

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. Vendor Relations acts as 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.

Vendor Compliance Charges (VC)

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”. “VC” Chargebacks must be disputed within 6 months of the 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 are issued when disruptions occur in our distribution centers and affects the receiving of merchandise caused by the vendor. Burlington 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	475	No UCC128 barcode shipping label	\$25 per carton	\$1,500
Floor Ready Issues	885	Merchandise partially pre-ticketed	\$250	\$2,500
	890	Merchandise not pre-ticketed	\$250	\$.25(per unit)
Receiving Issues	1150	No ASN at time of receipt	\$125	\$1,500
	2261	ASN not received on time	\$125	\$1,500

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 Traverse portal provides vendors access to:

- Download Check Remittances
- Invoice Status
- View vendor compliance (VC) chargeback details
- Submit disputes for compliance (VC) chargebacks
- View Dispute status for compliance (VC) chargebacks

This website requires a login for access. If you wish to access the site and do not have a username 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 (VC) charges must be submitted through the Traverse portal. If you have any Traverse questions or need general information please contact:

Email: Vendor.Relations@Burlington.com

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

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
2nd floor - 2208E
2006 Route 130 North
Burlington, NJ 08016*

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 because of management, administration, or disposal of defective, substandard, unsafe, hazardous or recalled product will be charged back to the vendor.

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 Terms

AN- Anticipation	DMQ – Shortage deduction
CR- Credit	DMC – Price difference, discount, substitution
LH- Legal hold/charge	CMQ - Reversal of a DMQ (shortage)
MD- Mark down	R- Received short, Recall, RTV/ Buyer’s request
PMDSE- Pre-payment of a wire	VC - Vendor Compliance Chargeback

DMQ (Debit Memo Quantity) Shortages Deductions

If Burlington determines that there is a merchandise invoice shortage, the invoice will be issued with a DMQ claim debit. The number following the DMQ prefix correlates to the invoice number the shortage is being taken on. The details regarding these shortage debits are provided on the last page of the check remittance.

Disputing DMQ Shortages Deductions

All shortage disputes should be emailed 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. Please do not accumulate shortage disputes for dispute on a monthly, quarterly, seasonal, or annual basis.

Allowances/Discounts

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

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.
- Invoices should be sent after the purchase order has been shipped, not before.
- Burlington Stores will not pay any freight cost that is added to a merchandise invoice.
- 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.
- Although Burlington provides a 10% +/- variance when shipping, the vendor should only invoice for the QTY of units actually shipped. Burlington will only pay for the QTY of units received.
- 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.
- Payment terms begin from the date merchandise is received into Burlington's distribution center system (NOT the yard).

Anticipation

We also now offer an alternative payment opportunity through the Traverse Portal, on the Invoice Inquiry Screen. Vendors will also be able 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. 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.