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## 1. About the Penalty Policy

### 1.1. Purpose

Jumia strives to maintain the highest standards on the Jumia marketplace, to ensure that buyers can always shop with trust and confidence, and that sellers compete fairly. We have a range of codes, policies and guidelines, directed towards maintaining our standards.

In the event that sellers fail to adhere to our codes, policies and guidelines, we reserve the right to apply penalties, including financial penalties.

The purpose of this Policy is to ensure transparency around Jumia's approach to applying penalties.

### 1.2. Scope

This Policy sets out:

- the range of remedies available to Jumia for breach of the Terms and Conditions of Use of the Marketplace, or Jumia's codes, policies and guidelines;
- the particular breaches that will be subject to financial penalties;
- the level of financial penalties that may be applied; and
- how we apply and communicate financial penalties to sellers.

## 1.3. Application

This Policy applies to all sellers on the Jumia marketplace.

## 2. Jumia's remedies for seller breaches

Jumia may, in its discretion, apply financial penalties in respect of the following three main categories of breach:

- quality control failures
- sale of counterfeit products; and
- sale of prohibited or restricted products,

particularised in further detail at section 3 below.

Jumia's right to apply the financial penalties set outlined in this Policy is without prejudice to all other rights and remedies available pursuant to the Terms and Conditions of Use of the Marketplace and at law, including:

- delisting (or de-boosting) products;
- formal warnings;
- temporarily suspending access to the marketplace;
- withholding all payments to the seller;
- deleting the seller account and permanently prohibit access to the marketplace;
- commencing legal action against the seller; and/or
- reporting the seller to the relevant regulatory authorities for criminal prosecution.

### 3. Breaches that result in financial penalties

#### 3.1. Quality control failure

Jumia operates strict quality control procedures in respect of all products delivered to its vendor drop off hubs and warehouses.

Jumia will impose a penalty fee of USD 10 on sellers in respect of each and every product that fails Jumia’s quality control checks, including for any of the reasons listed in the table below.

I QC failure reason	Definition	Description
Wrong item	Fulfilled an item different from what was ordered	If an item is rejected at the drop off point because it does not physically match what was ordered. This applies to the wrong color, shape, technical characteristics, brand, swapped invoices.
Defective item	Fulfilled items not working in line with specifications, items missing parts, broken seals or stains.	If an item is rejected at the drop off point because it is damaged, incomplete, not functional or not usable. e.g. missing item or parts, damaged or broken item/package, stains, stitching defects, misplaced or broken seals, items that do not power on.
Used/Refurbished item	Fulfilled item(s) that have been previously used	If an item is rejected at the drop off point because it is not new e.g. item looks used/has been used or is refurbished.

#### 3.2. Counterfeit product

Jumia prohibits the sale of counterfeit products on our marketplace, and will act swiftly to remove such products from the supply chain.

Jumia will impose a penalty fee of USD 200 on sellers in respect of each and every counterfeit item that we discover, either on a product listing, during quality control inspections, or following a buyer complaint.

Our **Anti-Counterfeit Policy** further particularises our approach to keeping counterfeit products out of the marketplace, and to dealing with breaches of the policy.

#### 3.3. Prohibited or restricted products

Prohibited products are those products that may never be sold on Jumia due to illegality, whilst restricted products may only be sold if certain criteria are met.

Jumia reviews all product listings, and works with our logistics providers and customs authorities, to ensure that we identify and prevent the sale of prohibited and restricted products.

Jumia will impose a penalty fee of USD 1,000 on sellers in respect of each and every

prohibited or restricted item that we discover, either on a product listing or at any other point in our supply chain.

Our **Prohibited and Restricted Products Policy** further particularises our approach to protecting our buyers against the sale of unsafe, illegal and otherwise unlicensed products when they shop on our marketplace.

#### 4. The level of the financial penalties

The table below summaries the amount of the penalty fees applied for specified breaches.

Breach	Penalty per item (USD)
Quality control failure	10
Counterfeit product	200
Prohibited or restricted products	1,000

The above penalty fees will be applied in the local currency equivalent of the US dollar amount stated above.

Jumia may periodically review and amend the level of the financial penalties applied.

#### 5. How we apply and communicate financial penalties to sellers

Jumia communicates with sellers to notify them of any breaches and related penalties applied to their account.

All penalties are clearly identified in the seller's statement of account and set off against commissions payable to the seller.

#### 6. Further information

If you are a seller and you have any questions about this Policy, or any penalty fees charged to you, please contact our Seller Support Team.

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