



CHEX FINER FOODS SUPPLIER POLICIES

As a third generation, family-owned distributor, **Chex Finer Foods** seeks to build lasting and meaningful partnerships with our suppliers. The purpose of these supplier policies is to create a foundation for the trading terms of our business relationship and ensure that we have a clear, concise, and transparent approach to supporting our mutual success. We value your commitment to Chex and building a strong relationship for us to grow together.

These **Supplier Policies** set forth the terms and conditions for the purchase of products by Chex Finer Foods. Acceptance of a purchase order from Chex Finer Foods shall be deemed an acceptance of the "Supplier Policies" and Supplier shall be bound by all the following terms and conditions.

Section 1: Item Terms

Prior to product launch all suppliers presenting new items are required to:

1. Provide product samples with scannable UPC codes, relevant category/trend information, and a distributor price list with prepaid and FOB pricing. If applicable, please provide published wholesale direct pricing and a customer list for New England, NY, and NJ.
2. A high-res digital image and pdf flat of the product packaging (with scannable UPC and net weight), must be sent to: Marketing@chexfoods.com with completed Chex 1 page Marketing Form, sell sheets and ingredient panels.
3. Complete the "New Item" set up form.
4. Confirm a 90 day "**Introductory Deal Allowance**" and confirm an "**Annual Promotion Calendar**" that covers the next 12 months of promotions from your launch.
5. Please provide appropriate third-party **Attribute Certifications** to have your products listed as Organic, Kosher, Gluten-Free or non-GMO. We will not be able to identify your products with these attributes without certification and verified documentation.
6. New item is a guaranteed Chex sale for the first twelve months after launch as outlined in Section 4 of the agreement.

Date Code Requirements:

All products need to be identified with an open code shelf life or use by date. This code should be printed on the product as well as on the outside of the shipping case. Please provide your buyer with updated information regarding production shelf life. At the time of receiving, we require:

- Products with a **12-month shelf code** or greater must have **75%** of the production code remaining.
- Products with a **6-month shelf code** must have **85%** of the production code remaining.
- Any products received at the Chex warehouse that do not meet the above date parameters will not be received into Chex or paid for. Suppliers will have 48 hours to provide disposition on these lots of inventory.

Food Safety Modernization Act (FSMA)/Foreign Supplier Verification Program (FSVP): The undersigned hereby certifies that a qualified individual created and maintained its FSMA/FSVP and that the FSMA/FSVP is up to date and compliant with the requirements of the Federal Food Drug and Cosmetic Act (FDCA) and the regulations concerning foreign supplier verifications. Please refer to addendum 1.A for complete FSMA/FSVP compliance terms.

Section 2. MARKETING PROGRAMS AND REQUIREMENTS

We expect our suppliers to support and help market their products to build awareness and drive sales with our retailers. We have both required programs and optional advertising & growth programs. All rates are published annually and are in addendum 1.B.



Required - Your signed Chex supplier agreement is proxy for commitment to the applicable required marketing programs.

- 1. Tradeshow/Summer Selling Program:** Annually, Chex hosts a selling tradeshow called Chexpo. All suppliers are encouraged to participate. In the event a supplier does not participate, fees equivalent to booth fees will be charged back and put towards monthly promotional publication listings.
- 2. Seasonal Pre-sell Publications:** Chex publishes 3-4 pre-sell programs annually via catalog, not a physical trade show. Seasonally appropriate items will be selected to be included in the catalog(s) by your Supplier & Category Manager.
- 3. Annual Product Catalog Listing:** All Suppliers are required to participate in our Annual Product Catalog, which has a full color printed and digital version. This program is how we present our assortment to new and current customers.
- 4. New Item Marketing:** New product information is sent out monthly to our sales team and retailers. A "Chex Sell Sheet" accompanied by a "New Item Email Blast" is created and sent to over 900 retailers and is required for all new items. These items will also be included in our New Item Book published twice per year.

Chex also has a suite of optional growth programs and advertising opportunities that can be customized to help grow your brand. Please refer to Marketing Growth Programs 1 pager for options or contact marketing@chexfoods.com.

Section 3. PROGRAMING

- 1. Promotions:** All Suppliers are required to have a baseline annual promotional program to be offered to all customers. All promotions must be submitted on Current Chex Promotional Forms. All monthly promotions will be published to our retailers for no less than 30 days. Promotions are to be offered for a minimum of 4x/per calendar year, and we encourage you to work with your Supplier & Category Manager to ensure your promotional program is optimized for discounts and timing, to drive more sales together. Our required published minimum TPR (Temporary Price Reduction) discount is 15%.
 - a. Please refer to your Chex promotional form for promotional dates. All submitted promotions must conform to these dates, with no exception. If your products require additional lead time, please bring this to the attention of your buyer.
 - b. Promotions will be handled via a billback upon receipt of PO to Chex - this is the same as an Off-Invoice allowance, it is processed upon receipt vs. PO placement. Our approach allows us to provide purchase orders to you that arrive on time, for Chex to support our ship out dates to our customers and ensure successful execution at retail. There are no additional fees related to standard distributor promo allowances.
 - c. We encourage you to provide additional promotions via MCBs to our key accounts to overlay your published promotional schedule and drive to successful promotional price points. These need to be documented to your Chex Supplier & Category Manager and Key Account Managers, to ensure proper execution. Chex will not be responsible for any customer promotions that are submitted incorrectly or outside of our retailers' promotional deadlines.
 - d. Out of stocks during the promotional period will be reordered at the promotional price.
 - e. Promotional sales in-excess of purchases will result in an MCB billback for the difference between the regular wholesale cost and the promotional cost x the # of cases shipped on promotion when non-deal inventory is used to support promotion or customer(s) overpulls beyond promo owned inventory at Chex.



2. **New Item Setup:** Upon setup of new items, suppliers will be invoiced. Payment due upon receipt. The current fee structure is in addendum 1.C.
3. **Samples:** Upon launch of new items, all suppliers are required to provide samples for our sales team for retailer new item presentations. From time to time, we will have additional needs for retailer presentations, events, or marketing programs. All samples will be billed back at 100% MCB at regular Chex wholesale cost. Current sample quantities are in addendum 1.C.
4. **New Item Placement Support:** To ensure our mutual success, we require a placement agreement in place prior to launch to gain placement of your items with our retailers. Our Retailers typically require one case per sku/item per store for new placements. When a new item is placed this allowance helps defray the cost of listing and removing other items. Chex will bill back the cost of new item placements/listing fees when they occur at a 100% MCB at Chex wholesale cost. A report detailing the placement including store name, address, and date of placement will be included with the bill back. We encourage you to work with your Supplier & Category Manager to ensure you have a successful program in place. Please note some of our larger chain retailers have slotting fees that may exceed (1) free case per item for new items and will be negotiated/confirmed with the retailer.

Section 4. SALES SUPPORT AGREEMENT

1. We require a twelve-month guaranteed sale period on all new open stock items after initial launch. In addition, special ordered in/out inventory and shipper displays with no sales over a 60-day period, and seasonal inventory for non-stock and display in/out items not sold within 30 days of the last ship window of the specified quarterly promotion due to customer cancellation or a PO arrived later than confirmed due date, will be returned, or credited at supplier's expense after supplier notification. Credit to Chex for subjected items will be paid to Chex at the landed cost (product + freight). If there are no invoices open, payment must be made via check before the product is returned or donated.
2. Chex reserves the right to return or donate/billback expiring inventory and/or overstock product for full credit of the landed cost (product + freight) if the item is at risk to spoil due to lack of sales to support normal turn inventory sell-off. We will provide a supplier notification email with a minimum of 90 days before the products expiration date. You will have 5 business days to provide at least a 50% MCB, return authorization or donation/billback to cover what is not sold at the time of the notification. If the item remains in Chex's inventory with or without an MCB it will be pulled at 30 days before its code date and the notified supplier will be subject to a billback at full customer sales price after the month closes (billback will not equal more than remaining % provided as an MCB for sales support before spoilage).
3. When an item or line is flagged for discontinuation by the supplier (with standard letterhead notification only) or Chex due to retailer discontinue, Chex will make all reasonable efforts with our key accounts to help work through remaining inventory, but the supplier is ultimately responsible for all remaining inventory via pick up for return, donation/billback or an inventory credit at landed cost (product + freight) with proper notification and a 30 day notice will be given for inventory resolution or it will be assumed product is approved for donation/billback for removal.
4. If an item is out of stock for longer than 60 days at Chex from the time of the last shipped date due to a supplier issue, the item will be subject to applicable relaunch fees and a monthly fee to keep the item active at Chex during its time of being not in stock. This charge will not be valid if the item becomes discontinued by the supplier with proper notification to Chex on company letterhead stating the discontinuation of the item or brand.
5. Service Level must be maintained at a raw level of 90% or higher, any items that negatively affect service level will be subject to item review, long term out fees and replacement with Chex and applicable customers as noted above.

Section 5. TERMS AND CONDITIONS

1. **Terms of Payment:** Our payment terms are 2%-10 days; net 30 from the receipt of the product or the invoice whichever is later. Initial payments to **new suppliers** will be NET 60 days, or when we have a positive credit balance



with the supplier (i.e., amount Chex owes, exceeds initial placement allowances), whichever occurs first. Payments may be delayed if the new item allowance for Key Chains is not received or exceeds the PO values. All deductions will be taken off-invoice. Payment terms for seasonal suppliers will be 2%-10 days; net 60.

2. **Supplier A/R:** From time to time, based on the timing of billings, a supplier may have receivables due to Chex that exceed invoices due. Chex Accounting will notify you when this occurs, and it is our sole discretion to invoice suppliers for the monies due to Chex. Payment will be due upon receipt. Non-compliance with this policy may result in termination and/or legal action.
3. **Spoilage, Damages and Returns:** We require a 1% allowance to cover any issues directly at our retailer’s locations with spoils, damage and return agreements/requirements to cover out of code, defective product reported by retailers, products returned by consumers to our retailers and shelf worn product. (This **does not** cover Chex warehouse inventory spoils which is covered in Section 4 of agreement per above.) We prefer that this allowance is processed as a billback per invoice, or it will be billed back from payments quarterly. If actual spoils exceed the 1% spoils allowance, the product details will be provided and the difference between actual and spoils allowance will be billed back to the supplier.
4. **Fair Share:** Our large key chain retailers require merchandising support and participation in all resets equivalent to a supplier’s “Fair Share”. The fee for these services is 2% of total sales to these specific accounts, billed back weekly at Chex wholesale cost.
5. **Reporting:** Chex does provide an optional supplier sales report with a signed reporting agreement; we unfortunately cannot provide reports to brands without an agreement.
 - **Standard Report** – This will summarize sales by retailer of your products of what is sold during the reporting period. Reports are provided quarterly via email. The cost of this program is detailed in addendum 1.C.
6. **UPC/Pack Changes:** Chex will require a minimum of 90-day notice prior to any UPC and Pack changes. If inaccurate information is provided on any correspondence (i.e., incorrect UPC) an administrative fee will be charged (See fee schedule below). Please note: Our large chain retailers may require a free fill to execute any UPC and/or pack size changes, these costs will be the supplier’s responsibility.
7. **Price Changes/Protection:** We require a minimum of 90 days’ notice for price changes. Price changes on items on promotion will not be accepted until the end of the promotional period.

Promotional Period	Price Change Cutoff (No Submissions after this date)
Q1 Program (items on promotion January – April)	July 1st
Q2/Chexpo (Items on promotion May – August)	October 1st
Halloween/Early Buy Holiday (Items on promotion Sept – Dec)	January 1st
Q4 Program (Items on Promotion or Seasonal Items Sept – Dec)	February 1st



If a price change is submitted with 90 days' notice and impacts a published promotion, an offsetting billback to the old cost will be required. All price changes must be submitted on the Chex Finer Foods price change form with a specific order or ship dates noted. Floor stock protection is required for any on-hand inventory with price decreases purchased prior to the price change.

- 8. Liability Insurance:** We require a Certificate of Insurance with minimum coverage and verbiage as indicated on addendum 1.D. Please refer to addendum 1.D for complete Insurance compliance terms. Supplier represents and warrants that: (1) the products comply with manufacturer's published specification and are consistent with any samples provided by the Supplier; (2) the products are safe, comply with all applicable regulatory, food safety and quality standards, and are fit for human consumption; (3) the products are free from adulteration and are not misbranded within the meaning of the Federal, Food, Drug and Cosmetic Act (the "Act"), where applicable, or any other applicable laws; (4) the products are not articles which may not, under the provisions of section 404, 505, or 512 of the Act, where applicable, be introduced into interstate commerce and (5) the products are manufactured, packaged, labeled, packed, shipped, advertised, promoted and invoiced in compliance with the applicable requirements of federal, state and local law, regulations, ordinances, administrative orders and rules of the United States and any country in which the products are grown, harvested or produced. Supplier agrees to indemnify, defend, and hold Chex and its affiliates and subsidiaries and their officers, directors, employees and agents, as well as any customers of Chex or its subsidiaries, or any buyer of the products, harmless from and against any allegations, actions, suits, claims, demands and proceedings or damages, liabilities, losses, costs or expenses (including reasonable attorneys' fees) sought connected with or arising out of or alleged to arise out of any of the following: (a) infringement or misappropriation of any patent, trademark, trade name, trade dress, copyright, trade secret or other proprietary right in connection with the products; (b) death or injury to any person, damage to any property, or any other damage or loss resulting or claimed to have resulted, in whole or in part, from the breach of Supplier's warranties, or any claim of strict liability in tort relating to the products or (c) Supplier's gross negligence or willful misconduct.
- 9. Product Correspondence:** All correspondence regarding products including promotions, price changes and size, pack, description changes must include the twelve-digit UPC number and the Chex item number. Correspondence without this information will be returned and not be processed.
- 10. Product Recalls:** Product recall notifications shall be immediately sent by Supplier to the Supplier & Category Manager. We expect to receive notification by the end of the business day when the product recall is announced. This communication shall include the severity level of the recall (Class I, II or III), applicable UPCs, lot number, product descriptions, code dates, ship dates, product photographs and Chex purchase order numbers. The product recall notification shall also include explicit instructions as to what actions Supplier requires Chex and Retailers to perform. Supplier shall fully indemnify and reimburse Chex for all costs associated with a product recall, including Chex's inventory value, retailer charges, and cost of product being disposed and/or returned.
- 11. Deduction resolution:** We understand, from time to time, there will be processing errors or differences in the execution of agreed upon programs or PO's. We aim to bring prompt and fair resolutions to outstanding questions with our suppliers. All requests for deduction resolution must be addressed promptly to Chex accounting and your Supplier & Category Manager to review. Requests after 180 days will not be honored, and Chex billing will be enforced.
- 12. Product Maintenance Fees:** Chex provides activities and services that require a minimal amount of support to cover administrative/warehouse costs. The activities may change and will be updated as business needs require. The costs are provided in Addendum 1.C



Activity
INCORRECT INFORMATION SUBMITTED, UPC and/or Pack/Size changes
Fee for MCBs and any billings processed on behalf of Chex retail customers
Product Recall administration fee

Section 6. PURCHASE ORDER, SHIPPING and RECEIVING POLICIES:

For All Suppliers

1. All POs must be confirmed within 48 hours of receipt and include confirmed PO pricing and quantities available and ship/receipt date will be met for requested arrival (Prepaid suppliers) or pickup date (for FOB suppliers). Chex PO pricing will prevail on POs unless changes are confirmed by your Chex Buyer. Requests for repayment due to pricing discrepancies must be addressed within 90 days from invoice date, requests after 90 days will not be honored. For any unadvised short shipments to Chex, the supplier will be responsible for the associated portion of the prevailing shipping cost (for FOB Suppliers) and any service level penalties from Chex retailers.
2. We prioritize our fill rate to our customers and target a 97% in bound fill rate on all PO's. All products must be accompanied by a Bill of Lading and an itemized packing list corresponding to the purchase order of products being delivered. If satisfactory supplier service levels are not met, we will need a corrective action plan that could have penalties if the fill rate is not remedied and potentially lead to discontinuation of your items at our retailers, and with Chex. The supplier will be responsible for any service level penalties from Chex retailers, because of short shipments.
3. If a supplier has Long Term Outs (any product not available to ship 2 weeks after requested PO date), they must provide a letter with reason, confirmed availability, Chex item # and UPC so we can advise our customers. Some of our customers have Long Term Out penalties that could result in delisting and/or charges to replace them in the stores that are the supplier's responsibility. Clear, consistent, and accurate communication is critical to our mutual success.
4. All POs must be palletized, shrink wrapped, and on a good quality "GMA" 4-WAY 40"x48" pallet. We do not accept European pallets.
5. Multiple POs from the same supplier must be separated by PO number. Multiple POs may be shipped on a single pallet only if all products on each PO is segregated and wrapped.
6. POs must arrive in good condition, with all products intact and free from damages, or crushed boxes.
7. We require a scannable outer-case barcode. Product shipped without a scannable barcode on the outer carton will be subject to a full case charge (See Below). Chex can confirm Supplier's current scannable barcodes are acceptable and no fee will be assessed.
8. Chex does not accept back-ordered products without a Chex generated purchase order, or the product could be refused by Chex.

FOB/Pickup Suppliers:

1. Chex or their assigned carriers can only sign for product subject to count. They may sign for a piece count when this can be done without breaking down the load or incur significant time loss. Chex will not be responsible for the shortage of products, signed subject to count.
2. Orders must be ready for pickup in full at scheduled pickup time. We expect to be notified of any shorts in advance of product pickup. If orders are not ready, we will wait for 30 minutes, if waiting charges are assessed or shortage of products related to excess transportation causes, the cost of waiting assessed waiting times or excess freight costs will be billed back to you at our cost.



3. Chex will periodically review the costs and supplier allowances to pick up product, if your actual costs to pick up exceed allowances, we will bill you back the difference and can discuss an on-going allowance or wholesale cost increase to cover. You can always offer delivered pricing options.
4. Purchase Orders must be ready (Chex pick up) depending on shipping type by confirmed PO pick up date by supplier a fee will be applied if late or if PO is not ready will be assigned at the discretion of Chex based on situation and freight market conditions. This fee will not be applied if an email notification about the delay is sent at least 72 hours in advance of originally agreed upon ready date. The costs are provided in Addendum 1.C

Prepaid Suppliers:

1. All POs require an appointment. Please schedule all appointments via e-mail: chexreceiving@chexfoods.com. Late deliveries will be accepted based on capacity and are at the sole discretion of the Receiving Manager.
2. Appointments must be made a minimum of 24 hours in advance. Receiving hours are Monday – Friday 6:00 AM to 12:00 Noon, EST. Appointments for full TL or container orders require 48 hours’ notice.
3. Purchase Orders must be delivered (prepaid) by confirmed delivery date by supplier a fee will be applied if late. This fee will not be applied if an email notification about the delay is sent at least 72 hours in advance of original agreed upon delivery date. The costs are provided in Addendum 1.C
4. The following terms apply to supplier managed pre-paid loads delivered to the Chex facility.
 - Drivers transporting pre-paid orders are responsible for completion of off-load on a “Sort & Segregate” basis.
 - This service is **required** on **ALL** carrier prepaid shipments and failure to select this service could result in PO refusal or a billback for breakdown charges as time permits at Chex warehouse including UPS/FedEx ground, LTL and trailer load shipments.
 - For smaller orders, Drivers are expected to offload within 30 minutes, with a 2-hour max for truck load orders.
 - Products shipped on same truck as hazardous materials will be refused.
5. Chex has charges for non-compliance related to receiving activities below. Costs are provided in Addendum 1.C

Receiving Non-Compliance Charges

Activity
PO not ready or delivered by confirmed ready or delivery date
Backhaul pick up not ready after confirmation made by warehouse
Backhaul cut of > 50% of original PO with no prior notification
Carrier No Show
Carrier shows up without an appointment (subject to refusal)
Carrier Late Arrival for appointment (Greater than 1 hour)
Multiple PO's unsegregated on the same pallet
Carrier showed up after hours (12:00) (subject to refusal)
Carrier shows with no Bill of Lading
PO has Concealed Damages
Product shipped without “Best by Date”
Product shipped without scannable Bar codes
Unacceptable Pallets (European, damaged, bad quality)



CHEX FINER FOODS SUPPLIER POLICIES

SUPPLIER AUTHORIZATION:

As an authorized representative of:

Supplier Name _____

These Supplier Policies supersede all previous Chex Finer Foods supplier agreements. I have read and agree to the outlined Chex Finer Foods Supplier Policies and Procedures.

Authorized Signature _____

Date _____

Print Name _____

Title _____



ADDENDUM 1. A

Food Safety Modernization Act Agreement

Chex Finer Foods ("Chex") and the Supplier agree to the following:

1. The term Foods as used in this agreement means all food as defined in section 201(f) of the Food, Drug and Cosmetic Act (FDCA) which includes but is not limited to, raw produce, processed foods and chewing gum (including all raw materials and ingredients), articles of drink, dietary supplements, game meats and food contact substances such as plates, cookware, food packaging and utensils. The term Foods includes human and animal food.
2. Supplier shall be in compliance with all FDA, USDA and other federal, state, and local laws, rules or regulations, including, without limitation, all food labeling, disclosure and safety laws, rules, regulations and ordinances and the Bioterrorism Act, at the time of shipment and delivery of any product. Requirements under FSMA (Food Safety Modernization Act) include those related to produce safety, preventative controls for human food and animal food, sanitary food transportation and food defense. Supplier shall provide Chex with a copy of its third-party food or product safety audit within 24 hours upon written request. Chex may require Supplier to provide appropriate documentation, including: (i) a copy of its Food Safety Program, which shall include a functioning HACCP and /or HARPC plan; (ii) a copy of an audited, third party approved, Food Safety Program; (iii) proof of FDA or USDA facility registration or other documentation as required for Chex to determine that the products supplied are produced within a framework of a food or product safety system.
3. With respect to Imported Foods, Chex does not serve as the Foreign Supplier Verification Program Importer ("FSVP Importer") as defined. This provision shall apply to shipments where Chex is the sole person falling within the definition of FSVP Importer and Chex has agreed in writing to be designated on the entry documentation as the FSVP Importer. Supplier shall not restructure ordinary terms of sale, transactions, or alter the ordinary course of business for the purpose of making Chex the sole person falling within the definition of FSVP Importer.
4. Supplier acknowledges that Chex shall reject any load of Foods, including Foods subject to the Perishable Agricultural Commodities Act, for violations of the Sanitary Food Transportation Act of which Chex is aware, including failure to maintain required records. Supplier assumes responsibility for ensuring loads of Foods rejected by Chex are not sold or distributed unless a qualified individual determines the Foods are not unsafe consistent with the Act. Supplier acknowledges Chex shall not serve as shipper, carrier or loader unless otherwise agreed to in writing. In circumstances where Chex arranges for transportation, Supplier shall not be responsible for serving as shipper or carrier unless Supplier assumes the responsibilities of providing the carrier with all necessary sanitary specifications for the carrier's vehicle and transportation equipment to prevent the Foods transported from becoming unsafe and providing operating temperatures for Foods that require time/temperature control for safety purposes.

The person signing this agreement warrants that he/she has been authorized and has the legal capacity to do so.

By: _____ Print Name: _____

Date: _____ Title: _____



ADDENDUM 1. B

Chex actively partners with our suppliers to market their products to build awareness and sales with our retailers. We have required and optional growth programs. All rates are published annually and are subject to change.

1. **Tradeshow/Summer Selling Program:** For suppliers that attend Chexpo, a discounted rate schedule will be applied for additional marketing programs.

Half Booth	Full Booth	Half Page Ad	Full Page Ad	Merchandiser
\$2,200	\$3,200	\$650	\$850	\$650/Brand

2. **Seasonal Pre-sell Publications:** Prices are per catalog. Based on SKU count by brand.

1-9 SKUs	10-19 SKUs	20-29 SKUs	30+ SKUs	Seasonal Merchandiser	Half Page Ad	Full Page Ad	Pricing & Order Portal
\$95/SKU	\$75/SKU	\$65/SKU	\$60/SKU	\$750/Brand	\$650	\$850	\$3/SKU

3. **Annual Product Catalog Listing:** Based on SKU count by brand.

1-4 SKUs	5-9 SKUs	10-14 SKUs	15-20 SKUs	21+ SKUs
\$600	\$850	\$1,100	\$1,400	\$1,900

4. **New Item Marketing:** Custom New Item Chex Sell Sheet and Email Blast.

Line Extensions	New Brands
\$600	\$750

Participation in the required programs is part of your signed supplier agreement. Chex also has very effective programs that are optional or can be customized to help grow your brand. Please refer to Marketing Growth Programs 1 pager for options or contact marketing@chexfoods.com



ADDENDUM 1. C

The following outlines current costs related to activities included in our Supplier Policies. These are our current rates. All rates are published annually and are subject to change. The rates below correspond to the sections outlined in the Supplier Policies as noted:

Section 3. PROGRAMING:

2. New Item Setup

- \$150 per sku

3. Samples

- Sample quantities needed for initial sales presentations are 14 cases/sku. Any additional sales samples for future sales presentations will be billed back, as needed.

6. Reporting

- Standard Report: \$375/quarter, \$1500/year

7. Product Maintenance Fees:

Activity	Charges
INCORRECT INFORMATION SUBMITTED, UPC and/or Pack/Size changes	\$300 per SKU
Fee for MCBs and any billing processed on behalf of retail customers by Chex	7.5%, capped at \$750
Product Recall administration fee	\$600 per SKU

Section 6. PURCHASE ORDER, SHIPPING and RECEIVING POLICIES:

Activity	Charges
PO not ready or delivered by confirmed ready or delivery date	\$200
Backhaul pick up not ready after confirmation made by warehouse	\$300
Backhaul cut of > 50% of original PO with no prior notification	\$200
Carrier No Show	\$300
Carrier shows up without an appointment (subject to refusal)	\$300
Carrier Late Arrival for appointment (Greater than 1 hr)	\$200
Multiple PO's unsegregated on the same pallet	\$200
Carrier showed up after hours (12:00) (subject to refusal)	\$200
Carrier shows with no Bill of Lading	\$200
PO has Concealed Damages	Cost of damaged product + \$200/PO
Product shipped without "Best by Date"	\$1.50/Case + \$150/PO
Product shipped without scannable Bar codes	\$1.50/Case + \$150/PO
Unacceptable Pallets (European, damaged, bad quality)	\$75/per pallet



ADDENDUM 1. D

MINIMUM INSURANCE REQUIREMENTS FOR SERVICE AND VENDOR COMPLIANCE

COVERAGE	INSURANCE REQUIRED (Primary, Umbrella or Both)
General Liability	
General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Each Occurrence	\$ 1,000,000
Personal and Advertising Injury	\$ 1,000,000
Damage to Rented Premises	\$ 100,000
Medical Expenses	\$ 5,000
Auto Liability	
Combined Single Limit	\$1,000,000
Employer's Liability/Workers Compensation	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000
Umbrella/Excess Liability	
Each Occurrence	\$3,000,000
General Aggregate	\$3,000,000

CERTIFICATES OF INSURANCE MUST INDICATE THE FOLLOWING

- 1) Chex Finer Foods Inc, Laurel Hill Foods Inc, and SCL Food Sales Inc **must** be added as an **Additional Insured** as it pertains to the work done/service provided and/or product delivered to the business.

*Certificates indicating **Additional Insured** by written contract are not accepted.*

- 2) The Certificate Holder must be:

Chex Finer Foods, Inc.
 71 Hampden Rd
 Mansfield, MA 02048
- 3) Waiver of Subrogation in favor of Chex Finer Foods Inc, Laurel Hill Foods Inc, and SCL Food Sales Inc must be provided for General Liability, Employers Liability, and Auto Liability.

Additional insurance limits may be required, depending on perceived risk exposure to the business.