



# SHERPACK

## SLAs, Turnaround Times & Policies

Unless you enter into an agreement with Sherpack that supersedes these policies, the service levels described below will apply by default. We may change or revise these policies at our discretion by providing ten (10) days prior notice either by emailing the email address associated with your account, or by posting a notice on the Sherpack website. If any change or revision is not acceptable to you, your only remedy is to stop using Sherpack's services and send a cancellation email to your Trail Guide. Otherwise, you will be bound by the changed or revised terms. Your use of the services ten (10) days after notice shall constitute full acceptance of the revised or changed terms. Additionally, the SLAs are subject to increase during Peak Season (defined as the dates between and including Thanksgiving Day and Christmas Eve, but subject to change dependent upon carriers) by email notification. A "business day" is defined as any day other than a Saturday, Sunday or any legal holiday recognized by the State of Michigan.

### Receiving Inventory SLAs

#### Full Truck Load and Partial Truck Load: Next Business Day

- Inventory will be received into Sherpack's WMS system by the end of the following business day for all product delivered to Sherpack before 3PM ET.

#### Containers: 2 Business Days

- The product will be received into Sherpack's system by the end of the day 2 business days after arrival.
- Product that arrives at Sherpack before 3PM on Tuesday will be received into Sherpack's system prior to the end of the day Thursday.

#### Ground (parcel drop-offs): Next Business Day

- Inventory will be received into Sherpack's system by the end of the following business day for all product delivered to Sherpack before 3PM ET.
- Orders that have multiple packages that get dropped off on different days will be considered to have arrived at Sherpack when the final package arrives.



## Inbound Shipping Requirements

The above receiving SLAs are contingent on compliance with all of the inbound shipping requirements outlined below. If any product shipments sent to a Sherpack facility fail to comply with any of the inbound shipping requirements, it may affect Sherpack's ability to timely receive the inventory into Sherpack's system. Sherpack will not be responsible for any such delays.

- An ASN must be sent timely to Sherpack for every shipment.
- The ASN for each shipment must contain no more than 20 unique SKUs.
- Clients must provide at least one week's prior written notice to Sherpack prior to sending a new SKU to Sherpack for the first time. This will allow Sherpack staff adequate time to create a record of the SKU in Sherpack's system. The same is true for new clients who are making their first product shipment to Sherpack.
- All products must be packaged in a safe and organized manner. Product that is damaged in transit or arrives disorganized will need to be separated and sorted, which may cause delays.
- All products in each shipment must be tied to a single ASN. Products related to multiple ASNs should not be combined in a single shipment.
- Inventory counts should match the product quantities listed on the ASN. If more than 20% of the SKUs in a shipment have a quantity that does not match the ASN, there may be delays while the Sherpack team attempts to reconcile the difference.
- The receiving deadline is 3PM ET. Product that arrives at Sherpack after the 3PM cutoff will be treated as arriving the following calendar day.

## Shipping SLAs

### Standard Freight: 4 Business Days

- Orders will ship within 4 business days of being placed in Sherpack's system by the client.
- During Peak Season, an additional service day will be added, and the SLA will be 5 business days.

### Wholesale / Large Parcel: 3 Business Days

- Orders will ship within 3 business days of being placed in Sherpack's system by the client.
- During Peak Season, an additional service day will be added, and the SLA will be 4 business days.

### D2C: Next Business Day

- All D2C orders received prior to 12PM ET will be shipped prior to the end of the next business day.

### FBA: 4 Business Days

- Orders bound for an Amazon fulfillment center will go through FBA prep and be shipped within 4 business days.

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## Payment Terms & Late Payment Policies

In exchange for Sherpack's provision of storage and fulfillment services, you agree to pay the service fees described in your pricing agreement. Unless your agreement specifies otherwise, all invoices are due and payable on Net 15 day terms, based upon the date the invoice is sent to you by Sherpack. Any unpaid invoice balance that is more than 2 business days late will be assessed a one-time late charge equal to 5% of the undisputed invoice amount. For each additional 30 days that an invoiced balance goes unpaid, Sherpack will charge you an additional late fee of 1.5% of the unpaid balance. If an undisputed payment reaches 60 days late, Sherpack also reserves the right to suspend all services with no release of product until Sherpack receives payment in full.

In the case of a good faith dispute of an invoice or an invoice error, you agree to timely pay the undisputed portion of the invoice and, before payment is due, notify Sherpack in writing of the specific line items and the dollar amount that you believe may have been invoiced in error and is rejecting, and provide supporting detail (such as rejection notice). The parties will work together to resolve such dispute, and the responsible party will either pay or waive (as the case may be) the disputed portion of the invoice. All paid amounts must be disputed within 60 days of invoice date for disputes to be considered for reimbursement.

