

	Subject: North American Dropship Policy	Effective Date: April 1, 2025
	Owner: Manager, Expanded Product Offering	Supersedes Policy Dated: February 19, 2024
	Type: Complete Revision () Partial Revision (x) New ()	Approved By: Manager, Expanded Product Offering

North American Dropship Policy

Supplier collaboration and partnership are critical to the success of GFS in how our systems process and manage transactions to ensure Products are shipped to our customers safely and effectively. This policy establishes the minimum standards that apply to all dropship orders placed by GFS and dropship deliveries that Supplier facilitates to GFS customers.

Service Level Metrics

Supplier shall meet or exceed each of the service level metrics (“SLMs”) outlined below. The SLMs will be measured and tracked on a monthly basis.

- (a) **Days to Ship Threshold.** At least 98% of orders are shipped within one business day of receiving the order.
 - Orders received by 2:00 pm EST must be shipped the same day.
 - Orders received after 2:00 pm EST must be shipped the next day.
- (b) **Fill Rate Threshold.** At least 97% of orders shall be successfully and accurately shipped (percentage of orders shipped and not canceled). Orders canceled by customers will not be counted as a failed order for purposes of the fill rate calculation.
 - Supplier must notify GFS of any out-of-stock items via the [Stock Status Form](#).
 - Fees may be applied for any short-shipped, incorrect item, out-of-stock orders, or late-shipped orders that are not communicated using the Stock Status Form.
 - All canceled orders should be communicated to the GFS expanded product offering (“EPO”) support team member noted on the purchase order within two hours of receipt.
- (c) **Tracking Threshold.** Supplier shall provide accurate tracking information for all orders within 24 hours of shipping the order.
 - Tracking information needs to be provided by utilizing [ShipExec](#) or Advance Ship Notices (ASN) via EDI.
 - If not partnering on Shipexec or utilizing EDI, all orders must have the GFS purchase order number entered in the appropriate reference fields for UPS and FedEx. The reference field should include only numbers, not letters.
 - If not integrated with ShipExec or utilizing EDI for tracking information, all orders missing tracking information are subject to fees.
- (d) **Appseament Threshold Damages.** For any Products that have recurring damage issues, vendors will be asked to pass [package drop testing](#) to avoid items being deactivated.

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- (e) **Item Content.** All Products are required to have eCommerce content and at least one high quality image. Any Products missing content or an image may be removed by GFS.

Failure to Meet Service Levels

If service levels are not met, GFS reserves the right to resolve performance issues, which can include temporarily or permanently disabling the Supplier's Products for dropship and/or regular delivery.

Reinstatement

Products that have been disabled in new channels due to performance issues may reach out to their Dropship Analyst for a list of corrective actions and measures that are required for reinstatement and inclusion within new channels.