

Schedule 1

Service Specification



1.0 SCOPE

This schedule seeks to provide an overview of the services offered by WINEDEPOT along with the minimum performance standards that WINEDEPOT strives to offer its Customers in relation to the provision of those services.

2.0 PURPOSE

This schedule has been compiled to provide the parties with a set of benchmarks that can be used to monitor and measure the performance of the services under the agreement.

3.0 DEFINITIONS & ABBREVIATIONS

ASN	Advance Shipping Notice
API	Application Programming Interface
ATL	Authority to Leave
B2B	Business to Business
BD	Business Day
COB	Close of Business
DIFOT	Delivery in Full, On Time
DIT	Damaged In Transit
D2C	Direct-to-Consumer
FCL	Full Container Load
FIFO	First In, First Out
FTL	Full Transport Load
IRA	Inventory Record Accuracy
KPI	Key Performance Indicators
LCL	Less Container Load
LTL	Less Transport Load
MIT	Missing In Transit
OOS	Out Of Stock
POD	Proof of Delivery
PnP	Pick and Pack
QA	Quality Assurance
SC	Supply Chain
SKU	Stock Keeping Unit
SOP	Standard Operating Procedure
SOH	Stock On Hand
SSCC	Serial Shipping Container Code
TMS	Transport Management System
VAS	Value-Added Service
WHS	Workplace Health and Safety
WMS	Warehouse Management System
3PL	Third Party Logistics
4PL	Fourth Party Logistics
CONNECT	Wine Depot's Online Order Management Platform

4.0 SERVICES OVERVIEW

WINEDEPOT offers its Customers access to the following services:

- a. Inventory sales, marketing and broking services via:
 - Online marketplace/s
 - Ecommerce sales channels
 - Digital and mobile marketing
 - Third party ordering platforms

- b. Multi-site warehousing & storage including:
 - Storage & warehousing
 - Picking & Packing
 - Labelling & Barcoding
 - Freight Service Sortation & Despatch
 - Inventory Consolidation
 - Stocktakes & cyclic counts
- c. Freight Services including co-ordination of:
 - Line-haul of palletised inventory (both inbound and outbound)
 - Local, intrastate, interstate and urgent order fulfilment to D2C, B2B and Trade customers
 - International order fulfilment to D2C, B2B and Trade customers
- d. Value-Added Services (VAS) including:
 - Business Intelligence & Analytics
 - Customer Support (outsourced)
 - Container packing and unpacking
 - Exception management
 - Mixed case kitting
 - Relabelling
 - Repacking and gift packing
 - Returns management (including assessment and handling of returned inventory)
 - Special packing requests – such as the inclusion of personalized notes and samples
 - Stocktakes
- e. Reporting services including:
 - Billing reports
 - DIT reports
 - Exception reports
 - SoH reports
 - MIT reports
 - Order delivery reports (including POD's)
 - Performance reports
 - Sales reports
 - Stocktake reports
 - Ullage reports

5.0 SERVICE PERFORMANCE STANDARDS

The following table sets out the performance standards and Key Performance Indicators (KPI's) that WINEDEPOT strives to offer its Customers in regard to the provision of the services.

The primary method of achieving these is the deployment of Standard Operating Procedures (SOP's) throughout the Supply Chain (SC) we operate in conjunction with our 3PL and 4PL partners.

Service Standard	Objective	Measurement / KPI	Minimum Standard
Inbound receipts and inventory visibility	To ensure that inbound inventory is checked, verified and its details are made available to the Customers in a timely manner.	<p>WINEDEPOT will ensure that all inbound deliveries are quality checked, verified accurate and booked into WINEDEPOT WMS within the following time frames after inventory arrives at the warehouse:</p> <p>a. Single SKU pallets – 24 hours b. Mixed SKU pallets – 48 hours</p> <p>The Customer is to provide an ASN for each expected inbound delivery at least 2 BD's prior to arrival.</p>	99%
Inbound discrepancies	To ensure that details of any inwards discrepancies are communicated to the Customer in a timely manner.	<p>WINEDEPOT will notify the Customer of any discrepancies in relation to inbound receipts within 2 hours of the inbound delivery being receipted.</p> <p>The Customer is to provide accurate details of the SKU's included in each inbound delivery via the ASN.</p>	99%

Inbound Collections – FTL / LTL	To ensure that inbound inventory is collected from the dispatching parties' warehouse on the agreed date.	WINEDEPOT will arrange transport to move the required inbound volumes on the requested collection date. The Customer is to provide collection requirements at least 3 BD's prior to collection, with final quantities confirmed 24 hours prior to collection.	99%
Inbound Collections – FCL / LCL	To ensure that inbound containers are collected from the port within a reasonable time frame.	WINEDEPOT will arrange transport to remove containers from the port within 3 BD's of vessel arrival and/or container being made available for collection. The Customer is to provide the container, port and import delivery details including the manifest at least 5 BD's prior to the vessel arrival.	99%
Inventory Reconciliation (Adhoc requests)	To ensure physical and systemic inventory alignment always to ensure accurate information is provided to the Customer and enable accurate sales order processing to avoid customer services issues.	WINEDEPOT will perform a full stock take on the Customer's inventory at each of the service locations upon request. Any variances / discrepancies are to be reported to the Customer within 1 BD of the stock take being completed. The Customer may have a representative attend the stock take and agrees to pay WINEDEPOT the respective hourly rates to complete the stock takes.	99%
IRA (Inventory Record Accuracy)	To ensure alignment between physical and WINEDEPOT WMS system stock-on-hand.	WINEDEPOT will verify inventory levels via a cyclic counting regime. This will ensure all products are checked every 30 to 90 days. The Customer will advise WINEDEPOT of any variations that it detects that require checking.	99%
Stock Age	To ensure that all inventory is managed via FIFO principles	WINEDEPOT will manage all inventory via FIFO principles unless otherwise directed. The Customer will advise WINEDEPOT if it has its own inventory management rules or batch control requirements that need manual exception.	99%
PnP (Pick and Pack)	To ensure that picking and packing of orders is completed within the expected time frames.	WINEDEPOT will ensure all standard outbound orders received by the cut off time are picked, packed and dispatched to the selected carrier on the same day, provided that service is available. All orders received after the cut off time will be dispatched next day. The Customer will lodge orders as early as possible to avoid peak loading around cut off times.	99%
Urgent Orders	To ensure that all urgent orders are dispatched within the expected time frames.	WINEDEPOT will ensure that all urgent orders are to be picked and packed and dispatched to the selected carrier within 2 hours of an urgent order being accepted provided that service is available.	99%
Order Accuracy	To ensure that all orders are correctly picked to ensure that all inventory records are accurate, all orders can be fulfilled.	WINEDEPOT will install a QA/QC process to check that all PnP orders contain the correct products in the required volumes. The Customer will assist by identifying its Inventory using SSCC barcodes. The Customer will provide WINEDEPOT details of all order errors reported by order recipients.	99%
Losses & Damages	To minimise inventory losses and damages.	WINEDEPOT will install processes and practices to ensure that inventory losses and damages are minimized. WINEDEPOT will reimburse Customers for any Goods lost or damaged in excess of the Ullage Allowance in accordance with Terms and Conditions of the Logistics Services and Supplier Agreement and the Ullage Guidelines (Schedule 3). The Customer accepts and understands that while all care will be taken, losses and breakages occur from time to time within warehouse environments.	0.75% of throughput per annum
POD (Proof of Delivery)	To ensure that POD's (where requested) are collected and made available to the Customer within a reasonable time frame.	WINEDEPOT will work with the 3PL and 4PL providers in the SC to try and ensure that each POD is collected and uploaded into CONNECT within 24 hours of the delivery being completed.	95%
ATL (Authority to Leave)	To ensure that ATL instructions attached to the order are followed. Please note that: 1. ATL is not available for Same Day Alcohol Deliveries as these orders must be signed for. 2. Our ability to accept signatures may be affected by WHS requirements in relation to COVID-19	WINEDEPOT will work with the 3PL and 4PL providers in the SC to try and ensure that the ATL instructions provided with each order are followed by the respective delivery driver. The Customer will advise when ATL is required and provide detailed delivery instructions for those orders.	99%

DIFOT (Delivered In Full On Time)	To ensure that all deliveries are completed within the expected time frame/s.	<p>WINEDEPOT will work with the 3PL and 4PL providers in the SC to try and ensure that all orders are delivered within the estimated delivery window provided to the Customer at the time the order is accepted.</p> <p>WINEDEPOT will provide Customers guidance in regards to any delays expected due to reasons beyond its control.</p> <p>The Customer will accept and understand that estimated delivery windows may vary from time to time depending on the carrier they select, network congestion over peak periods and factors beyond our control such as government restrictions in relation to COVID-19.</p>	95%
DIT (Damage in Transit)	To ensure that all orders are dispatched and are delivered without defect or damage	<p>WINEDEPOT will work with the 3PL and 4PL providers in the SC to try and ensure that all orders are without defect or damage.</p> <p>The Customer will ensure all of its products are packaged in a way that is fit for purpose and accepts that inferior packaging will lead to higher breakage rates.</p> <p>The Customer will provide WINEDEPOT details of all damage reported by order recipients.</p>	95%
MIT (Missing in Transit)	To ensure all orders dispatched are delivered to the details provided by the Customer; pending they are true and correct (Address)	<p>WINEDEPOT will work with its 3PL and 4PL partners to try and ensure that all orders are delivered to the address provided by the Customer.</p> <p>The Customer will provide WINEDEPOT details of all missing orders reported by order recipients.</p>	95%
Accurate Invoicing	All invoicing should be completed at the agreed rates	<p>WINEDEPOT will ensure that all invoices issued to Customers have the correct rates and unit measures applied to them.</p> <p>The Customer will provide details of any errors or omissions that it detects in WINEDEPOT invoices, within 7 days of the date of invoice.</p> <p>The Customer will settle all invoices within 14 days from the date of invoice unless otherwise agreed in writing.</p>	99%
Inventory Sales Remittances	To ensure that Customers get paid on time for all inventory sales.	<p>WINEDEPOT will ensure that remittances for inventory sales (less fees, charges and other deductions) are processed and paid into the Customers nominated bank account 30 days EOM.</p> <p>If the Customer has requested the accelerated payment option, then the remittances will be released within 3 BD's of the sale date.</p>	99%
Online Access, API & Data Backups (CONNECT)	To ensure that Customers can access to our online management system 24x7	<p>WINEDEPOT will ensure that its technology platform and API will be fully functional and available to Customers at all times except when otherwise advised for general or emergency maintenance.</p> <p>WINEDEPOT will complete daily backups of the data in the system.</p> <p>WINEDEPOT will provide at least 24 hours' notice of any planned maintenance work.</p>	99%
Online Support Web & Email Enquiries	To ensure that all website and email support requests received from Customers are dealt within a reasonable time frame.	<p>WINEDEPOT will provide the Customer confirmation that it has received your enquiry and lodged a support ticket via reply email within 5 minutes.</p> <p>WINEDEPOT will then seek to provide the Customer a response:</p> <ul style="list-style-type: none"> a. within 4 hours (simple issues) b. within 24 hours (complex issues) <p>The Customer will need to provide sufficient details in regard to the enquiry to allow WINEDEPOT to investigate and where possible resolve the issue.</p>	95%
Phone & Chat Support	To ensure that Customer's phone and online chat support requests are dealt within a reasonable time frame.	<p>WINEDEPOT will answer all calls and chat requests within 30 seconds during standard working hours.</p> <p>WINEDEPOT will lodge a support ticket on the Customers behalf (if required) within 5 minutes of the call or chat which will then be processed.</p>	95%
Escalations	To ensure that escalation requests for serious issues are dealt within a reasonable time frame.	<p>WINEDEPOT will arrange for the Head of Customer Support or the Sales Account Manager to contact the Customer by email or phone within 30 minutes of receiving the escalation request.</p> <p>The Customer will need to provide sufficient details in regard to the serious issue to allow WINEDEPOT to investigate and where possible resolve the matter.</p>	