase Order Entry team.</i>			
	670	Style under shipped	\$200	\$750
Receiving Issues	1150	No ASN at time of receipt	\$125	\$1,500
	2261	ASN not received on time	\$125	\$1500
Freight Charges	2220/259	Late routing request	\$250	
	257	More than one ready to pick up date in the same week	\$150	
	258	More than one routing request in the same week	\$150	
	2262	Multiple appointments on one trailer	\$200(per PO)	\$200(Per PO)
	215	Freight sent collect - s/b prepaid	\$150+FF	
	235	More than two shipments in a week to the same location	\$150+FF	
	255	PO shipped on consecutive days	\$150+FF	
	270	Failure to consolidate Same day shipments	\$150+FF	
	1611	Shipped to wrong location	\$250+FF	
	225	Failure to ship via consolidator	\$250+FF	
	1610, 1628	Authorization number not on freight bill	\$150	
	1975,252	PO shipped not routed	\$250 per PO line	
	253	PO routed not shipped	\$150	
	249	Routed carrier not used (P2)	\$150	
	242	PO Discrepancy against routing	\$150+FF	

Disputing Vendor Compliance Charges (VC)

All vendors must submit VC and FRT disputes through the Traverse Portal. This will eliminate duplicate requests, and allow the Vendor Relations team to handle disputes in the most efficient manner.

If you feel you have received an invalid vendor compliance chargeback, you may dispute the chargeback through our Traverse Portal within six months of the date your charge was transmitted to you. Please be sure to include all relevant backup documentation.

Traverse Portal <https://burl.traversesystems.com>

The compliance portal provides vendors access to:

- View vendor compliance chargeback details
- Photos and other supporting chargeback data
- Download individual compliance chargeback details
- Submit disputes
- Dispute status
- Check Remittances
- Invoice Status

This website requires a login for access. If you wish to access the site and do not have a user name and password, email Vendor.Relations@Burlington.com with the following information:

- Name of person wishing to have access to the site
- Job title
- Address, city, state, zip code
- Phone number
- Email address
- Vendor name(s) and the vendor number(s) that you will need visibility to
- Purchase Order Number

All correspondence regarding vendor compliance charges must be submitted through the compliance portal. If you have any compliance questions or need general information please contact:

Email: Vendor.Relations@Burlington.com

Phone: 609-387-7800 x73318

Freight Summary Claims (FS)

FS Claims are only issued for inbound merchandise coming directly from a vendor, either being sent to the stores or to the distribution center.

1. Code 15- Purchase Order Terms

The PO being charged with a code 15 FS claim can either have freight terms of “Vendor Pays 50%” or “Vendor Pays 100%.”

If the freight terms for the PO referenced in the FS claim are “Vendor Pays 50%,” the freight bill costs are split between Burlington Stores and the vendor equally; therefore the vendor is only being charged for half of the freight cost, not the entire amount.

If the freight terms for the PO referenced in the FS claim are “Vendor Pays 100%,” the vendor is being charged because Burlington Stores was billed and paid for the freight costs. If the PO terms show that the vendor was responsible for paying all or part of the freight, a chargeback debit will be created to recoup the freight costs.

2. Code 16- Air/Ground Express

Code 16 FS claims occur when the freight is expedited via Air or Ground Express on Burlington Stores’ account.

If this occurs, the vendor will be charged 100% of the freight costs plus a \$5.00 per carton penalty/handling fee.

3. Code 17- AK, PR, New Store & FedEx

Code 17 FS claims are associated with direct to store shipments going to Alaska, Puerto Rico, or new stores.

Cartons going direct to Alaska or Puerto Rico stores are to be shipped to a specific consolidator as outlined in Chapter 3 of the Vendor Manual.

Cartons going direct to new stores should be shipped to a specific consolidator until the location has opened. New store drop ship instructions as well as corresponding new stores numbers are posted on the Introduction page of our vendor website located at www.burlingtoncoatfactory.com/vendors.

Not following these guidelines could result in being charged 100% of the freight as well as a \$25.00 per carton penalty/handling fee for the cartons going to these locations.

4. Code 18- UPS Used, Must Use FedEx

Code 18 FS claims are for vendors using UPS instead of FedEx as a parcel carrier when shipping direct to stores.

Per chapter 3 of the Vendor Manual, freight collect vendors must use FedEx when shipping cartons direct to stores.

Not following these guidelines could result in being charged 100% of the freight as well as an additional \$5.00 per carton penalty/handling fee for using the wrong parcel carrier.

Disputing a Freight Summary Claim (FS)

If you would like a copy of your FS Detail or feel you have received an invalid FS claim, please reach out to Vendor.Relations@BurlingtonStores.com.

Note: All reversals/adjustments are approved by Vendor Relations, with no exceptions. Buyers may not authorize chargeback reversals/adjustments.

Recalls and Unsafe Products Policy

When a product is deemed defective, substandard, unsafe, hazardous, not in compliance with Burlington Stores’ policies or standards or not in compliance with applicable laws and regulations, all units may be recalled from Burlington’s stores at the discretion of Burlington Stores. Vendors will be charged back for the cost of the merchandise, and shall be responsible for all freight and handling charges. In addition to all other rights and remedies Burlington

Stores may have under applicable law, including the right to recover for lost sales; Burlington Stores may also charge the vendor up to 20% of the retail cost of all such goods to offset the expenses that may arise from executing any recalls of the merchandise. Burlington Stores will process most such recalls under its “debit and destroy” policy (i.e. the merchandise will not be returned to the vendor). Any incremental costs incurred as a result of management, administration, or disposal of defective, substandard, unsafe, hazardous or recalled product will be charged back to the vendor.

Return to Vendor/ Buyer Request (RTV)

The following may be refused at time of delivery at the sole discretion of Burlington Stores and at the complete expense of the vendor.

- Early shipments
- Shipments past their cancellation dates
- Unauthorized shipments
- Over-shipments
 - Substitutions
 - Invalid orders
 - Cancelled orders
 - Shipping with late or inaccurate ASNs
 - Merchandise that does not meet purchase order specifications of style, color size, quantity and/or quality

NOTE: Burlington Stores will not request nor require return authorization for such refusal.

Vendor minimum insurance requirements

In order to fulfill all express and implied warranty and indemnification obligations under the Terms and Conditions of the Burlington Stores Purchase Order, please note the following Burlington Stores vendor minimum insurance requirements. Vendor at its sole cost and expense agrees to maintain, in full force and effect at all times, at least the following type and amount of insurance for claims which may arise out of, or in connection with, the Purchase Order and/or merchandise furnished thereunder: Commercial General Liability Insurance, including Contractual and Products Liability, on an occurrence basis, with limits of at least \$1,000,000 per occurrence with \$4,000,000 umbrella. Such policy shall name Burlington Stores (together with its affiliates and subsidiaries) as an additional insured. Vendor will provide Burlington Stores with a certificate evidencing the required insurance and additional insured vendor endorsement. By requiring insurance herein, Burlington Stores does not represent that coverage and limits will be adequate to protect Vendor. Additionally, such coverage and limits shall not be deemed as a limitation on Vendor's liability under the Purchase Order. Please provide your insurance agent or broker with a copy of this letter and ask them to send the original Certificate of Liability Insurance to the Vendor Setup department via regular mail to:

*Burlington Stores
Attn: Vendor Setup
3rd floor- Room 309
4287 Route 130 South
Edgewater Park, NJ 08010*

Sample Submission

All freight costs relating to shipments of sample merchandise are at the vendors' expense. Merchandise samples provided to Burlington, which the vendor has not identified in writing as to be returned to vendor within 15 days of delivery, become the sole property of Burlington and may be donated by Burlington to a charitable organization of its choosing or sold in sample sale, at Burlington's discretion.

ACCOUNTS PAYABLE

Accounts Payable Deductions

AD- Advertising debit	FX- Fixture
AN- Anticipation	LH- Legal hold/charge
CO- Commission	MD- Mark down
CR- Credit	NSD- New store discount
D- Discount	PMDSE- Pre-payment of a wire
DMC – Price difference, discount, substitution	R- Received short, Recall, RTV/ Buyer’s request
DMQ – Shortage	
DMCCMQDMQ – Discount on repayment of shortage	

Shortages (DMQ)

If Burlington determines that there is a merchandise invoice shortage, the invoice will be issued with a DMQ claim debit. Details for these shortage debits will be on the check remittance. All shortage disputes should be sent to Vendor.Relations@Burlington.com within 6 months of receipt. Include any backup documentation and a filled out copy of the Shortage Dispute Form. Please compile and send all undisputed shortage claims onto one dispute form.

Allowances/Discounts

Many vendors have various allowances with Burlington Stores that were negotiated by our merchant and your sales person. These negotiations will appear on your vendor agreement and/or purchase order.

Defective Allowances

Audits are performed on all POs to determine if a defective allowance should have been taken based on the terms negotiated on your Vendor Agreement. If it is determined that an allowance should have been applied, the allowance will be deducted based on received units at the PO level to capture the agreed upon percentage. This will appear on your check in the form of a Vendor Compliance (VC) charge.

Inventory Control (R Debits)

For backup information for these types of deductions, please reach out to Vendor.Relations@Burlington.com.

Received Short

When a concealed shortage is discovered at the store level, a debit request is submitted with a “received short” reason code. Concealed shortages at the store level are identified when a shipment is spot checked in the warehouse and appears to have all units in the cartons; therefore not all cartons are opened in the warehouse. Final unit counts occur when the shipment is received at the store. At this point, any items short in the carton will result in a “received short” claim.

Invoicing

It is imperative that these rules are being followed to ensure your invoices are paid in a timely manner:

- All invoices are required to be sent via EDI or Gateway.
- Burlington Stores will not pay any freight cost that is added to a merchandise invoice.
- Vendors must only send one invoice per shipment.
- “Ship-to-Mark-for” shipments (S2M4) typically ship to one of Burlington Stores’ distribution centers and are packed by store. Even though they are packed by store, they constitute one shipment for the vendor. Therefore, vendors must only send one invoice per shipment.
- For drop-ship/direct-to-store purchase orders, there should be one invoice per store location.
- In order to expedite payment & research, please include the Fed Ex or UPS tracking number in the CAD segment of the EDI invoice.
- Invoices are expected to match shipments.
- Invoices should be sent after the purchase order has been shipped, not before.
- Invoice line item details are required for each invoice. Summary invoices will not be allowed.
- All vendors who use multiple pay sites will be required to include a DUNS number to ensure appropriate pay site.
- Purchase orders will include trade discounts or warehouse discounts if applicable. Vendor invoices should also include these discounts to match the purchase order.
- Payment terms begin from the date merchandise is received into Burlington’s distribution center system (NOT the yard).

Vendors will have the ability to view the status of their invoices on the Traverse Portal. If you need assistance with the portal, please reach out to Vendor Relations at Vendor.Relations@burlington.com.

Below is a key to your invoice status:

- “Matched/Unpaid” – Your invoice is matched to the units we have systematically received.
- “Unmatched” – Merchandise units need to be manually matched and will reach a “matched” status as soon as possible. Follow up next week for the most up-to-date status.
- “In Receiving” – Invoices were recently submitted and are still going through the matching process. Follow up next week for the most up-to-date status.
- “Invoice not in system” – Contact our EDI Support team for assistance if you need to resubmit invoices at edi.support@burlington.com. All re-submissions of invoices must have a **unique invoice number**, or they will be rejected from EDI and cause a chargeback. Verify if these are “Import” PO’s and are being paid by Letter of Credit; if so please contact import.treasury@burlington.com for payment inquiries.

Anticipation

We also now offer an alternative payment opportunity through the Traverse Portal, on the Invoice Inquiry Screen. Vendors will also have the ability to electronically select invoices for early payment that are matched and approved for payment with a scheduled due date in the future.

- AP will receive a daily extract file for vendors who have selected this option and will contact the vendor to discuss the fee and payment options for the early payment.
- Email confirmation will be provided to vendor with invoice and fee payment amounts; payment will be processed and mailed within 48 hours.

- The early payment fee is calculated at 0.05% per day. The total number of early days is calculated based off the actual system invoice due date versus the requested payment date.

Duplicate Invoices

Invoices sent with the same invoice number will reject out of our Accounts Payable system as a duplicate invoice. If an invoice needs to be sent for additional monies owed, a new invoice number must be sent. If a correction needs to be made on a submitted invoice, please reach out to EDI.Support@Burlington.com for instructions on the resubmit process. Invoice numbers should not be “recycled” within 365 days; doing so will necessitate a manual correction and subsequent expense offset fee, and the potential for a delay in payment.