

NON-COMPLIANCE CHARGEBACK ISSUES AND SCHEDULE - IMPORT VENDORS

A Vendor Compliance chargeback will be issued for any Non-Compliance on the following:

	Non-Compliance Issue	Non-Compliance Cost USD	Monitor Department
Origin Management / Import Logistics			
	All required and accurate shipping documents not submitted to the Academy's designated Freight Forwarder's origin office within 72 hours of vessel departure.	\$1,000	Import Logistics/Customs Compliance
	Importer Security Filing (ISF) data not supplied at time of booking with the Freight Forwarder	\$1,000	Import Logistics
	Factory on the Importer Security Filing (ISF) does not match factory on Purchase Order. Factory on ISF is an approved Academy factory.	First Offense - \$750: Repeat offense - each offense increases by \$1000	Import Logistics
	Factory on the Importer Security Filing (ISF) does not match factory on Purchase Order. Factory on ISF is an unapproved Academy factory.	First Offense - \$1000: Repeat offense- each offense increases by \$1000	Import Logistics
	Freight not booked 14 days prior to Start Date on P.O.	\$500	Import Logistics
	Cancellation of booking not made at least 7 days from vessel cut off	\$1,000	Import Logistics
	Import containers shipped light (less than Academy min cube requirement per container size)	Actual freight + \$250 admin	Import Logistics
	Shipping of cancelled product	All incoming charges incurred + any charges incurred to return product + \$1,000 or if goods are kept a \$1,000 penalty.	Import Logistics
	Late Shipment: When goods have a CFS Receipt Date or CY In gate date that is after the Academy Not After Date. The new monitoring method using the In Gate date and/or CFS Receipt date for calculating late shipments is effective with orders shipping on 9/1/2017	Chargebacks for late shipments will be assessed for all shipments that have a CFS Receipt Date or CY Ingate date that is after the Academy Not After date on the Purchase Order (PO). The amount of the chargeback will be determined as a percentage of the total cost of the portion of the PO that is late. Number of Days late - Chargeback % (Applied against cost of late portion of PO) 1-5 days late - 3% 6-10 days late - 6% 11-15 days late - 10% 16-20 days late - 15% (or Pre-paid Air Ship, if mutually agreed upon) 21+ days late - 15% (or Pre-paid Air Ship, if mutually agreed upon) + Business Impact Assessment*	Global Production
	<i>*Business Impact Assessment – May include, but may not be limited to, any of the following:</i> <ul style="list-style-type: none"> • Estimated sales and margin loss for items shipped late • Estimated sales and margin loss for items commonly purchased with items shipped late • Labor, freight and other charges associated with expedited warehouse operations and store delivery 		
	Air freight shipped collect without approval. This includes sample shipments.	Freight amount + \$500	Import Logistics
	ISF Penalty issued by US Customs for late or incorrect ISF	\$5,000 min; \$10,000 max	Import Logistics
	Storage/demurrage charges due to incorrect or missing document information to clear shipment with US Customs	Storage/Demurrage charges + \$500 admin	Import Logistics
	Import Freight Cost Incurred due to booking or shipping errors.	Freight amount + \$500	Import Logistics
	Product received damaged or not sellable	Actual landed cost + \$250 admin fee	Import Logistics
	Container Load Manifest not on a carton in the tail of the container (applicable to factory loaded containers)	\$1,000	Import Logistics
	Shipping (Imports) by non-designated freight carrier	Freight charges incurred + 1000	Import Logistics

If a chargeback has been issued against your company, please contact our Vendor Compliance Department at vendcomp@academy.com within 30 days, as penalties may be subject to reduction or reimbursement (except freight- related penalties). VC 01-29-2023

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	Merchandise (Imports) shipped not ordered on PO	\$1,000	Import Logistics
Receipt of Merchandise at DC			
	Firearms - Missing packing list or serial numbers, or serial numbers of merchandise shipped don't match packing list	\$250	
	Missing / Late ASN - Accurate ASN not received by Academy within 72 hours of vessel sailing.	\$1,000 if PO cost is \$10,000 or greater, \$200 if PO cost is less than \$10,000	Vendor Compliance
	Incorrect / Missing Information on ASN	\$1,000 if PO cost is \$10,000 or greater, \$200 if PO cost is less than \$10,000	
	Prepack - Prepack UPCs sent on ASN don't match PO	\$1000 +\$10/ctn if PO cost = / > \$10,000 \$200 +\$10/ctn if PO cost < \$10,000 Effective on 7/30/23	
	Prepack - Component UPCs sent on ASN don't match PO	\$1000 +\$10/ctn if PO cost = / > \$10,000 \$200 +\$10/ctn if PO cost < \$10,000 Effective on 7/30/23	
	Prepack - Component quantities (ratios) sent on ASN don't match PO	\$1000 +\$10/ctn if PO cost = / > \$10,000 \$200 +\$10/ctn if PO cost < \$10,000 Effective on 7/30/23	
	Carton contents not matching ASN.	\$1,000 if PO cost is \$10,000 or greater, \$200 if PO cost is less than \$10,000	Vendor Compliance
	Prepack component UPCs shipped don't match ASN or PO	\$1000 +\$10/ctn if PO cost = / > \$10,000 \$200 +\$10/ctn if PO cost < \$10,000 Effective on 7/30/23	Vendor Compliance
	Prepack component quantities (ratios) shipped don't match ASN or PO	\$1000 +\$10/ctn if PO cost = / > \$10,000 \$200 +\$10/ctn if PO cost < \$10,000 Effective on 7/30/23	Vendor Compliance
	Merchandise shipped in excess of quantity ordered	\$250	Vendor Compliance
	Unauthorized substitutions / merchandise shipped though not ordered on PO	%250 + Reduced COGS	Vendor Compliance
	Received quantity per item is short from packing list.	Shortage quantity calculated at Actual Landed Cost + \$250 admin fee	Import Logistics / Vendor Compliance
	Damages during transportation due to poor quality packaging.	Damaged quantity calculated at Actual Landed cost + \$250 admin Fee	Import Logistics
	Vendor unacceptable product quality.	\$1,000 minimum	Quality Assurance
	Use of non nominated shoe box supplier to produce below private label footwear shoe boxes: Brazos Work Force, Brazos Premium, Brazos Western, BCG, Magellan, Austin Trading Co., Brava, Tactical Performance	First Offense: CAP issued Second Offense : 5% charge back of cost of goods of non compliant PO(s)	Vendor Compliance
QA process			
	Shipping without Final QC Inspection if scheduled and/or shipping without re-inspection of merchandise from a previously failed audit.	\$25,000	Quality Assurance
	No response from Vendor to Academy's request for product inspection.	\$500	Quality Assurance
	Re-inspection of merchandise by Yusen/Academy QA team.	\$500 re-inspection fee, plus any expenses incurred in the re-inspection	Quality Assurance
	No advance notification of inspection cancellation - reschedule	\$1,000	Quality Assurance
	Subcontract without Academy's approval.	\$10,000	Quality Assurance/Customs Compliance
	Quality Assurance Rework/Inspection Related Expenses QA (travel Meals)	Meal expense	Quality Assurance

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	Quality Inspection Rework/Inspection Related Expenses QA (travel Air)	Air travel cost	Quality Assurance
	Quality Inspection Rework/Inspection Related Expenses QA (travel Car)	Rental car expense	Quality Assurance
	Quality Inspection Rework/Inspection Related Expenses QA (travel Lodging)	Lodging expense	Quality Assurance
	Rework/Recall/Destruction Charges - Labor	Labor cost	Quality Assurance
	Rework/Recall/Destruction Charges - Supplies	Supply cost	Quality Assurance
	Visit In Vain QA		Quality Assurance
Customs Compliance			
	Inaccurate or missing information on commercial documents.	\$1,000	Customs Compliance
	Delays or refusal to provide Trademark Release Letters.	\$1,000	Customs Compliance
Factory Compliance			
	No response to Audit Firm for audit(s) request appointments.	\$500	Factory Compliance
	Audit delays or refusal to schedule audit(s) with Audit Firm.	\$1,000	Factory Compliance
	Audit Firm is denied full or partial factory access at the facility to conduct audit(s) after an appointment has been scheduled, or audit(s) not cancelled at least 48 hours prior to scheduled appointment.	Price of audit + \$1,000 penalty	Factory Compliance
	Audit Firm discovered factory name and/or address differs from information provided at time of Factory onboard process.	\$1,000	Factory Compliance
	Factory improvements not made as guaranteed in the Corrective Action Plan (CAP).	\$5,000 + audit cost(s) to verify improvements were made per corrective action plan	Factory Compliance
	Completed Corrective Action Plan (CAP) not returned by deadline or insufficiently completed.	\$2,000	Factory Compliance
	Audit Reimbursement.	Cost of Audit	Factory Compliance
	Moving production to another factory without Academy's prior approval.	\$5,000	Factory Compliance
	Moving finished goods to another facility (for storage) without Academy's prior approval.	\$2,000	Factory Compliance
Floor Ready Merchandise			
	Missing Tickets	\$250 + Labor Charges (\$.20/unit)	Vendor Compliance
	Missing / incorrect retail price on ticket	\$250 + Labor Charges (\$.20/unit)	Vendor Compliance
	Missing / Incorrect UPC on ticket	\$250 + Labor Charges (\$.20/unit)	Vendor Compliance
	Unscannable UPC on ticket	\$250 + Labor Charges (\$.20/unit)	Vendor Compliance
	Other incorrect ticket info (mdse size, color, description, placement)	\$250 + Labor Charges (\$.20/unit)	Vendor Compliance
	Apparel shipped without size strip when required.	\$250 + Labor charges	Vendor Compliance
	Apparel shipped with non-approved hangers.	\$1,000 + Labor & Material Cost	Vendor Compliance
	Apparel designated to be hung, but shipped without hangers & crown sizers.	\$500 per 1,000 units + Labor & Material Cost	Vendor Compliance
	Merchandise ordered by size but shipped in pre-pack units or vice-versa.	\$1,000 + Labor Charges	Vendor Compliance
	Mixed SKUs or Pos within a carton.	\$500 + \$10 per carton if error involves 11 cartons or more.	Vendor Compliance
	Incorrect / Missing information or store number on the GS1-128 labels	\$1000 if PO cost = / > \$10,000 \$200 if PO cost < \$10,000	Vendor Compliance
	Missing / Unscannable GS1-128 carton label	\$1000 if PO cost = / > \$10,000 \$200 if PO cost < \$10,000	Vendor Compliance
	Handling requirements not noted on carton for hazardous or serialized items.	\$100	Vendor Compliance
	Error with EDI 856 or 810 Transmissions.	\$500	Vendor Compliance
Private Label Packaging			
	Vendor does not have pre-production/mock up approval	\$500	Academy Packaging Design
	Altering artwork or dieline without prior Academy approval	\$500	Academy Packaging Design
	Print production with low res images or elements without prior Academy approval	\$500	Academy Packaging Design

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A Vendor Compliance chargeback will be issued for any Non-Compliance on the following:

	Print production does not match the artwork; missing type, or other artwork elements	\$500	Academy Packaging Design
	Print production does not conform to published Academy coating specifications	\$500	Academy Packaging Design
	Vendor using non-nominated Suppliers without prior Academy approval (China only)	\$1,000	Academy Packaging Design
	Vendor, or vendor's chosen Supplier, does not comply with GMI evaluation process without prior Academy approval. It applies to new and annual reorder	\$1,000	Academy Packaging Design
	Print production does not conform to GMI approved samples	\$1,000	Academy Packaging Design
	Print production does not conform to published Academy substrate specifications	\$1,000	Academy Packaging Design
	Vendor, or vendor's chosen Supplier, does not use Academy nominated supplier without prior Academy approval	\$1,000	Academy Packaging Design

*** GMI is Academy appointed packaging color approval agency**