

The Neiman Marcus Group DROP SHIP PROGRAM

Program Overview and Requirements

Neiman Marcus Group (NMG) strives to provide our customers with the very best shopping experience and assortment offering. In a continued effort to provide this service, NMG partners with the best suppliers to offer broader and specialized assortments thru our Drop Ship Program. As part of this program, select suppliers ship directly to our customers. This collaborative and selective partnership allows both partners to benefit from increased assortment breadth, while improving sales and efficiencies.

ORDER TRANSMISSION NMG transmits customer orders hourly, 7 days a week.

INVENTORY Vendor is responsible and required to submit accurate inventory levels for each NMG designated sku. Preference is that inventory is transmitted 3x per day. At minimum, supplier must submit updated inventory once per day. Failure to ship orders due to inaccurate inventory will be subject to non-compliance offsets.

PACKAGING Vendor must supply and ship merchandise in a new, plain corrugated box. The box cannot contain collateral or vendor marketing materials.* Vendor is required to use NMG approved packing slip. Vendor can obtain and print NMG packing slip directly from DSCO portal. This packing slip must be included inside all shipments. Sample photo of Supplier packaging is required during drop ship set up process.

EXPECTED FULFILLMENT RATE Vendor must maintain a 99.5% or higher fulfillment rate while participating in the NMG Drop Ship Program. If vendor is unable to maintain the expected rate, NMG will review assortment and determine program eligibility.

- **EXPECTED SHIPPING** Vendor must ship any non-custom order, complete by end of the following business day of order transmission.* Epicure, Custom and/or Personalized orders must ship by Expected Ship Date transmitted on order. ASN and valid tracking number must be submitted the same business day as shipment.
- **SHIPPING METHOD** NMG will issue supplier with a FedEx 3rd party billing account to be used exclusively for the Drop Ship Program. Vendor must ship orders in accordance with ship method listed on order.
- **SHIP DATE REVISIONS** It is the Vendor's responsibility to submit accurate inventory positions for all published items. Any ship date revision due to unavailability must be submitted within 24 hours and are subject to non-compliance offsets.
- **CANCELLATIONS** Vendor must submit order cancellations for any item that cannot be fulfilled, within 24 hours of order transmission. Cancellations must be submitted for any order that cannot be fulfilled by the Expected Ship Date, and inventory level must be re-transmitted at 0. Vendor initiated order cancellations are subject to non-compliance offsets. See Compliance. Orders fulfilled after a cancellation has been requested by consumer will result in non-payment by NMG. Invoices for merchandise shipped after the order has been cancelled will not be paid. High vendor cancellation rate may result in removal from the NMG Drop Ship Program.

RETURNS Customer returns will be handled as Return-To-Vendor and consolidated on a weekly basis for shipment back to the vendor.* Vendor is responsible for shipment charges of the consolidated returns from NMG facility back to the vendor.

**Any deviations to above mentioned requirements must be agreed upon between NMG and brand partner prior to go-live.*

All commercial terms (costing/pricing, payment, returns, etc.) must be predetermined and agreed upon prior to entering the NMG Drop Ship Program.