

# shopbop

## FINANCE MANUAL

Thank you for choosing to be a part of the BOP LLC (“Shopbop”) family. This Shopbop Finance Manual (“Finance Manual”) outlines the standards that Shopbop’s vendors (“You”) must adhere to in order to ensure we can continue to enhance Shopbop’s customers’ shopping experiences. This Finance Manual supplements the Purchase Order (“PO”) and in the event of a conflict between this Finance Manual and the PO, the PO will control. If, after reading this Finance Manual, You have any unresolved questions, please reach out to Your Shopbop buyer representative for assistance.

Please note that this Finance Manual is subject to change without notice and it is Your responsibility to review the most recent version of this Finance Manual regularly to ensure Your compliance. The most recent version can be found at Shopbop’s [Vendor Services Page](#).

***YOUR CONTINUED ACCEPTANCE OF ANY PO FOLLOWING OUR E-MAILING OR POSTING OF ANY REVISED TERMS, OR ANY NOTICE OF ANY SUCH REVISIONS, WILL CONSTITUTE YOUR ACCEPTANCE OF THE REVISIONS. IF YOU DO NOT AGREE TO ANY CHANGES TO THIS FINANCE MANUAL, YOU MUST STOP ACCEPTING POs, AND GIVE US WRITTEN NOTICE AS OUTLINED IN THE PO.***

1. **INVOICING.** You must submit each invoice separately as soon as Your Products ship to Shopbop. Shopbop is not required to pay invoices received more than 90 days after delivery of the Product covered by the invoice. If Your invoices fail to comply with the requirements listed below, this may result in Your invoices not being processed, received, accepted, or paid.

A. **Emailed invoice Requirements.** Emailed invoices must comply with Shopbop’s invoice requirements and adhere to industry standards. These invoices must: only reference one PO, be emailed to [invoices@shopbop.com](mailto:invoices@shopbop.com), and must solely contain the invoice. The following information must exclusively be included on the face of each invoice:

- i. Full Shopbop PO Number
- ii. Unique invoice number
- iii. Vendor contact email address
- iv. Invoice date
- v. Accurate payment terms, including all discounts (excluding credit memo discounts)
- vi. Style item number matching the style item number listed on the Shopbop PO
- vii. Item description
- viii. Color and size, if applicable
- ix. Quantity
- x. Unit Cost
- xi. Extended Cost
- xii. All prices (in USD), or, if You are unable to list the invoice prices in USD, provide the agreed upon exchange rate at the time the PO was created.

B. **EDI Invoice Requirements.** EDI Invoices must comply with the EDI invoice requirements and specifications as provided during EDI onboarding, and as may be updated from time-to-time.

2. **FACTORS.** “**Factors**” mean entities that You have assigned or factored Your rights to payment on invoices from Shopbop. You must provide Shopbop written notice at least 30 days prior to using a Factor for an PO.

**If you use a Factor for the management of any of your invoices, You agree as follows:**

- (a) You discharge Shopbop from all liability relating to the invoices where payments are remitted to any account(s) indicated by the Factor (including payment to the wrong account if the account information was provided by You or Your Factor);
- (b) You are responsible for the full performance of Your obligations under the Terms and for Your Factor’s compliance with the terms of the Terms;
- (c) You represent, warrant, and covenant to Shopbop that Your Factor has all rights necessary for (and is not subject to any restriction, penalty, agreement, commitment, or Law that is violated by) its performance as Your Factor;
- (d) You represent, warrant, and covenant that Your Factor and its financial institution(s) are not subject to sanctions or otherwise designated on any list of prohibited or restricted parties or owned or controlled by such a party, including but not limited to the lists maintained by the United Nations Security Council, the US Government (e.g., the US Department of Treasury’s Specially Designated Nationals list and Foreign Sanctions Evaders list and the US Department

- of Commerce's Entity List), the European Union or its member states, or other applicable government authority;
- (e) You are responsible for the full performance of Your obligations under the PO and for Your Factor's compliance with the terms of the PO; and
  - (f) You will indemnify Shopbop from any claims relating to the invoices where payments are remitted to any account(s) indicated by the Factor (including payment to the wrong account if the account information was provided by You or Your Factor).

You must initiate all inquiries related to payment, and contacts from Factors may not be received or processed by Shopbop. Disputes may only be sent by You. Shopbop may not receive, process, or respond to disputes or inquiries raised by Factors. You must provide Shopbop one email address for Your Factor and one email address for Your company contact where payment remittances can be sent.

### 3. PAYMENTS

- A. You must provide Your electronic remittance information via Shopbop's VENDOR REMITTANCE INFORMATION FORM prior to accepting Your first PO.
- B. You will receive payment notification and remittance details via email after the funds are released. This email may include payment information such as shortages, price differences, and credit memos (MDA, additional discount, chargeback, return) that were applied towards Your payment.
- C. Prior to submitting an inquiry for missing payment, You must review remittance and apply all payments, including credit payments.
- D. You must provide at least one, but no more than **two email addresses**, where payment remittances can be sent. You are responsible for providing updated remittance emails when contacts change.
- E. Invoices are paid in accordance with the Terms, including applicable discounts.
- F. If you fail to update remittance emails or if you provide Shopbop the incorrect account information, you discharge and release Shopbop from all liability relating to the invoices where payments are remitted to any account(s) while the email addresses were incorrect and/or the account information provided by You was incorrect.
- G. All credit memos processed may be applied toward invoices at Shopbop's discretion, regardless of the originating PO. You must list the credit memo detail and any invoices that have been applied towards that credit memo on Your payment remittance. Shopbop may charge You for non-compliance with any terms of the PO or this Finance Manual. Shopbop may require you to settle outstanding amounts owed to Shopbop in lieu or in addition to any credit memo and You are responsible for paying Shopbop all amounts required by Shopbop to settle your account within 30 calendar days of Shopbop's request for You to do so.

### 4. RETURNS. Shopbop, in its discretion and at Your expense, may elect to return full or partial shipments of non-compliant products and refuse shipments at its receiving docks. If Shopbop returns products to You after they have been received into Shopbop's inventory, a credit memo is issued and the balance will be applied at Shopbop's discretion.

- A. All transactions are subject to the PO and Coop discounts, as applicable, and are non-refundable. The non-discounted cost per item is used to calculate all returned amounts.
- B. You must submit a second invoice with a unique number for the reshipment of repaired or swapped items.
- C. Any items that need to be reshipped will be returned to You at the cost of the return.
- D. You are responsible for all fees associated with returning products and shipments to You, including those resulting from over shipments and mis-shipments.
- E. For US returned items:
  - 1. If the items are made in the US, the US manufacture must be provided.
  - 2. If the items are not made in the US, the bill of lading is required in addition to a completed detailed sheet.

### 5. CHARGEBACKS AND OTHER RECOURSE FOR NON-COMPLIANCE. Compliance with this Finance Manual, among many things, supports our common goal of expediting the flow of products to the selling floor and prevents recurrent operational disruptions. Shopbop, in its discretion, may elect to assess chargebacks for Your non-compliance with

this Finance Manual or PO in order to recover costs associated with handling non-compliant products and shipments. You will be notified via email from Shopbop's inventory control department for all occurrences of non-compliance. At Shopbop's discretion, Shopbop may require payment of chargebacks in the form of an invoice deduction, direct payment, a refund, or issuance of a credit memo for chargebacks.

- 6. INVOICE DISPUTES.** You must submit invoice payment disputes in writing, via email to your buyer, **within 60 calendar days of Shopbop's payment** in order to be processed. The email must include the purchase order number, invoice number, and dispute reason.
- A. **Cost Adjustment Disputes.** Shopbop uses the cost listed on the PO when issuing payments. If there was a change to the cost of the goods and this change was accepted in writing by the Shopbop buyer, You must provide that correspondence in Your dispute email. Disputes related to a cost change that was not accepted by the Shopbop buyer will not be processed. There is a 30-day period where cost changes may, at Shopbop's discretion, be accommodated following the date the PO was sent to You.
  - B. **Shortage Disputes.** Shopbop uses a three-way matching process for all inventory payments. Before a payment can be made by the Accounts Payable department, Shopbop ensures that the inventory received from You matches the PO and Your invoice. If You list items on Your invoice that were not received by Shopbop, a payment will not be issued. Before submitting a shortage dispute, please verify that the items shipped match the items on the PO and the items on the invoice.
  - C. **Chargeback Disputes.** You have up to 10 calendar days from the date notification of non-compliance is sent to dispute the applicable chargebacks. To dispute a chargeback, contact the Shopbop buyer via email or phone and provide the chargeback information, the reason for the dispute, and specific evidence of compliance. Shopbop will review Your dispute and provide a response. If You provide conclusive evidence of compliance, Shopbop will reverse the chargeback.

## FAQs

**Q:** Does Shopbop accept Pro Forma invoices, sales orders, packing slips, or invoices submitted via a method or format other than those listed in Section 1 of this Finance Manual?

**A:** *No, Shopbop does not accept these.*

**Q:** Can shipping fees be listed on invoices?

**A:** *No, listing shipping fees on an invoice may result in that invoice not being processed, received, accepted, or paid.*

**Q:** Will Shopbop reimburse You for shipping fees?

**A:** *No, Shopbop will not reimburse You for shipping fees.*

**Q:** What happens if an invoice doesn't comply with the requirements in this Finance Manual?

**A:** *Failure to comply with the requirements in Section 1 of the Finance Manual may result in the invoice not being processed, received, accepted, or paid.*

**Q:** Does Shopbop offer or require Electronic Data Interface ("EDI") invoice processing?

**A:** *Shopbop may offer or require You to process invoices via Electronic Data Interface ("EDI"), at its discretion.*

**Q:** How may You request electronic invoicing?

**A:** *You may request electronic invoicing, by emailing [ediinvoicing@shopbop.com](mailto:ediinvoicing@shopbop.com). Shopbop will evaluate Your request to determine if Your company is eligible for Shopbop's Accounting EDI program.*

**Q:** If You believe You have an open balance, who can You contact?

**A:** *Orders, even if invoiced under one invoice, may be processed in multiple payments so You must allow for the payment to be made on the most recent shipment before submitting a shortage dispute. You may then email open balance statements, in Excel format, to [accountsPayable@shopbop.com](mailto:accountsPayable@shopbop.com).*

**Q:** Why has only part of Your invoice been paid?

**A:** *Shopbop may receive and process orders in multiple batches resulting in the value of the processed items being remitted while the unprocessed items remain on hold until processed. Remember that payment terms begin upon the later of the date of full receipt of the invoiced products and the receipt date of a correct and accurate invoice.*

**Q:** Who can You reach out to for changes to Your PAYEE account(s)?

**A:** *Reach out to [vendormaintenance@shopbop.com](mailto:vendormaintenance@shopbop.com) for any changes to PAYEE accounts.*

**Q:** Who do You contact if You have questions about chargebacks?

**A:** *Contact Your Shopbop buyer representative with questions about any chargebacks applied to Your account. Do not respond directly to the email informing You of the chargeback as it is an unmonitored email address and will not constitute a dispute.*

**Q:** Who is the point of contact for questions regarding POs?

**A:** *Please contact Your Shopbop buyer representative for questions regarding POs. Their contact information can be found on the first page of Your PO.*

**Q:** Who is the point of contact for questions regarding GTIN/UPC/EAN?

**A:** *For questions or help providing GTIN/UPC/EAN, please contact [vendorgtins@shopbop.com](mailto:vendorgtins@shopbop.com).*

**Q:** Who is the point of contact for questions AP or payment inquiries?

**A:** *All AP-related questions or payment inquiries should be sent to: [accountspayable@shopbop.com](mailto:accountspayable@shopbop.com) (do NOT send inquiries to [invoices@shopbop.com](mailto:invoices@shopbop.com)). Inquiries must include the following details: Invoice #, Invoice Date, PO #, Original Invoice Amount, Remaining Invoice Balance.*

**Q:** Is there a certain amount of time You have to raise an invoice dispute with Shopbop?

**A:** *Within 60 calendar days of Shopbop's payment.*

**Q:** How are discount days computed?

**A:** *Discount days are computed as of the date of full receipt of the invoiced products or as of the receipt date of a correct and accurate invoice, whichever date is later.*

**Q:** Who notifies Your Accounts Receivable (AR) departments about negotiated credit memos and allowances?

**A:** *You must promptly inform Your AR team of all negotiated credit memos and allowances, and provide Your AR team all necessary information to enable them to process the credit memos.*

**Q:** What denomination does Shopbop remit payment in?

**A:** All payments are made in USD. Shopbop does not assume any conversion/banking fees related to payments made to non-US bank accounts.

**Q:** What do credit memos look like when issued?

**A:** A non-exclusive list of Shopbop standard credit memos are listed below:

Shopbop Standard Credit Memo Type	Shopbop Name Format that will Appear on Remittance
<b>Return Authorization</b>	[VENDORID]#[Shopbop RA Number]
<b>Compliance Chargeback</b>	CB #[m/yy] [last 6 digits of PO#]
<b>Mark Down Allowance</b>	MDA [vendor authorization number]
<b>Lump Sum/Event Based Coop</b>	[vendor authorization number or PO#] [m/yy] COOP AD
<b>Additional/Extended Discount</b>	[Vendor Invoice Number]-EXT

**Q:** When can Shopbop return Products or refuse shipments?

**A:** Shopbop, in its discretion and at Your expense, may elect to return full or partial shipments of Products and refuse shipments at its receiving docks.