WALMART MULTICHANNEL SOLUTIONS

SERVICES DESCRIPTION

This Services Description is incorporated into the terms and conditions stated in Section 27 (Multi Channel WFS) of the Comprehensive Walmart Marketplace Retailer Agreement (the "Retailer Agreement"). This Services Description outlines the Walmart Multichannel Solutions (MCS) program, describes the logistics related services to be provided by Walmart to Seller and set forth some of the Seller obligations. All capitalized terms not otherwise defined in this Services Description will have the meaning given in the Seller Agreement.

I. GENERAL

A. Definitions

The following terms shall have the meaning set forth below:

"WFS Services Description" refers to the terms that apply to Walmart.com orders fulfilled by WFS.

"Multichannel Solutions" is a service that enables fulfillment and inventory management for any order channel with the same setup and visibility provided for WFS fulfilled Walmart.com orders.

"Average Sale Price" is utilized in the event reimbursement is necessary. Walmart will establish Average Sale Price based on Walmart.com and Seller Center data.

"Business Days" refer to weekdays excluding weekends and holidays.

"Seller" refers to you or your Retailer business.

II. INVENTORY MANAGEMENT SERVICES

A. Setup Requirements

1. Item Set-Up. For every unit of Inventory, Seller will assign its own unique SKU and all sellable Inventory will have a unique UPC/EAN number or proprietary Seller SKU number. Seller will submit to Walmart the completed SKU catalogs electronically for all inventory updates and changes and/or SKU additions. Seller will provide program intent for each SKU identifying if the item should be shared for Walmart.com or Off Walmart orders or stored exclusively for fulfillment of non-Walmart sales channels. This intent will govern publication on Walmart Marketplace.

2. Walmart Policies will apply to all Multichannel Solution items and transactions.

A. Brand Restrictions Policy may not apply unless items are enabled for Multichannel only.

B. Sending inbound inventory to WFS

All Multichannel inventory sent to a Walmart Fulfillment Services (WFS) fulfillment center is subject to the standards and guidelines outlined in the WFS Routing and Packaging Guide.

C. Inbound receipt and processing of inventory and inventory control

These processes are subject the standards and guidelines outlined in the WFS Services Description and WFS Routing and Packaging Guide.

D. Eligibility of reimbursement

Program users may qualify for reimbursements on Walmart Multichannel Solutions orders if:
1. The order in question is confirmed as lost or damaged. Claims for lost or damaged items on MCS orders should be filed with Walmart Seller Support within 10 days of the order delivery date or carrier estimated delivery date, whichever is later. Reimbursements will be credited as a line item in your WFS settlement report.
2. The order in question remains undelivered 10 business days past the promised or estimated delivery date, you may file a claim for reimbursement of the Average Sale Price for lost items with Seller Support. However, orders marked as delivered by the carrier don't qualify for reimbursement. If tracking has populated and updated with carrier details, carrier can be contacted for status update.
3. The order in question isn't delivered within 10 business days after the promised delivery date or estimated delivery date and there is no delivery scan, you can claim a lost reimbursement with Seller Support.

Walmart Multichannel Solutions Orders do not qualify for reimbursement if:
1. Walmart Multichannel Solutions fulfillment fees and items in orders are marked as delivered by the carrier are ineligible for reimbursement.
2. You use MCS orders to remove items from a fulfillment center. Instead, create a removal order. For more information, head to this seller guide to learn more about removal orders.
3. You use MCS to fulfill any order placed on the Walmart website, including seller-fulfilled orders, WFS orders, or any related shipments. Instead, use WFS.
4. The order is undeliverable and returned to the Seller's business or return center.
5. Walmart has defined the maximum reimbursement amount for an eligible single unit fulfilled through this service as $300.00. If you are shipping items that exceed $300.00 in value, we recommend purchasing third-party insurance.

We will require the following details in the event of a reimbursement claim investigation to submit your claim to Walmart Seller Support for any lost or damaged items on your MCS orders. Check reimbursements here (Link here).
- Partner ID
- Customer Order Number(s)
- Tracking Number(s)
- Proof of the original non-Walmart order, such as a screenshot of your order, including all affected GTINs and corresponding quantities, as well as the buyer's name and address
- Proof of refund or replacement provided to the buyer, including the buyer's name and address
- In the event of damage, to receive a reimbursement, you must provide photographic proof of the damaged item, wrong item, or missing items in the package.
- In the event of wrong items received: we will need images, description and details on the mistake

B. Calculation

The loss and damage calculation will include netting overages against shortages for all inventory, received and shipped, using the Average Sales Price of the item. If there are no sales for the item, then Walmart will use the Average Sales Price of the item and reimburse the estimated proceeds using that price, as set forth in Fees. If Walmart reimburses Seller for damaged Inventory, it will be entitled to dispose of such Inventory as set forth in this Walmart Agreement. Examples of reimbursement scenarios would be: A. Lost in transit, B. Damaged in transit

If we determine that your reimbursement claim is valid, we'll credit your account with a cash value reimbursement for the units.

For any reimbursements, we will determine the estimated proceeds of sale. We compare several price indicators to determine an average sale price for the item:
1. The median price at which you've sold the item on Walmart over the past 18 months.
2. The current list price that you've set for the same item on Walmart or the mean list price if you have multiple listings for the same item.
3. If we don't have enough information to calculate the estimated sale price of a unit using these price indicators, we'll base the estimate on the price of a comparable product.
4. We may ask you for additional information or documentation to help us determine that value.

III. ORDER MANAGEMENT SERVICES

A. Outbound Order Processing

1. Order Processing (Domestic). Walmart will process orders to meet promise day up to 120% of the Daily FC outbound capacity unit volume. All volume above 120% of the Daily FC outbound capacity unit volume that is not shipped the same day shall be included in the shipment volume on the next Business Day.

2. If Walmart does not have enough Inventory to fulfill all lines of an order, Walmart will use an order level 'Fill or Kill' logic and Walmart will cancel the Order. Cancellation status of the order will be communicated daily to Seller.

3. Order Fulfillment Accuracy. Walmart shall maintain an order fulfillment error rate of less than .5% (measured quarterly) calculated by adding the total short ship units (code SS) + over ship units (code OS) + warehouse picking error units (code WW) and dividing the sum of all by the total unit movement (shipping units + return units).

4. Packaging. Unless otherwise agreed to by the parties, Walmart will provide unbranded packaging on all Multichannel Orders

5. Labels. Outbound labels will print with the "To" address provided in the order creation process and the "From" address using the business details you entered for the specified sales channel the order was created under. This is the address undeliverable returns will be shipped back to by the carrier and is the sole responsibility of the Seller.

6. Walmart Multichannel Solutions Service Level Agreements (SLAs). SLAs govern the date and speed at which an order will ship once received by Walmart Multichannel Solutions. Shipping speed SLAs are governed by the shipping tier selected when you create the order within Walmart's systems (i.e. Walmart web portals, APIs or through Channel partner integrations). Once an order has been received and sourced by Walmart fulfilment systems, the following SLAs apply for the continental United States:

1. Expedited Shipping: Delivered within two business days.
2. Standard Shipping: Delivered within five business days

2-day/Expedited orders submitted and processed prior to 2PM EST will typically ship the same day when received during a business day.

Orders received. Orders received and processed after 2PM EST will typically ship the next business day. The actual ship date for standard orders may vary as delivery performance is tracked against the expected delivery date of 5 business days after the first eligible ship date.

Note, when calculating business days, day one is calculated as the first business day after the estimated ship date for expedited shipments and the first business day after the first eligible ship date for standard shipments.

B. Shipping

1. Bill of Lading Preparation. Walmart will prepare a carrier Bill of Lading for each Order shipping via LTL or FTL that includes all information to ensure proper billing and shipment rating. Walmart will provide Seller with its Bill of Lading information upon request.

2. Notification to Seller on Shipment. Walmart will provide shipment notification to Seller with tracking number for each outbound order line.

3. Outbound Delivery. Walmart makes no representations or warranties that any shipment will be delivered on-time or in accordance with a carrier's shipping terms. Walmart shall not be liable for any penalties, fines, or other fees incurred by Seller for a carrier's failure to deliver any shipment on-time or in accordance with its shipping terms. The Parties will review carrier service issues during the Business Review.

4. Loss and Damage Outbound Transit. When inventory is lost or damaged during delivery to the end customer, Walmart will reimburse Seller the estimated proceeds of the sale using the Average Sales Price of the item. See Fees for details on payments and fees for items lost or damaged while in transit.

5. Order Cancellations. Order cancellation is reported in Orders Report, Webhook, and in Seller Center. It'll also be available by checking the order status API.

C. Shipping Errors

When Walmart is notified of a shipping error, Walmart will check if the issue is with the item setup or an operational error to determine who is at fault for the error. Walmart will take fault for all operational errors and Seller will be assigned fault for all item setup issues. Fees and payments applied are based on who is at fault and are specified in Fees.

IV. INFORMATION TECHNOLOGY SERVICES

A. Systems.

Walmart shall provide to Seller advance notice of all Walmart system changes, modifications or planned outages that could have any potential material effect on fulfillment related systems. Walmart will provide reasonable notice to Seller in the event of any unplanned or emergency outages.

B. Q4 Code Freeze Period.

No program changes will move into production during Q4 Code Freeze Period. Deployments of EDI or XML transactions that do not require program changes will be permitted during the Q4 Code Freeze Period. Development work on projects and enhancements may occur during such period, however, implementations will not begin until after the Q4 Code Freeze Period.

C. System Issue Ticket Process.

Seller will notify Walmart of a system issue by contacting the customer support call center. The IT issue will be resolved using reasonable efforts during business hours as available. The response will contain root cause, corrective action, if any, and preventive action.