



## Policy & Fees Overview

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## Platform & Implementation

FlowSPACE will provide out-of-the-box integrations to your shopping cart and an open API for those carts we do not automatically support. Our cloud-based software will give you access to real-time inventory visibility and order statuses, reporting, and order routing logic. To set you up for success on a continuous basis, we provide customer and onboarding support.

To reserve your secure spot in our onboarding process, we require a non-refundable \$500 deposit via ACH or credit card. This enables us to assign an account manager and onboarding specialist to your account.

## Receiving your inventory

The receiving process includes handling the inventory, entering products into our system, and stowing the products into their proper locations. The receiving cost is calculated on a per pallet basis.

For items arriving in a floor-loaded container (eg, not palletized), a container unloading fee, pallet supply and shrink wrapping fee will apply.

Pallets that arrive with more than 1 SKU on the pallet will be down-stacked and sorted to create single SKU pallets. FlowSPACE charges Hourly Labor, Pallet Supplies, and Shrink Wrap for this service and Pallet Storage fees will apply to the newly created pallets

## Inventory Preparation

Preparing your inventory is of the utmost importance. All inventory arriving at the facility must be clearly identified with a placard or with manufacturer markings that clearly identify the products. These identifiers must match the information submitted in the product catalog. An “inbound” order must also be entered into the FlowSpace system prior to the products’ arrival at the facility.

**Inbound shipments arriving without a corresponding inbound order in the FlowSpace software system will be rejected. Unlabeled products will also be rejected.**

All sellable units must be individually barcoded with a SKU or UPC number that matches the information in the product catalog. Each case of product must clearly state carton contents, SKU/UPC, and quantity. Failure to complete these steps will delay the receiving process beyond SLA or rejection of the products.

**Note:** Inventory will be stocked within **3 business days** from the time the shipment arrives, provided all inventory is clearly identified and the corresponding order is in the system.

**Note:** FlowSpace can book and arrange the transportation from your facility to the FlowSpace facility and will handle all scheduling with the destination warehouse. However, if you choose to use your own transportation provider, the provider must make an appointment with the destination warehouse. This allows them adequate time to ensure a dock door is empty and the appropriate staff can unload your products.

## Monthly Storage

The storage space in our warehouses & fulfillment centers’ is charged monthly based on usage.

**Example A:** 1 Pallet (\$X) was received and stocked between the 1st and 15th of the month.

**Example B:** 1 Pallet (\$X/2) was received and stocked on or after the 16th of the month.

Full-month storage rate is charged for any pallets present at the facility on the 1st of the month.

As a general rule, products are stored 1 SKU per location to ensure greater efficiency and inventory accuracy. This means that products arriving on mixed pallets could be moved to be 1 SKU per location, resulting in higher storage costs.

## Fulfillment Fees

Fee Type	Fee Explanation	Fee Reasoning	Fee Applied
<b>Fulfillment Fee</b>	FlowSpace's fulfillment fee includes picking and packing your order into a box. This fee is based on SKU weight, dimensions, and number of units.	<p>This covers the cost of picking, packing, and shipping to your buyers.</p> <p>If you choose to use our discounted shipping rates, you will see shipping cost per order on your invoice.</p>	The order processing fee includes the first item and subsequent per unit fees are charged for multi-unit orders.

Service	SLA	Information
Receiving Inventory	3 Business Days	The time to receive and put away your inventory and have it systematically updated in the FlowSpace system.
Shipping Orders - Eaches	<p>Before 12:00 pm local time of warehouse - Same Business Day</p> <p>After 12:00 pm local time of warehouse - Next Business Day</p>	
Shipping Orders - Cases & Pallets (Wholesale)	3 Business Days / 4 Business Days - Custom work*	Freight Transportation
FBA Orders	4 Business Days	
Kitting Orders	4 Business Days	

FlowSpace Support	Response Time - 2 Hours Resolution Time - 1 Business Days	Note: FlowSpace Support Hours:  Monday - Friday: 7:00 am - 5:00 pm PST
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FlowSpace requires a notice of upto 7 business days in advance of any promotion or marketing related activity that may increase order volume by 30% or more compared to the average volume over the preceding 12 weeks.

In addition, FlowSpace requires a notice of upto 7 business days if the order volume is anticipated to decrease by 30% or more.

### Inventory Removal Fees

Fee Type	Fee Explanation	Fee Reasoning	Fee Applied
<b>Inventory Disposal</b>	At a seller's request, FlowSpace will dispose of all inventory for a SKU from fulfillment centers. The fee is all-inclusive, and the disposal method is at FlowSpace's discretion.	This covers the cost of picking and disposing of inventory.	We will receive a quote for disposal and pass this on to the customer at cost plus 10%. This fee must be prepaid by the customer.

## Compliance

Fee Type	Fee Explanation	Fee Reasoning	Fee Applied
<b>Non-Scannable, Missing, or Incorrect Barcodes</b>	FlowSpace requires a correct, legible barcode on each sellable item. For items without a barcode, FlowSpace will not be responsible for order accuracy.	Noncompliant barcodes prevent fulfillment centers from scanning items during receiving and picking, which increases errors and leads to poor purchasing experiences for buyers (e.g., incorrect number of items, incorrect SKUs, etc.).	\$56 per SKU per warehouse for error resolution and problem solving + \$0.25 per unit requiring a new label
<b>Unnecessary Barcodes on Items</b>	There must be exactly one barcode per saleable unit. Unnecessary barcodes (e.g., barcodes on case packs) are noncompliant, and they must be covered over or removed.  <b>How to barcode case packs.</b>	Unnecessary barcodes can lead to mistakes during fulfillment (e.g., incorrect number of items, incorrect SKUs, etc.). When identified, fulfillment centers must dedicate staff to cover over or remove unnecessary barcodes.	\$56 per SKU per warehouse for error resolution and problem solving + \$0.25 per unit requiring covering/removing unnecessary barcodes

<p><b>Hidden, Missing, or Incorrect Flowspace Inbound Box Contents Label</b></p>	<p>Sellers must download, print, and attach FlowSpace Inbound Box Contents Labels to all boxes. To be compliant, box contents labels must be fully visible from the outside of the box.</p>	<p>Receiving teams need box contents labels to correctly identify and quickly receive inbound shipments. If box contents labels are hidden, missing, or incorrect, receiving teams must spend extra time problem solving, which slows receiving for all inbound shipments.</p>	<p>\$25 per box or \$50 per pallet</p>
<p><b>Item/SKU Barcodes on Case Packs or Boxes</b></p>	<p>Barcodes are only allowed on sellable units. Any barcodes on case packs or boxes must be covered over or removed.</p>	<p>Scannable unit barcodes on case packs/boxes will cause fulfillment center staff to mistake the whole case pack/box as a single sellable unit.</p>	<p>\$28 per SKU per warehouse for error resolution and problem solving + \$0.25 per unit requiring covering/removing item/SKU barcodes on case packs or boxes</p>
<p><b>Unscheduled or Missed Freight Delivery Appointment</b></p>	<p>All freight inbound require scheduled delivery appointments. Once a delivery appointment is scheduled, it cannot be missed, cancelled, or rescheduled within 24 hours of the appointment time.</p>	<p>Fulfillment centers are staffed according to expected inbound volume. Without sufficient lead time, staffing cannot be reduced and payroll costs are incurred.</p>	<p>\$224 for non-scheduled FTL or \$112 for non-scheduled LTL</p>

<p><b>Unknown or Unexpected SKU Inbouded</b></p>	<p>SKUs received at fulfillment centers must match the SKUs listed on the corresponding inbound shipping plan.</p>	<p>Unknown or unexpected SKUs require high coordination between FlowSpace, sellers, and fulfillment centers to resolve</p>	<p>\$150 per noncompliant SKU per warehouse</p> <p>* may incur separate additional fees if redistributing product is needed</p>
<p><b>Inbound Quantity Received is Off by More Than 10%</b></p>	<p>Quantities received at fulfillment centers must match the corresponding inbound shipping plan.</p>	<p>FlowSpace's fulfillment centers are staffed according to shipping plans. When a shipping plan is not followed exactly, planned capacity and labor can be insufficient or wasted.</p>	<p>For each SKU, \$0.50 per unit received above/below the acceptable 10% buffer</p> <p>Example: If we expect 100 items, but receive 115, the noncompliance fee will be 5 items times \$0.50 = \$2.50.</p>
<p><b>Pallet arrives damaged or tipped over.</b></p>	<p>Pallets must arrive upright and not in a tipped over or broken state.</p>	<p>This requires the warehouse staff to spend additional time outside of normal scope to correct the issue.</p>	<p>\$40 per hour.</p>

## Restricted Products

**We do not allow the following products in our facilities:**

- Products classified as 'hazardous' by the US DOT
- Products related to illegal activities or which are prohibited by law in the place of origin, the destination, or any sites through which the products may travel
- Products that have been illegally replicated, reproduced, or manufactured
- Products with unauthorized marketing materials
- Products requiring specific licenses to store or distribute including:
  - Live plants and animals
  - Alcoholic beverages
  - Ammunition & Firearms (Including BB and airsoft guns)
  - Tobacco
  - Prescription pharmaceuticals and pseudo pharmaceuticals
  - Explosive or hazardous products
  - Unique or one-of-a-kind materials
  - Precious metals (gold, silver, etc.)
- High-value products, or restricted monetary equivalents, including:
  - Products with a replacement value of \$1000 or more per item
  - Cash equivalents, gift cards, gift certificates
- Defective and/or damaged products

## Special Work Order

<b>Fee Type</b>	<b>Fee Explanation</b>	<b>Fee Reasoning</b>	<b>Fee Applied</b>
<b>Inventory Stock-checks</b>	Sellers may request FlowSpace check stock on items for various reasons including checking labels, taking pictures, remeasuring dimensions/weight, etc.	This covers the time for warehouse personnel to find and check stock for the given SKU.	We will provide a custom quote depending on the service requested and the time required to complete the work order.

Updated At: July 30, 2020