



Guided by our commitment to provide an outstanding shopping experience, Pep Boys has partnered with CommerceHub, a leading multi-channel e-commerce and drop-ship fulfillment provider to create a direct to consumer drop-ship program.

Please review the following to familiarize yourself with the requirements for participation in this new and exciting opportunity.

Connectivity Requirements

Supplier must establish a direct connection to the CommerceHub network, receiving orders and processing transactions via the CommerceHub network. Transactions include:

- Processing Purchase Orders
- Order Confirmations
- (ASN's) Shipping Notices
- Invoices
- Inventory Updates

Service Levels – On Time Fulfillment

- Supplier must ship orders within 2 business days of receipt of the order, unless an extended lead time is agreed to and approved by Pep Boys
- Supplier must maintain a 99.5% fulfillment rate. Orders are Fill or Kill, the entire order is either shipped or cancelled. Supplier should not go above a 0.5% PO cancellation rate
- Supplier must send notice of cancellation within 24 business hours of receipt of PO
- Supplier must ship all merchandise using Pep Boys preferred carrier and account number provided by Pep Boys. Reference Pep Boys routing guide for list of carriers
- All shipments must include a Pep Boys branded packing list
- Supplier must respond within 24 business hours in order to resolve all customer service related issues as a result of the quality or shipping of the merchandise
- Supplier must handle returns from both a Pep Boys location or direct from consumer and not require an RMA number

All other order processing with Pep Boys will continue to go through your current connection with Pep Boys.



Service Levels

Direct to Consumer Compliance Guidelines				
	Guideline Detail	Freight Reversal	Guideline Chargeback	Guideline Description
Fulfillment Rate - On Time Delivery				
	Fulfillment Rate below 99.5%		10% of cost of goods not shipped	The fulfillment rate must be at or above <u>99.5</u> aggregate per month. All orders are to be shipped complete or cancelled if all items and quantities can not be filled. The order cancellation rate must not be above <u>0.5%</u>
	Order not Shipped within 2 business days of receipt of order.		10% of cost of goods not shipped	All orders must be shipped within 2 business days of receipt of the purchase order from the CommerHub system.
	Notification of Order Status Cancellation not received within 24 hours		\$25 per order	Supplier must cancel order within 24 business hours of receipt.
Shipping - Freight - Packaging				
	ASN not sent same day as shipment		\$25 per shipment	The ASN must be sent the same day the product ships.
	Pep Boys preferred carrier not used	Yes	\$25 per shipment	Supplier must ship merchandise using Pep Boys preferred carrier. Supplier will be given a Fed Ex account number and designate PBY LTL preferred carrier at time of set up to be used solely for direct to consumer orders.
	Merchandise not shipped in proper packaging with Pep Boys branded labels/packing list	Yes	\$25 per shipment	Merchandise must ship in properly sized, new, external brown corrugation and not only the original product packaging. Product must be properly packed to avoid damage during shipping. All packaging, shipping labels return labels, and packing list must be Pep Boys branded.
Customer Service				
	Failure to respond to customer service request within 24 hours		\$10 per business day after initial 24 hours	Supplier must respond within 24 hours and engage in reasonable efforts to resolve all customer service related issues arising from the quality or shipping of the merchandise or transaction.
Returns				
	Supplier must handle returns from both a Pep Boys location or direct from consumer and not require an RMA number.		\$25 per failure to comply	Supplier must handle returns from both a Pep Boys location or direct from consumer and not require an RMA number.

If you have any questions, please feel free to contact your Pep Boys Category Manager.

Thank you in advance for your cooperation. A collaborative relationship with our Supplier Partners is an integral part of Pep Boys' success and we value our partnership with your company.