SUPPLIER POLICIES & GUIDELINES

Publication Date: 07/24/2026

Publix

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Chapter 1: Doing Business with Publix

Overview

Introduction

This chapter covers information on doing business with Publix.

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Introduction

Doing business with Publix

These Supplier Policies & Guidelines (SP&Gs) have been established to create consistency, increase efficiency and minimize business costs for Publix Super Markets, Inc. and its subsidiaries and affiliates (collectively "Publix") and each company providing Publix with Products or services ("Supplier").

Publix's mission is to be the premier quality food retailer in the world. We strive to satisfy the needs of our customers better than the competition, provide a superior shopping experience, and ensure that our customers receive a superior value. We aim to have comprehensive and profound relationships with Suppliers that supply Publix with any services or items, including but not limited to ingredients, retail products, equipment, software, parts, Publix brand products, packaging, etc. ("Product(s)") based on superior supply chain management practices. We expect these relationships to be principled, professional, and based on mutually beneficial results.

It is imperative that all Suppliers read this entire document and thoroughly understand all of the policies and guidelines that apply to their company. Publix expects each Supplier to ensure that all personnel who interface with Publix thoroughly understand these SP&Gs as well. Compliance with these SP&Gs will align your organization with Publix and non-compliance jeopardizes our business relationship.

Not all sections of this document will apply to every Supplier. Every effort has been made to identify instances in which policies or guidelines apply only to specific types of Suppliers and where exclusions for certain types of Suppliers may exist. All policies and guidelines apply to the Supplier unless expressly excluded.

Publix expects all Suppliers to comply with the policies and guidelines outlined in this document except where prohibited by law. These policies and guidelines constitute the general terms and conditions of doing business with Publix, and any Supplier's failure to comply with these policies may result in a reduction and/or termination of business activity with Publix.

Publix Contacts

Primary Publix contacts

All communication with Publix should be directed to the Primary Publix Contact. For Suppliers of consumer packaged goods or other retail Products, the Primary Publix Contact will be the Publix Buyer. For manufacturing and supply items, the Primary Publix Contact will be your Manufacturing/Supply Purchasing contact. It is critical for the Primary Publix Contact to remain informed on all aspects of the Supplier's business to avoid communicating or making decisions based on incomplete or inaccurate information.

Secondary Publix contacts

In many cases, the Primary Publix Contact may provide a Supplier with Secondary Publix Contacts who represent specific business areas within Publix. A Supplier must never attempt to establish a secondary point of contact on its own, or otherwise attempt to circumvent the Primary Publix Contact.

Service Provider Management

Broker Management

Publix recognizes that some Suppliers utilize brokers as agents to interact with Publix and to serve as Publix's primary point of contact (**"Broker(s)"**). The contract between the Broker and the Supplier should define the authority being delegated to the Broker in specific terms. Publix expects all Brokers to act only within the authority granted to them by the Supplier. Publix bears no responsibility to determine if a Broker is acting within or outside of the authority delegated by the Supplier. Any action performed by the Broker on behalf of a Supplier, whether authorized by the Supplier or not, is considered to be endorsed by such Supplier. In addition, offers signed or submitted by the Broker on behalf of Supplier are considered to be valid offers and will be handled by Publix as such.

Utilizing Demo Company services

Publix will allow only approved Demo Companies to conduct Product demonstrations in Publix Stores. Any company that wishes to perform Product demonstrations in Publix Stores (**"Demo Company"**) must seek approval by contacting the Retail Director of Merchandising for the Publix division in which they operate. The approval process may take up to three weeks. Suppliers wishing to utilize a Demo Company to perform a Product demo may obtain a list of approved Demo Companies from their Primary Publix contact or the Publix Business Connection (www.Publix.biz). All Demo Companies must provide a valid certificate of liability insurance and comply with all insurance requirements as defined in these SP&G. A new certificate of insurance must be provided to the Publix Risk Management department prior to the expiration of the current certificate. Publix reserves the right to terminate the approved status of any Demo Company in its discretion and without prior notice.

Food safety for selling events and demonstrations in store

Selling events are an effective tool for presenting new and interesting ideas to our customers, but it is essential that food safety standards be maintained.

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Food safety requirements

The following food safety elements are expected as part of a Supplier's overall program for selling events and demonstrations that take place inside Publix's stores.

- To prevent the spread of bacteria and viruses, individuals must wash hands with soap and hot water after using the bathroom, touching their hair or face and any other time their hands become soiled.
- To ensure the safety of our associates and customers, do not work with food if you are sick. Publix defines sick symptoms to include any illness where you have vomiting, diarrhea, sore throat accompanied by fever, jaundice, or lesions containing pus. In addition, the US Food and Drug Administration (FDA) requires individuals to be excluded if diagnosed with one of the following illnesses: Typhoid fever, Salmonellosis, Shigellosis, SHIGA toxin-producing Escherichia coli infection, Norovirus or Hepatitis A.
- Individuals must wear single-use disposable gloves, either vinyl or plastic when touching any ready-to-eat product. Single-use gloves protect the food and food contact surfaces, and are not intended to keep the worker's hands from getting dirty. Latex gloves are prohibited at Publix because latex can cause an allergic reaction when in contact with skin or food.
- Basic food safety training must be provided to all individuals engaged in selling events and demonstrations. Training components shall be based on the FDA Foodborne Illness Risk Factors that include:
  - Food must be obtained from safe sources.
  - Associates must practice good personal hygiene. This includes proper single use gloves and hand washing techniques, not wearing jewelry below the elbow, wearing appropriate hair restraint and having clean clothing. Fingernails shall be kept short and clean.
  - When cooking, food must be cooked to the proper temperature and verified with a sanitized and calibrated thermometer. Food must be cooked to the manufacturer's specifications for temperature, and resting period times (microwave cooking).
  - Proper holding time and temperature must be maintained. Publix policy is to hold cold foods at 41°F and hot foods at 135°F or hotter. Time as a control may be used if approved by Publix. Refer to the temperature danger zone diagram.
  - Ready to eat food must be protected from contamination.

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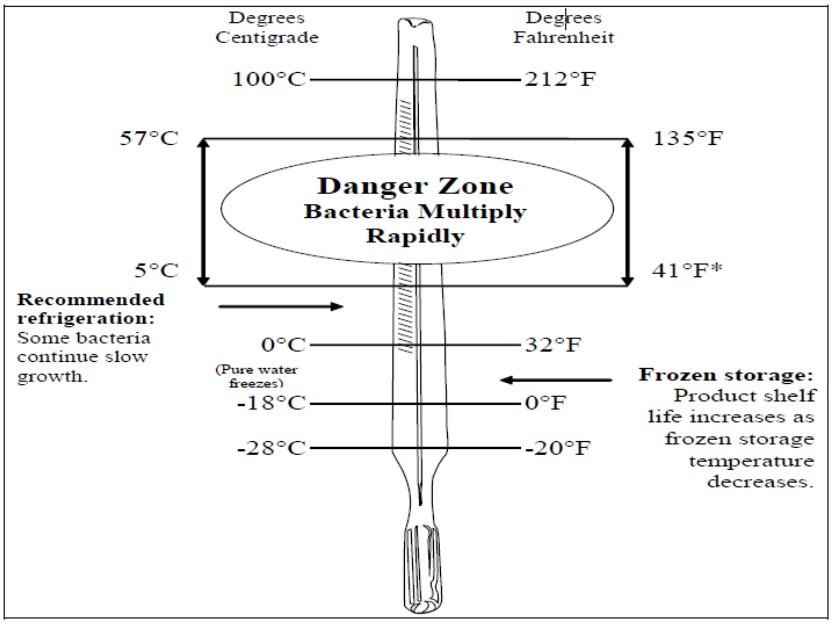
Food safety requirements, continued

- Individuals must understand if the food involved contains any allergens. The FDA defines the nine major food allergens as:
  - Milk
  - Egg
  - Peanut
  - Tree Nut
  - Fish
  - Shellfish
  - Soy
  - Wheat
  - Sesame

If a customer is experiencing a food allergy reaction (anaphylaxis), immediately contact the Manager in Charge and notify 911.

Temperature danger zone

This picture illustrates the temperature danger zone.



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Mobile food demonstrations

When approved by Marketing, Suppliers may conduct special events with mobile food demonstrations. The following elements must be obtained and provided to Corporate Quality Assurance for review and approval:

- Food Protection Manager Certification documentation for individuals that are responsible for the operation. Training through FMI's Safe Mark or NRA's Serve Safe will provide the vehicle by which certification is obtained.
- A documented food safety plan shall be provided that details the standard operating procedure for the food involved and how the food will be maintained in a food safe environment.
- A hand wash station with adequate hot water must be provided.
- A diagram of the mobile food establishment must be provided.

In addition, Suppliers must indicate if the details of their mobile food establishment have been provided to state regulatory agencies in the operating areas of Publix. Publix needs to know if a formal plan review has been approved by the regulatory agency and what other interaction may have occurred with regulators.

Carrier management

Transportation service providers (**"Carrier(s)"**) that transport Products to or from Publix play a significant role in Publix's efforts to develop and maintain an efficient supply chain. Publix expects Carriers to comply with all guidelines in this section and with all applicable supply chain management guidelines included in the Supply Chain Management section of this document.

All Carriers must be duly qualified to transport Products in:

- Interstate commerce under the authority issued by the U.S. Department of Transportation ("DOT") or
- Interstate commerce under the authority issued by the former Interstate Commerce Commission ("ICC") or
- Intrastate commerce under the authority issued by the state or states involved.

In cases where a Supplier utilizes a Carrier to transport Product to or from Publix, the Supplier shall be accountable for the responsible handling and transportation of their Products by the Carrier. In all cases where Supplier is responsible for the handling and transportation of its Products, Supplier shall ensure that the applicable bill of lading is marked "prepaid". Supplier shall provide carriers with a copy of the Publix Product Transportation Specifications section of this SP&G and require the Carrier to comply with such specifications through the contractual arrangement with the Carrier.

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Transportation brokers

Publix may from time to time hire transportation brokers to obtain Carriers to transport Product to or from Publix. Any transportation broker who is approved by Publix shall ensure that any Carrier that it hires to ship Product for Publix is provided a copy or a link to these SP&G. The contract between the Broker and the Carrier must provide that the Carrier can seek payment for the shipment only from the Broker and that the Carrier is not entitled to seek payment from the consignor or consignee. These payment terms supersede and take precedence over any bill of lading terms or conditions found in the particular bill of lading used by a Carrier for a shipment.

Supplier On-Site Conduct

Requesting an appointment

All meetings with Publix associates at any Publix offices require an appointment. Appointment requests will be evaluated based on the information submitted and will be accepted, declined, or deferred to a later date.

Identification

All Supplier representatives must have appropriate identification visible at all times when conducting business at a Publix facility. The points below identify how Publix defines appropriate identification.

- A Supplier representative conducting business at a Publix retail location operated in any format under any Publix owned banner ("Publix Store(s)") must wear a company issued identification card or name badge with the company name, representative's name, and the representative's photo. This badge must be worn in a visible position throughout the entire visit.
- A Supplier representative conducting business at a Publix office, manufacturing facility or a distribution center will be provided a visitor pass when he/she checks in at the appropriate security post or reception area. This pass must be worn in a visible position throughout the entire visit.

Checking in and out at a Publix offices, distribution center or manufacturing facility

All Supplier representatives must follow the rules below to check in when arriving at a Publix office, distribution center, or manufacturing facility.

- Stop and identify yourself to the Publix security officer at the appropriate security post to gain access to the property.
- Follow the directions of the Publix security officer to find the designated parking and reception areas. Park only in designated areas unless specifically told otherwise by the security officer.
- Sign in at the appropriate security post/reception area and follow the instructions of the Publix security officer/receptionist.
- Do not leave the reception area and enter the facility unless a Publix associate is escorting you.
- Do not visit with any Publix associates unless directed to do so.
- Check out at the appropriate security post/reception area if the facility being visited requires it. If unsure, return to the reception area and ask prior to departure.

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Supplier On-Site Conduct, Continued

Dress code at Publix offices

Publix associates are expected to dress in business attire when meeting with a Supplier. We encourage our Suppliers to maintain the same level of professionalism when calling on our office associates. In some special cases, the Supplier may wear business casual attire if the nature of the meeting warrants it and it is jointly arranged with the Publix Contact ahead of time.

Checking in and out at a Publix store

All Supplier representatives must have a company-issued name badge with photo identification and must follow the rules below to check in when arriving at a Publix Store.

- All Supplier representatives conducting business at a Publix Store should park away from the store when not making a delivery, particularly during customer shopping hours.
- Always check-in with the Publix Manager-in-Charge. DSD delivery personnel can check in with the Publix DSD Inventory Clerk.
- All DSD Suppliers and Shelf Execution Team (SET) members must also document their check-in upon arrival using the Electronic Check In Check Out (ECCO) tablet located at the receiving desk. A Supplier(s) name and purpose of visit must be entered at the time of check-in.
- Associates or agents involved in unique, or project work must have a letter from the appropriate Publix associate that authorizes this work within our stores. Supplier representatives should carry a copy of this letter.
- Always check out with the appropriate Publix store associate after completing the work but prior to leaving the store. The Publix associate may review or approve the work performed prior to the Supplier representative(s) leaving the store.
- All DSD Suppliers and SET members must also document their check-out using the ECCO tablet located at the receiving desk.
- Individuals must present for inspection any bag/box prior to leaving the building. Any item in possession in the store must be accompanied by a receipt.

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Supplier On-Site Conduct, Continued

Dress code at Publix stores

Supplier representatives should adhere to the following dress code when conducting business at a Publix Store.

- Clothing needs to be neat. If uniforms/company shirts are provided, they must be worn during each store visit. Black or very dark jeans (no holes, not faded, properly fitted and worn) are permitted. Blue jeans in any condition are NOT permitted. Sloppy, old, and/or torn clothing is not acceptable (some examples include faded/torn jeans, baggy shorts, sweat pants, t-shirts with advertisements, tank tops, or flip-flops).

Dress code at Publix stores, continued

- Hair should be neat (professional and/or business style).
- Male associates without facial hair should be clean shaven; with facial hair they should be neat and trimmed.
- Body jewelry should be minimal.

Food safety guidelines when visiting Publix

Publix has specific food safety guidelines in our stores, distribution centers and manufacturing facilities including individual food preparation areas in these facilities. These guidelines exist for the safety of our associates and our customers. Publix expects all Supplier representatives to know and comply with these food safety guidelines at all times while working in or visiting our stores, manufacturing plants and food preparation areas. If a Supplier representative must enter Publix distribution center or manufacturing facility, strict adherence must be maintained to Good Manufacturing Practices (GMPs). A Supplier who does not comply with the applicable food safety guidelines (and GMPs where applicable) will be required to leave the store, distribution center, manufacturing plants and/or food preparation area immediately. Additionally, Suppliers must have an employee health program that meets the requirements of the US FDA Model Food Code.

Purchases for personal use or consumption

Supplier Representatives may purchase Products from Publix for personal use or consumption while working in a Publix Store. Product should not be consumed while working and should be consumed in a customer or associate seating area. The Supplier must maintain possession of the receipt for any purchases until checking out with the appropriate Publix manager.

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Supplier On-Site Conduct, Continued

Inspection of items removed from store

Supplier representatives are expected to cooperate with any request made by Publix or its representatives to inspect items being removed from the store. Items that may be inspected include, but are not limited to, boxes, bags, briefcases, or containers.

On-site safety guidelines

When on-site at any Publix facility all Supplier representatives must follow the following safety guidelines:

- Non-working family members are not permitted in Publix Stores and receiving areas while an associate or agent is working in the store.
- Supplier representatives should immediately report any unsafe conditions or hazards of concern to the Publix Manager-in-Charge.
- Supplier representatives must immediately report to the Publix Manager-in-Charge any injury to a Supplier representative (including themselves), a Publix associate, or a customer.
- While working in a Publix facility, Supplier representatives must maintain a work area free of any conditions that may be hazardous to themselves or others. Examples of these conditions include but are not limited to placing plastic, cardboard, or other trash on the floor while working; or leaving a box cutter in a work area with the blade exposed.
- Supplier representatives are not permitted to use Publix's equipment or technology including, but not limited to, balers, trash compactors, motorized pallet jacks, computers, handheld scanning devices, slicers, or ovens unless they have received express written consent from their Publix Primary Contact and Store Manager-in-Charge.
- In order to further maintain a safe and secure environment, Publix will not tolerate any assault, threat of injury, or act of violence towards any individuals. This includes:
  - hitting, pushing or kicking;
  - obstructing, restraining, or blocking the movement of another person in order to injure, threaten, or anger the other; and
  - making statements which threaten physical harm or are intended to anger an individual.
- Any act of violence as indicated above (whether Supplier initiated or not) may result in Supplier being asked to leave the premises permanently and may be reported to law enforcement.

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Supplier On-Site Conduct, Continued

Prohibited items

At Publix, we share the belief that each of us should be able to work in a safe and secure environment. In order to maintain such an environment, no Suppliers are permitted to bring the following items into any Publix vehicle, Publix building, parking lot surrounding a Publix building, or any Publix meeting or function:

- any type of firearms (whether loaded or not) 49

Prohibited items, continued

- switchblade knives or knives with blades longer than 4 inches if not required by job function
- explosives and
- any objects or substances carried for the purpose of harming or threatening others.

Use of electronic devices

Authorized broker/supplier associates can use electronic devices within Publix stores to check item distribution, collect item facings, position and to record voids. These devices must not be used to collect section POGs or to collect promoted or everyday retail prices. Further, if the portable computer software is capable of collecting retail prices, these devices are NOT to be used in Publix's stores. Without an authorization letter communicating the use and capability of the portable computer, Publix's Store Management teams may ask supplier representatives to cease the use of portable devices in Publix's stores especially if they suspect that the collection of POGs or prices has occurred.

Using the correct POG

Most of Publix's shelf POGs are store specific. If performing shelf set work, ensure that the correct POG is used for the stores that supplier teams will be working in by printing the appropriate POGs in advance from Publix's Supplier Portal.

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Supplier On-Site Conduct, Continued

Customer Service

Providing premier customer service is a fundamental expectation for all Publix associates. As your employees or agents are working in our stores, we expect that they will provide the same level of service that our associates are expected to provide. It is our goal to give our customers 100% of our attention. This includes

- acknowledging all customers they come in contact with
- remaining aware of customers when working on an aisle by moving out of a customer's way
- assisting customers in reaching or locating products or taking them to a Publix associate that can assist them
- refraining from using personal electronic devices (including cell phones or earbuds/earphones) while on the sales floor and
- being respectful of Publix associates and customers at all times by avoiding abrasive or derogatory language. The use of profanity, on or off the sales floor is not tolerated.

Stocking standards

Our customers expect all products within our stores to be stocked in a clean, organized and consistent manner; regardless of whether they were stocked by a Publix associate or an employee or agent of your company. While any employee or agent of your company is stocking they must ensure

- aisles aren't blocked by equipment or product and cardboard and plastic is stored safely off the floor at all times
- products are stocked in neat, straight rows and according to the correct planogram for the store
- product labels face forward
- products have the proper shelf tags (avoid handwritten tags and signs) and
- all products are rotated when stocked and no products are out of date and left on the shelf.

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Supplier On-Site Conduct, Continued

Shelf and equipment cleaning

Publix provides a premier shopping experience for our customers, including a clean store. Suppliers are expected to make sure shelves and equipment are clean and presentable before stocking product. You should only use authorized cleaner and disposable cleaning cloths, which can be provided to you by the DSD Inventory Clerk. If a shelf requires more cleaning than what can be done with these items, alert the DSD Inventory Clerk or a member of the management team for the department so he or she can make arrangements to have the shelf or piece of equipment cleaned.

Note: Publix associates will clean shelving and equipment for alcoholic beverage suppliers if state law prohibits this type of service.

Working in food preparation area

If during the course of store work, supplier representatives need to work in or pass-thru a Publix food preparation area, they must contact the department manager in charge and receive their permission. Food preparation areas and the equipment in these areas are considered clean and sanitized. If approved to work in a food preparation area, supplier representatives must wear a Publix approved hair and /or beard restraint and slip resistant, closed toed shoes. Sleeveless shirts are not permitted. Upon entry into these areas, supplier representatives must also wash their hands. If, during the course of work, an area is made unclean, immediately report this condition to the department manager in charge. Additional cleaning and sanitation may be required. Food safety is Publix's top priority.

In addition, Supplier representatives involved in the use of Publix's food preparation or food storage areas and/or equipment must (1) have a letter from the Primary Publix Contact that authorizes this work, and (2) be accompanied by a Publix Corporate Retail Business Unit associate at all times.

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Supplier On-Site Conduct, Continued

Use of personal electronic devices	Use of a personal electronic device including cell phones or earbuds/earphones while on the Publix sales floor is prohibited. In the event a supplier representative needs to answer a call, make a call, text or email, they should remove themselves from the sales floor. It is Publix's goal to give its customers 100% attention. Unless authorized by Publix management, Supplier and Broker employees or agents are not allowed to photograph stores or Publix associates. Without an authorization letter for photography of a specific purpose, Publix's Store Management teams will ask our suppliers and brokers to cease taking pictures.
Language	The use of profanity, on or off the sales floor is not permitted.
Signage	Vendors shall not place any signage in or around a Publix store without prior written approval from the Primary Publix Contact.

Presenting Products to Publix

Background

The number of Products available to Publix increases every year. Publix operates centralized category management and purchasing departments to evaluate and make purchase decisions on the wide variety of Products offered to us. This section provides the guidelines for presenting Products to Publix.

Determining where to present your product

Publix has divided the Product purchasing responsibilities among several business areas. Each of the business areas listed below is responsible for managing specific types of Products offered to Publix.

- Corporate Purchasing – Grocery & Non Foods
- Corporate Purchasing – Fresh Products
  - Bakery
  - Deli
  - Meat/Seafood
  - Produce
- Pharmacy Purchasing
- Manufacturing/ Supply Purchasing and
- Marketing – Print Buying.

Suppliers should refer to the Publix Business Connection to find the specific information needed to determine when and to whom a Product should be presented according to the posted category review periods.

Information required with new retail product presentations

When presenting a retail Product, Suppliers should, at a minimum, provide the information listed below.

- Two mass production samples of the finished retail Product or, for Products not yet in production, two samples of the retail Product along with an image or mock-up of its retail packaging.
- The Product information needed to create the item in Publix's systems submitted as described on the Publix Business Connection using the appropriate business forms or Vendor interface.
- Information related to the viability of the new Product, including:
  - target demographic of the Product (i.e. who is expected to buy this product)
  - differentiating Product characteristics (i.e. what differentiates the product from other products currently being sold) and
  - expected cannibalization (i.e. what Products customers are currently buying to meet their need)

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Presenting Products to Publix, Continued

Information required with new retail product presentations, continued

- Information regarding the planned support of the Product, including:
  - the amount of consumer direct advertising in the Publix market areas
  - the amount of incremental promotional resources available to promote the Product at Publix and
  - a recommended promotion schedule to promote the Product at Publix.
- Information regarding the business potential to Publix including projected sales, household penetration and cannibalization.

Presenting innovative new products

Publix supports the introduction of innovative new Products and will sometimes act quickly in an effort to be first to sell them. Publix requires notification of all new Product launches no less than 60 days prior to the Product's first ship date. Publix will determine (based on the information provided) if immediate action is appropriate.

Category review cycles for retail products

Publix purchasing teams create and publish Category Review Cycles on an annual basis. This is designed to efficiently manage the large number of new items by bundling them for retail planogram implementation. We encourage all Suppliers to align their new retail Product launches with this schedule. Only new Products launched with a comprehensive introductory package that will create strong consumer awareness and will lead to immediate consumer sales will be considered for distribution outside of the normal review cycle.

Test markets

To ensure fair and equitable treatment, Suppliers must notify Publix of any product test market studies being conducted in our market areas and offer Publix the option to participate. Publix recognizes and will support the use of "product test markets" but reserves the right to decline participation. Test market product considerations must be presented with the same forms and documentation that Suppliers would provide for a new item.

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Presenting Products to Publix, Continued

Special or bonus packs	Publix expects 100% disclosure of all special or bonus packs produced by our Suppliers and offered to any retail channel. Special or bonus packs are defined as any packs offering the consumer an added value or giving the consumer an added incentive to purchase at the point of sale.

Information Management

Providing information to Publix

Any information required by Publix should be submitted to your Primary Publix Contact (or such other person as specified by your Primary Contact), via the Publix Business Connection or by using a standardized Publix business form. All Suppliers are responsible for providing Publix timely and accurate updates to information previously submitted.

Publix may occasionally request additional information from Suppliers regarding their company, Products, programs, or services. Suppliers must respond to all requests for information as quickly and accurately as possible. It is the Supplier's responsibility to notify Publix of changes to points of contact and their contact information. Publix will not assume any responsibility for information sent to an address or email address which was not kept up to date by the Supplier.

Publix Business Connection

The "Publix Business Connection" is a secure communication portal that utilizes the internet to exchange information with our Suppliers. The purpose of this section is to provide information about the Publix Business Connection and how it is used to collect and share information.

This section is not currently applicable to Suppliers of any Publix Manufacturing Facility.

Access to Publix Business Connection

The Publix Business Connection is located at www.Publix.biz and can be accessed using an internet browser. Suppliers must request access to the system by completing the Publix Business Connection Access Request Form and submitting it to their Primary Publix Contact. Access is provided in Publix's sole discretion.

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Information Management, Continued

Administrators and users

When a Supplier is granted access to the Publix Business Connection, Publix will create system administrators in the system as designated by the Supplier on the Publix Business Connection Access Request Form. These administrators are responsible for:

- creating and maintaining all additional users who are members of the Supplier organization and require access to the system (note: administrators should not create users for members of unaffiliated companies)
- providing administrative support such as password resets to users within the Supplier's organization and
- granting permission to access the Supplier's information to existing users from other Supplier organizations such as brokers.

Supplier security responsibilities and guarantees

Each Supplier is responsible for maintaining the security of the data for their company and must provide the following guarantees. The Supplier hereby guarantees:

- All designated administrators provided on the Publix Business Connection Access Request Form are current employees of the Supplier at the time of submission of the form and should have administrator access to the systems for the Supplier and be assigned to the Publix business.
- Any changes required to add or remove an administrator to or from the system will be communicated to the Primary Publix Contact immediately using the Publix Business Connection Access Request Form.
- The Supplier will take sole responsibility for access granted to users by the Supplier's administrator.
- The Supplier will immediately terminate access for any user who is separated from their organization for any reason.

Information shared by Publix

The Publix Business Connection is designed to provide Suppliers information they need to effectively conduct business with Publix and to improve the quality of service being provided to Publix. Information related to performance, upcoming promotions, item forecasts, item sales performance, item promotion performance, supply chain efficiency, and merchandising is available on the Publix Business Connection.

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Performance based access

Publix uses scorecards to assess the performance of Suppliers based on specific KPIs. A Supplier's level of Performance has a direct relationship to the level of information a Supplier can access. As a scorecard score improves, the amount of information available to the Supplier increases. Conversely, if a scorecard score falls below a level previously attained, the amount of information available to the Supplier will decrease.

Additional information

Additional questions regarding the Publix Business Connection and/or performance based access should be directed to the Supplier's Primary Publix Contact.

Publix business forms

To operate efficiently, Publix must collect and maintain specific information about our Suppliers and their Products. It is our goal to facilitate the collection of information using the Publix Business Connection. Information not collected via the Publix Business Connection should be submitted to your Primary Publix Contact using a standardized Publix business form. The purpose of this section is to provide information about the various Publix business forms and their use.

Supplier/product information forms

The list below contains the Publix forms found on the Publix Business Connection portal that are used to capture Supplier Information.

- The Vendor Information Form is used to detail all required Vendor Information from a Supplier. There are separate forms for DSD, Warehouse, and Manufacturing/Distribution Suppliers.
- The Transportation/Warehouse Information Form is used for Warehouse Vendors to detail all required destination warehouse and freight information.
- The Continuing Indemnity Agreement is used to indemnify Publix from all liability related to a Supplier's Products and employees.
- The Certificate of Insurance is used to obtain proof that the Supplier's insurance meets Publix's Insurance Guidelines.
- The Damage Return Disposition Agreement is used to document the agreement between Publix and a Supplier for the disposition of and reimbursement for product processed through Publix's Damage Return Centers.

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Information Management, Continued

Supplier/product information forms, continued

- The Standard Non-Disclosure Agreement is intended to protect the confidentiality of information Publix shares with its Suppliers.
- The Supplier Information Packet Acknowledgement is used to acknowledge the receipt, review, and understanding of Publix's Supplier Policies and Guidelines by the Supplier. This form must be completed and submitted for each of the Supplier's Vendors.
- The Publix Business Connection Access Request Form is used to enable each Supplier to access the Publix Business Connection portal.

Product forms

Publix uses Product business forms to collect information about new or existing Products being offered or sold to Publix by a Supplier. This information is referred to as "Product Information." The list below contains the Publix forms used to capture Product Information.

- For retail products, the Publix Item Data Form (found on the Publix Business Connection) is used to capture the physical attributes of a Product required to maintain the Product in our systems.
- For Manufacturing, the Publix Material Information Form is used to capture the physical attributes of the Product required to maintain the Product in our systems.
- The New Item Initiative Form (found on the Publix Business Connection) is used to collect information regarding the launch of a new retail Product.

Other forms

Publix uses additional forms to collect information related to other Supplier activities being executed in Publix's trading areas. The list below contains the Publix forms used to capture information related to these activities.

- The Co-Op Advertising Form must be submitted by the Supplier for a proposal for co-marketing or co-equity advertising such as television, radio, or direct mail that will incorporate the Publix name or logo.
- For Manufacturing, the Publix Price Change Justification Form must be submitted by the Supplier to justify price changes.

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Information Management, Continued

Submitting completed forms	All forms must be fully completed, typed, accurate, and submitted to the Primary Publix Contact within the time period specified in these guidelines or as otherwise designated by the Primary Publix Contact. The forms must be signed and dated as specified on the form.
Current versions of all forms	Publix requires that all Suppliers use the latest version of the Publix standard business forms. Current versions of all Publix standard business forms are available on the Publix Business Connection.

Electronic Data Interchange

Background

Electronic Data Interchange (EDI) is a standards based means of communication between Suppliers and Publix to exchange information. Publix requires all Product Suppliers to be EDI trading partners. The purpose of this section is to provide information regarding becoming an EDI trading partner with Publix.

This section is not currently applicable to Suppliers of any Publix Manufacturing Facility.

Supported EDI transactions

Generally, Publix supports EDI transactions required to submit purchase orders to Product Suppliers or to receive invoices from Product Suppliers.

Publix currently supports the following specific EDI transactions:

Transactions	Description
204	Load Tender (Traffic information only)
214	Shipment Status (Traffic information only)
820	Electronic Funds Transfer
824	Application Advice
832	Price/Sales Catalog for Alcohol Suppliers (not currently be used)
852	Product Activity Data for Pharmacy Suppliers
855	Purchase Order Acknowledgment (not currently being used)
856	Advanced Shipment Notice
864	Text Message for DSD
867	Pharmacy Product Transfer and Resale Report for Pharmacy Suppliers
875/850	Purchase Orders
875	DSD Polled Orders
880/810	Invoices
894	Delivery/Return Base Record
895	Delivery/Return Acknowledgement or Adjustment (sent to Suppliers as a result of an 894 NEX invoice)
990	Response to a Load Tender (Traffic information only)

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Electronic Data Interchange, Continued

Becoming an EDI trading partner

Suppliers are required to provide their EDI contact information as a prerequisite to being set up as a Vendor in Publix's systems. A member of Publix's EDI department will contact the Supplier's EDI contact to understand the supplier's EDI capabilities and to schedule testing.

Additional Information Management

Surveys and questionnaires

Publix does not participate in surveys submitted by our Suppliers. Supplier surveys received by our associates will be collected and returned to the Supplier or discarded without a response. Under no circumstances may a Supplier offer any kind of cash or other compensation intended to induce a Publix associate to complete a survey. An offer of cash or other compensation to complete a survey is a direct violation of Publix's Supplier Gifts and Entertainment Policy.

Customer inquiries

Publix may refer to our Supplier any comments, complaints, or questions from Publix customers regarding the Supplier's Products or services. Publix requires our Suppliers to respond within ten (10) business days to any such customer contact. If the contact deals with an allegation of illness, injury or property damage, the Supplier must contact the customer within one (1) business day of notification. In addition, the Supplier must provide the Primary Publix Contact with verification of the Supplier's response unless otherwise instructed by Publix. In the event that a Supplier is required by law or regulation to report a customer complaint or other event to a governmental agency (e.g., Reportable Food Registry, Serious Adverse Event database, CPSC's SaferProducts.gov website), the Supplier will file the report as required by law, and notify the Primary Publix Contact of the report.

Confidentiality

Suppliers are required to maintain absolute confidentiality of all Publix information.

Chapter 2: Terms and Conditions

Overview

Introduction

This chapter reviews terms and conditions.

In this chapter

This chapter contains the following topics.

Topic	See page...
Terms and Conditions	29
Social Responsibility	30
Ethics Guidelines	33
Supplier Gifts and Entertainment Policy	35
Regulatory Requirements	37
Guarantees	46
Other Terms and Conditions	49
Insurance Requirements	53

Terms and Conditions

Supplier acceptance of terms

By signing an acknowledgement of these SP&G or by acknowledging these SP&G on the Publix Business Connection, each Supplier agrees to be bound to the then current version of these SP&G as updated by Publix from time to time. Acknowledgement of these Supplier Policies and Guidelines, shipment of Products, performance of services or commencement of work on the Product shall constitute Supplier's acceptance of these Supplier Policies and Guidelines and the terms and conditions set forth in any applicable contract, purchase order, freight document or cost form. No provisions printed or otherwise contained in any document (including electronic correspondence or websites) put forth by the Supplier, and no alteration by the Supplier of the Terms and Conditions herein stated, shall have any force or effect unless Publix expressly agrees to them in writing.

Social Responsibility

Employment matters

Publix considers providing a safe and healthful workplace a general duty of all Suppliers and expects all Suppliers and treat their workers fairly and with dignity. Suppliers must maintain safe working conditions, a healthy work environment and pay their workers a fair wage. Suppliers must comply with all applicable laws in the location where the work is performed. Publix maintains a zero tolerance policy for peonage or Products produced with any form of forced labor.

Environmental matters

All Suppliers must demonstrate good stewardship of the environment through a commitment to reduce the environmental impacts of their operations. Publix encourages all Suppliers to improve their sustainability performance by:

- implementing resource conservation practices (such as water and energy management programs)
- measuring, reporting and reducing greenhouse gas emissions
- implementing waste minimization practices including the reduction, reuse and recycling of byproduct waste streams
- packaging improvements including the use of more environmentally friendly materials and
- promoting sustainable business practices throughout the supply chain.

Global Protocol on packaging sustainability

Publix encourages Suppliers to adopt the Global Protocol on Packaging Sustainability (GPPS) as a voluntary common language used to facilitate the exchange of information related to packaging sustainability between supply chain partners. The GPPS can be downloaded for free on the Consumer Goods Forum's website.

Animal welfare guidelines

Publix believes all animals should be raised, transported and processed using procedures that are clean, safe and free from cruelty, abuse or neglect. We strive to strengthen food quality and safety while ensuring animal well-being at every step of the production process.

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Social Responsibility, Continued

Maintaining a safe environment

To ensure a safe environment for animals during the production process, Suppliers should ensure all of the following criteria are met:

- Livestock pens, driveways and ramps should be free from sharp or protruding objects which may cause injury or pain to animals.
- Loose boards, splintered or broken planking, and unnecessary openings where the head, feet, or legs of an animal may be injured shall be replaced or repaired.
- Electric prods used to drive animals shall be used with restraint to minimize excitement and injury. Pipes, or pointed objects, or excessive physical force shall not be used for prodding.
- Holding pens shall not be overcrowded and shall always provide the animals access to water.
- Animals held longer than 24 hours must have access to feed.

Stunning method guidelines

Stunning methods must be USDA-approved, effectively applied, and performed using industry standards (please refer to the *Guidance and Best Practices Section*). Currently, the approved methods are:

- Controlled Atmosphere Stunning
- captive bolt (skull penetrating or non-penetrating)
- electric current

Control equipment must be maintained in good repair and all indicators, instruments, and measuring devices must be maintained and operational through preventive maintenance programs.

Slaughtering without pre-stunning

Animals slaughtered without pre-stunning for religious reasons must be handled and slaughtered in accordance with all federal laws or regulations. The animals must be handled in a manner that causes the minimum amount of distress.

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Guidance and best practices

Supplier should develop their specific animal welfare programs based on regulatory guidance/regulation and industry best practices, including the most current versions of:

- Humane Methods of Slaughter Act
- National Cattlemen's Beef Association – Beef Quality Assurance (BQA)
- National Cattlemen's Beef Association – BQA Transportation
- American Veal Association – Veal Quality Assurance (VQA)
- National Milk Producers Federation – Farmers Assuring Responsible Management (F.A.R.M.) Program
- Pork CheckOff – Pork Quality Assurance Plus (PQA Plus)
- Pork CheckOff – Transportation Quality Assurance (TQA)
- National Turkey Federation – Animal Care Guidelines
- National Chicken Council – NCC Welfare Guidelines for Broilers and NCC Welfare Guidelines for Broiler Breeders
- United Egg Producers – Certified Animal Welfare Program

Third party audits to verify proper animal handling

Suppliers that provide Publix with Publix Brand Products or Products that are used by Publix in the manufacture or packaging of Publix Brand Products must obtain annual third-party audits to verify proper animal handling and must present the results of such audits to CQA Supplier Compliance at SupplierCompliance@publix.com annually.

Ethics Guidelines

Ethical business standards

Publix is committed to the highest standards of ethics and integrity. We demonstrate this commitment by steadfastly adhering to high moral principles and professional standards. Publix expects all Suppliers to conduct their business with a similar commitment and to meet or exceed the standards to which Publix has committed in all of our business practices.

Publix code of ethics

Publix has adopted a Code of Ethics outlining our core values and the expectations we have of our associates. As a Publix Supplier, you are expected to support each Publix associate and customer by complying with the ethical standards outlined in these guidelines. The Code of Ethics and these guidelines include many principles for doing the right thing, but no simple set of rules will address every situation. Good choices require thoughtful evaluation and sound judgment. The Code of Ethics and these guidelines are founded on the following core values:

Publix has a responsibility to…

Our Customers

- Customers are the reason we exist. We are passionately focused on customer value and must deliver quality products and premier service at a fair price. As Suppliers, you are expected to assist Publix in meeting this expectation.
- We are committed to providing our customers a safe shopping environment, which includes the safety of our facility and products. Each Supplier is expected to help identify and control areas of risk.

Our Associates

- Publix associates are the source of our success. We are dedicated to the dignity, value, and employment security of our associates. Suppliers should not place Publix associates in situations that could result in a conflict of interest or other unethical behavior.
- Publix associates cannot accept any gift or any premium for their own use or consumption from any Supplier or Supplier representative. Entertainment, including meals, paid for by Suppliers could result in inappropriate influence and is therefore not permitted.

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Ethics Guidelines, Continued

Publix code of ethics, continued

Our Stockholders

- We are intolerant of waste and devoted to the highest standards of stewardship for our stockholders. Honest and accurate recording and reporting of information is extremely important. Our stockholders count on us to provide accurate information about our business and to make responsible business decisions based on reliable records. Each Supplier is responsible for ensuring all records provided to Publix are accurate and complete.
- Our assets should only be used to conduct Publix business or for purposes authorized by management. Publix's computers, network, and other information resources may only be used in a way that complies with Publix's policies.

Our Suppliers

- We depend on our Suppliers to provide the high quality products and services our customers demand. We expect relationships with our Suppliers to be professional, to be based on high ethical standards, and to be compliant with our Supplier Policies and Guidelines.
- Suppliers' actions must be ethical and honest, as well as comply with applicable laws, rules, and regulations. We are committed to complying with laws that apply to the purchase, sale, export, import and other relationships with our Suppliers, and we expect our Suppliers to do the same. In particular, Publix expects all Suppliers to comply with, and to support Publix in its compliance with, all applicable antitrust and import/export laws.

Our Communities

- We are responsible to the communities in which we live and work. We strive to be a responsible citizen in our communities and encourage Suppliers to do the same.

Reporting a violation

Failure to report a violation of the Ethics guidelines above can be viewed as condoning the violation. Therefore, reporting all violations is very important. To report a violation, call the Publix Ethics Line at 1-866-747-3773. When calling, you do not need to identify yourself unless you want to.

Supplier Gifts and Entertainment Policy

Gifts/Premiums

All associates who purchase or influence the purchase of products and services are acting on behalf of Publix's customers. To best represent our customers, Publix purchasing associates must drive out all unnecessary costs of purchased products or services, eliminate waste, and negotiate superior values.

Gifts, premiums, and entertainment from Suppliers are costs that must be paid ultimately by Publix's customers and exist for the primary purpose of gaining information or influencing Publix's decisions. Publix believes the best business relationships are built on fair and honorable treatment alone. Publix associates should never be rewarded by a Supplier. Any reward for performance will come from Publix.

For the above reasons, Publix associates or their family members cannot accept any gift or premium for their own use from any Supplier or Supplier's representative.

Responses to supplier offers

The Publix associate offered a gift or premium will attempt to convert the offer to a cost reduction in the Products or services provided. If no such reduction is possible, Publix will expect our fair share of the premiums offered in our market areas. These offers will be forwarded internally to Publix Legal / Ethics Office.

Entertainment by/with suppliers

Entertainment, including meals, paid for by Suppliers represents the kind of cost and potential influence described above and is not permitted.

Samples

Publix will accept samples only to the degree necessary for testing and evaluation of Products.

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Supplier Gifts and Entertainment Policy, Continued

Personal purchases from suppliers

Publix associates may make personal purchases from Suppliers only under the following circumstances: Any personal purchases from a Supplier must be at fair market value and otherwise on the same terms and conditions as are available to the general public. The associate must notify his or her supervisor and receive written permission from the appropriate Vice President before the transaction may occur.

Regulatory Requirements

Compliance with laws and regulations

Publix expects all Suppliers to comply with all applicable federal, state, and local laws and regulations.

Fresh produce safety requirements

Publix is committed to providing our customers safe and high quality fresh fruits and vegetables. To achieve this, Publix requires Suppliers of fresh fruits and vegetables to implement and continuously improve Product safety through the development of and adherence to Good Agricultural Practices. In addition, Publix requires Suppliers to comply with ethical standards and applicable laws including laws and regulations relating to labor, the health and safety of workers and environmental stewardship. **The purpose of this section is to provide our Suppliers of fresh produce with our fresh produce safety requirements.**

Food safety compliance program expectations

We expect all Suppliers of fresh produce to adhere to all applicable federal, state, and local food safety requirements, including FDA's final rule entitled "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption" (80 Fed. Reg. 74354 (Nov. 27, 2015)), as applicable, upon the effective date of the final rule. Publix expects Suppliers of fresh fruits and vegetables to adopt farm food safety compliance programs containing all of the minimum requirements listed below and to follow Good Agricultural Practices.

- Assign knowledgeable and responsible individuals within your organization the oversight and management of all quality and food safety programs.
- Implement operationally specific policies and procedures for food safety.
- Implement training modules geared towards compliance with the food safety policies and procedures.
- Maintain documentation of your organization's food safety compliance policies and procedures.
- Conduct internal food safety assessments based on science that will be scored and benchmarked against industry standards.
- Implement and document corrective measures (as needed) when non-compliance is noted.
- Arrange for annual audits of your program, as discussed below.

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Regulatory Requirements, Continued

On the farm food safety audits of fresh fruit and vegetable suppliers

Publix requires Suppliers of fresh fruits or vegetables to have their On the Farm Food Safety Management Systems audited by an approved independent third-party food safety auditor and/or certification provider. Audits must be performed for each growing area (field, greenhouse, orchard, ranch, etc.), harvest crew, cooler, and packing house and must be updated at least annually or for each new growing season. Suppliers must provide audit results or a certificate to Publix's recognized data management system. The full details of these audits in their entirety must be made available to Publix upon request.

These audits can be performed using any of the following:

- PrimusLabs On the Farm Food Safety Audits.
- Global Food Safety Initiative (GFSI).
- Application of the Harmonized GAP standard.

For questions about this audit program, please contact the appropriate produce buyer or Corporate Quality Assurance at 1-863-688-1188 ext. 35236.

Farm labor standards

Publix maintains a zero tolerance policy for peonage or Products produced with any form of forced labor. Suppliers must allow Publix or its representatives access to perform an assessment of working conditions on the farms of any Supplier of fresh fruits or vegetables.

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Regulatory Requirements, Continued

Bioterrorism Act requirements

On June 12, 2002 the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act) was signed into law to address security concerns surrounding possible food-related bioterrorism. The purpose of this section is to provide information on what we expect from our Suppliers regarding compliance with the Bioterrorism Act.

Record keeping requirements

All Suppliers of food Products are required to

- maintain records of their immediate previous source of ingredients or Products and
- maintain records of their immediate subsequent purchasers of finished Products or ingredients.

Facility registration

All Suppliers of food Products must register all of their facilities where food may be

- manufactured
- processed
- packed or
- stored.

Imported food products

All Suppliers of imported food Products are required to comply with the Bioterrorism Act's prior notice requirements before importing food Products into the United States.

Recordkeeping for food samples

Publix is also required to create and maintain certain records of samples received from another company in the course of normal business operations. Because samples are an integral part of our relationship with our Suppliers, we have integrated a Bioterrorism Act record keeping process into our operations.

Publix requires all samples of Products that are intended for ingestion by humans or animals or that are used in food preparation be accompanied by a Bioterrorism Preparedness Act Product Sample Information Form. This form is required regardless of how the sample is delivered to Publix and regardless of whom within Publix it is delivered to.

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Regulatory Requirements, Continued

Country of origin labeling requirements

USDA requires any person engaged in the business of supplying a Country of Origin Labeling (COOL) covered commodity to a retailer (including producers, growers, ranchers, handlers, packers, processors and importers) to provide the retailer with accurate country of origin information for each covered commodity. In addition, Suppliers must comply with all origin marking requirements under regulations administered by U.S. Customs and Border Protection (CBP). The COOL regulations apply to all suppliers of covered commodities, as defined in USDA's COOL regulations which are currently available at, https://www.ams.usda.gov/rules-regulations/cool.

Requirements for consumer packaged goods

Consumer Packaged Goods (CPG) Products are Products sold in retail packaging with a GTIN, the Supplier's name and address, and the Product name printed on the packaging.

All CPG Products that exist within any of the covered commodity groups must have the country of origin on the product label in accordance with the USDA regulations which can be found on the USDA website (www.USDA.gov). Suppliers must provide their Primary Publix contact with a sample of the COOL labeling for verification purposes.

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Regulatory Requirements, Continued

Requirement for bulk products

Bulk Products are any Products that will be repackaged in Publix Stores or displayed and sold in bulk cases in Publix Stores. Bulk Products include all raw meat and bulk produce. The COOL requirements associated with Bulk Products in any of the covered commodity groups are described below:

- Requirements at Delivery - The Bill of Lading for any Bulk Products must specify the country of origin of the Product.
- Requirements in Stores – Country of origin labeling is required on the Product or on the display case To enable Publix to comply, Suppliers must comply with one of the following requirements.
- For bulk Products that have PLU stickers (such as bulk produce), the PLU stickers must display the PLU number, the product name, and the country of origin. We recommend the PLU stickers also display the Supplier's name and address (at least the city and state).

For bulk Products that cannot be labeled with PLU stickers (such as bulk meat or some bulk produce), the Product's shipping case must be labeled clearly with the appropriate country of origin declaration.

Product sourcing

Products in any of the covered commodity groups must be sourced in compliance with the USDA rules associated with country of origin and Product sourcing.

Expectations of suppliers

All Suppliers of Products in any of the covered commodity groups are required to

- comply with the requirements outlined in this section and
- be familiar with all other COOL requirements that may impact their business.

CBP origin marking requirements

Suppliers must mark foreign-origin goods with the country of origin as required by CBP's origin marking regulations. Suppliers are responsible for compliance with all Customs requirements for foreign-origin goods.

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Regulatory Requirements, Continued

Product packaging and labeling

The Supplier hereby provides the following guarantees:

- The Product's packaging materials provided by the Supplier to Publix and the intended use of the Product's packaging materials comply with the Federal Food, Drug and Cosmetic Act, and, if applicable, the FMIA, PPIA, EPIA, and all other applicable federal, state and local laws, rules, regulations, ordinances, and guidance, including, without limitation, Federal Trade Commission industry guides (for example, so-called FTC "Green Guides") and enforcement policy statements.
- The Product provided by the Supplier to Publix is, as of the date of shipment or delivery, labeled so as to identify all major food allergens (milk, eggs, fish, crustacean shellfish, tree nuts, wheat, peanuts, soybeans, and sesame) by their common name in the labeling of such Product in a manner consistent with the requirements under the FD&C Act (as amended by the Food Allergen Labeling and Consumer Protection Act of 2004).
- Flavor or flavoring product provided to Publix and represented as containing no artificial flavor will not contain any artificial flavor.

Consumer product safety commission

Consumer protection is a shared responsibility of Publix and our Suppliers. Non-food product Suppliers must comply with the Consumer Product Safety Improvement Act (CPSIA) and other applicable requirements of the Consumer Product Safety Commission (CPSC). **This includes but is not limited to provisions for lead, phthalates, toy safety, durable infant or toddler products, third-party testing and certification, tracking labels, and import requirements.** Publix expects Suppliers to maintain and make available to Publix at all times all appropriate certificates for regulatory compliance and to conduct any required testing. Suppliers will inform the Publix Buyer of the product with instructions as to how to access and retrieve such certificates for regulatory compliance. Suppliers have a responsibility to notify Publix of any customer complaint of injury associated with products, including like products sold to other retailers. A supplier must also notify Publix when it determines that a product that contains a defect which could create a substantial product hazard, fails to comply with an applicable consumer product safety rule or standard, or creates a risk of serious injury or death.

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Regulatory Requirements, Continued

Import requirements

Suppliers that import Products must comply with all federal import laws and regulations, including the Foreign Corrupt Practices Act. Suppliers that import Products must develop and implement compliance programs intended to monitor and detect any illegal bribes of foreign government officials. Suppliers that import food product, packaging, or consumer product intended to touch food (pots, pans, silverware, utensils, etc.), must assume and comply with all of the obligations of the FSVP importer under FDA's Foreign Supplier Verification Program regulations. No supplier may name Publix, or cause Publix to be named, as the "consignee" or "importer" on any U.S. Customs form or other import documentation without the express written consent of Publix. Suppliers represent and warrant that they shall complete all U.S. Customs and other forms utilized in the importing of Product honestly and accurately.

Publix product transportation specifications

Products will be transported in compliance with FDA's "Sanitary Transportation of Human and Animal Food" (81 Fed. Reg. 20092 (Apr. 6, 2016)), Guidance for Industry: Sanitary Transportation of Food (April 2010), Guidance for Industry: Food Producers, Processors, and Transporters: Food Security Preventive Measures Guidance (revised October 2007) and any future guidance issued by FDA regarding industry standards for transportation of food and, if applicable, FSIS regulations.

Product provided by the Supplier to Publix that is ordered frozen by Publix will be, at all times from the date of shipment to the date of delivery to Publix, frozen at a temperature of 0ºF or colder or as otherwise requested by Publix.

Product that is ordered refrigerated by Publix will be, at all times from the date of shipment to the date of delivery to Publix, held at a temperature of 40ºF or colder or as otherwise requested by Publix.

If Product requiring temperature control is received with evidence of temperature abuse (e.g., product or ambient air temperature registering at above required temperature limit, visible ice cycles or product sweeting, data logger shows temperature abuse), Publix may reject the entire load. Publix may also request from the carrier temperature monitoring records, such as the refrigeration unit data, data logger record, temperature entry data maintained by driver or temperature abuse monitors, as carrier shall provide these to Publix.

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Publix product transportation specifications, continued

All vehicles and equipment used to transport product to Publix must be clean and in such sanitary condition so as to prevent food from becoming unsafe during transportation operations.

For less than full load vehicles with Publix product on board, carrier will not allow non-Publix product to be placed above Publix product, and Publix product must be separated from non-Publix product by packaging or a physical barrier.
Additional requirements apply to bulk shipments and other shipments intended for Publix manufacturing facilities.

Prohibited Chemicals

The following is a list of chemicals that Publix does not allow in any product supplied to Publix (Prohibited Chemical):

- PFAS (all types – see https://cdxapps.epa.gov/oms-substance-registry-services/substance-list-details/490

Chemical Substances Designated as PBTs under TSCA:

- Decabromodiphenyl Ether (decaBDE); and
- Phenol, isopropylated, phosphate (3:1) (PIP (3:1))
- Pentachlorothiophenol (PCTP) (CASRN 133-49-3).
- 2,4,6-Tris(tert-butyl)phenol (2,4,6-TTBP) (CASRN 732-26-3)
- Hexachlorobutadiene (HCBD) (CASRN 87-68-3)

Chemical Substances Designated (or proposed) as High-Priority Under TSCA:

- Butyl benzyl phthalate (BBP) CASRN 85-68-7,
- Dibutyl phthalate (DBP) CASRN 84-74-2
- Di-ethylhexyl phthalate (DEHP) CASRN 117-81-7
- Di-isobutyl phthalate (DIBP) CASRN 84-69-5
- Dicyclohexyl phthalate (DCHP) CASRN 84-61-7
- 4,4’-(1-Methylethylidene)bis[2, 6-dibromophenol] (TBBPA) CASRN 79-94-7
- Phosphoric acid, triphenyl ester (TPP) CASRN 115-86-6
- Tris(2-chloroethyl) phosphate (TCEP) CASRN 115-96-8
- 1,1-Dichloroethane CASRN 75-34-3
- 1,2-Dichloroethane CASRN 107-06-2
- 1,2-Dichloropropane CASRN 78-87-5
- o-Dichlorobenzene CASRN 95-50-1
- p-Dichlorobenzene CASRN 106-46-7
- trans-1,2-Dichloroethylene CASRN 156-60-5,
- 1,1,2-Trichloroethane CASRN 79-00-5
- 1,3-Butadiene CASRN 106-99-0
- Ethylene dibromide (EDB) CASRN 106-93-4

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Prohibited Chemicals, continued

- 1,3,4,6,7,8-Hexahydro-4,6,6,7,8,8-hexamethylcyclopenta [g]-2-benzopyran (HHCB) CASRN 1222-05-5
- Formaldehyde CASRN 50-00-0
- Phthalic anhydride CASRN 85-44-9
- Acetaldehyde CASRN 75-07-0
- Acrylonitrile CASRN 107-13-1
- Benzenamine CASRN 62-53-3
- Vinyl Chloride CASRN 75-01-4
- 4,4'-Methylene bis(2-chloroaniline) (MBOCA) CASRN 101-14-4
- 1-bromopropane (1-BP) **CASRN** 106-94-5
- 1,4-dioxane (CASRN 123-91-1)
- Asbestos (CASRN 1332-21-4)
- Carbon Tetrachloride (CASRN 56-23-5)
- C.I. Pigment Violet 29 (PV29) (CASRN 81-33-4)
- Cyclic Aliphatic Bromide Cluster (HBCD) (CASRN 25637-99-4; 3194-55-6; 3194-57-8)
- Di-isodecyl phthalate (DIDP) – (1,2-benzenedicarboxylic acid 1,2-diisodecyl ester) (CASRN 26761-40-0, 68515-49-1)
- Di-isononyl phthalate (DINP) – (1,2-benzenedicarboxylic acid, 1,2-diisononyl ester) (CASRN 28553-12-0; 68515-48-0)
- Methylene Chloride (CASRN 75-09-2)
- N-Methylpyrrolidone (NMP) (CASRN 872-50-4)
- Octamethylcyclotetra- siloxane (D4) (CASRN 556-67-2)
- Perchloroethylene (CASRN 127-18-4)
- Trichlorethylene (TCE) (CASRN 79-01-6)

Chemical Substances EPA is Considering for Prioritization:

- 4-tert-Octylphenol(4-(1,1,3,3-tetramethylbutyl)-phenol) (CASRN 140-66-9)
- Benzene (CASRN 71-43-2)
- Bisphenol A (CASRN 80-05-7)
- Ethylbenzene (CASRN 100-41-4)
- Naphthalene (CASRN 91-20-3)
- Styrene (CASRN 100-42-5)
- Tribromomethane (CASRN 75-25-2)
- Triglycidyl isocyanurate (CASRN 2451-62-9)
- Hydrogen fluoride (CASRN 7664-39-3)
- N-(1,3-Dimethylbutyl)-N′-phenyl-p-phenylenediamine (6PPD) (CASRN 793-24-8)

This list of Prohibited Chemicals is in addition to any chemical or hazardous substance that is already banned by law or regulation or listed on EPA's CERCLA hazardous substance list (See https://www.epa.gov/system/files/documents/2024-05/epcra-cercla-caa-112r-consolidated-list-of-lists-updated-may-2024_0.pdf

Guarantees

General compliance guarantees

Suppliers are required to provide the guarantees below as a condition of doing business with Publix. Supplier hereby provides the following guarantees:

- The Product provided by the Supplier to Publix is, as of the date of shipment or delivery, compliant with all federal, state and local laws, rules and regulations applicable to such Product and to the sale, shipment or delivery of such Product, including all labeling and disclosure laws, rules, regulations, ordinances, and guidance, including, without limitation, Federal Trade Commission industry guides (for example, so-called FTC “Green Guides”) and enforcement policy statements.
- The Supplier will comply with any policies and procedures adopted by Publix in order to comply with the Federal Food, Drug, and Cosmetic Act (FD&C Act) (including but not limited to (i) the Public Health Security and Bioterrorism Preparedness and Response Act (the Bioterrorism Act) and(ii) the FDA Food Safety Modernization Act (FSMA)) and if applicable, the Federal Meat Inspection Act (FMIA), the Poultry Products Inspection Act (PPIA), the Egg Products Inspection Act (EPIA), the Agricultural Marketing Act, the Organic Foods Production Act, and any other applicable laws, as well as implementing regulations for these laws.
- The Supplier will comply with any policies and procedures adopted by Publix in order to comply with the Country of Origin Labeling regulations implemented by the US Department of Agriculture.
- The Supplier will comply with all applicable federal, state, and local laws and regulations relating to employment, discrimination, the environment, safety and health.
- The Supplier will at all times maintain proper federal, state, and/or local registrations, licensing, and permitting with regard to the Products or services being provided. Upon request from Publix, the Supplier will provide proof of such registrations, licensing, and/or permitting.
- The Supplier will comply with all applicable OSHA standards for general industry, the Occupational Safety and Health Act (OSH Act), and other relevant laws. Suppliers must also comply with the General Duty Clause of the OSH Act, which requires employers to keep their workplace free of serious recognized hazards.

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Guarantees, Continued

Safe product guarantees

The Supplier hereby provides the following safe product guarantees:

- The Product provided by the Supplier to Publix is, as of the date of shipment or delivery, (i) not adulterated or misbranded within the meaning of the FD&C Act, FMIA, PPIA, or EPIA, (ii) not an article which may not, under the provisions of Section 404, 505 or 512 of the FD&C Act, be introduced into interstate commerce and (iii) compliant with all applicable federal, state and local food safety laws, rules, regulations, ordinances, and guidance, including, without limitation, Federal Trade Commission industry guides (for example, so-called FTC "Green Guides") and enforcement policy statements, as well as any applicable laws and regulations of foreign countries, including regulations promulgated by the U.S. Food & Drug Administration (FDA) and the USDA.
- If applicable, product shall conform with all applicable regulatory requirements of the following federal agencies: FDA, USDA Food Safety and Inspection Service (FSIS), USDA Agricultural Marketing Service, Consumer Product Safety Commission, and/or the US Environmental Protection Agency.
- The Product provided by the Supplier to Publix is, as of the date of shipment or delivery, compliant with all federal, state and local product safety laws, rules, regulations and ordinances, as well as any applicable laws and regulations of any foreign countries, including the Consumer Product Safety Act, as amended by the Consumer Product Safety Improvement Act , the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act, the Refrigerator Safety Act, the Lacey Act, the Federal Insecticide, Fungicide and Rodenticide Act, and all industry standards, including all health and safety industry standards.

Produce supplier guarantees

The Supplier of produce to Publix hereby guarantees that all produce provided by the Supplier to Publix will be grown in compliance with FDA's final rule entitled "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption" (80 Fed. Reg. 74354 (Nov. 27, 2015)), as applicable, upon the effective date of the final rule.

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Guarantees, Continued

Product handling and transportation guarantees

The Supplier hereby provides the following guarantees:

- Product may be transported only by carriers subject to and in compliance with FDA's final rule entitled "Sanitary Transportation of Human and Animal Food".
- Suppliers who arrange for shipping of Products to Publix must provide to the carriers hired to transport products destined for Publix (and to the loaders of products, if not supplier associates) Publix Product Transportation Specifications section of this SP&G.

Supplier guarantee of Publix's rights

The Supplier hereby provides the following guarantees:

- Publix reserves the right to give preference to food Suppliers who comply with the applicable Food Defense Guidelines published by the FDA, FSIS, and/or another federal agency, and who can provide documentation of a third party food safety certification by an audit scheme under the Global Food Safety Initiative (GFSI), or other equivalent program accepted by Publix.
- The Supplier will comply with any policies and procedures adopted by Publix in order to comply with applicable laws and regulations.

Other Terms and Conditions

Notifications or communication	All notices required or permitted by these Supplier Policies and Guidelines shall be in writing, sent postage prepaid, registered or certified mail, return receipt requested to the Publix Primary Contact with a copy to Publix's General Counsel.
Right to audit	Publix or its designee shall have the right to audit Supplier's, and its subcontractors' or agents' facilities, processes and records to confirm compliance with Supplier's obligations under these Supplier Policies and Guidelines.
Non-exclusivity	Unless explicitly agreed to in writing executed by an Officer of Publix, Publix shall not be deemed to have entered into an exclusive agreement with any Supplier, nor shall Publix's plans or projection documents be considered purchase or volume commitments.
Waiver of rights	Publix's waiver of any breach or failure to enforce any of the terms or conditions of these Supplier Policies and Guidelines at any time shall in no way affect, limit or waive its rights hereafter to enforce strict compliance with every term and condition herein.
Termination	Publix shall have the absolute right in its sole discretion to terminate any part or all of its relationship with Supplier at any time for any reason.
Independent contractor	The relationship between Publix and Supplier shall never be construed as an employment, a partnership, a joint venture, an agency or any other relationship other than that of an independent contractor.

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Other Terms and Conditions, Continued

Critical concern notifications

Publix recognizes that our customers rely on us to remain knowledgeable about the Products we sell and the Suppliers with whom we do business. Customers expect Publix to act swiftly and responsibly to safeguard their health, safety, and welfare when the need arises. Publix relies on our Suppliers to keep us informed of all issues that may raise customer concerns about our Products or our Suppliers. All Suppliers must notify their Primary Publix contact of any issues which may become public knowledge and may negatively impact our customers' perception of Publix, the Supplier, the Supplier's Products, or retailers who sell the Supplier's Products. Any such issues must be communicated to Publix immediately upon discovery of the issue by the Supplier.

Customer Product information

Publix may share Product information with our customers, such as product images, dimensions, allergens and nutritional information in various ways including, but not limited to, on our website.

Supplier financial stability

Any significant change in the economic viability of a Supplier must be communicated to Publix. In the event that a Supplier determines to file bankruptcy, the Supplier must provide at least thirty (30) days advance notice to Publix's General Counsel and to the Primary Publix contact, together with an explanation of the circumstances that cause the need to file bankruptcy. It is essential that Publix's customers be adequately protected from any supply interruptions.

The following applies to any Supplier that files bankruptcy:

- If Publix has paid in advance for shipment, Publix will be deemed to be the owner of the Product upon payment.
- Any payments due to the Supplier (or debtor in possession) after a bankruptcy filing may be made jointly to the Supplier and any trustee that may be appointed in the case or to the trustee directly at Publix's discretion.
- Proper notice to Publix in any Supplier bankruptcy must be provided to the Primary Publix contact and Publix's General Counsel.

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Other Terms and Conditions, Continued

Ownership of intellectual property

Unless otherwise agreed in writing by Publix and Supplier, any works, ideas, discoveries, inventions, patents, products, recipes, formulas, trade secrets, intellectual property, or other information used or developed in whole or in part by Supplier in connection with goods or services rendered to Publix shall be Publix's property (collectively the "Work Product"). Supplier will have no right, title, or interest to the Work Product. Upon request by Publix, Supplier will deliver to Publix copies of the Work Product and any drafts, research materials or other documentation. The Work Product is exclusive to Publix and is likely to include trade secrets. Supplier, therefore, will not disclose or otherwise use the Work Product without Publix's prior written consent. The obligations in this paragraph will survive any termination of the relationship between Supplier and Publix for any reason.

Insofar as any Work Product qualifies for copyright protection, Supplier agrees that the Work Product shall be deemed a "work made for hire" for the benefit of Publix, as such term is defined in Section 101 of the Copyright Act of 1976, as amended, and as such Publix shall own and shall continue to own all right, title and interest in and to such Work Product, including without limitation all copyrights and renewals and extensions of copyright therein. Insofar as any Work Product does not constitute a "work made for hire," Supplier assigns to Publix all right, title and interest to such Work Product. If this assignment fails or terminates for any reason, Supplier grants to Publix a perpetual, irrevocable fully paid-up license to Publix to use and to disseminate the Work Product in any medium, whether now existing or hereinafter created.

Neutrality

Supplier, including (without limitation) any of its executives, managers, supervisors, attorneys, designees or agents hereby represents and warrants that they have not and shall not enter into any agreement either orally or in writing, with any union or labor organization (as defined by the National Labor Relations Act, herein known as "NLRA") during the term of this Agreement which commits Supplier, at any Publix location, to (i) maintain neutrality in response to a union organizing campaign, (ii) accept card check or the results of an election not conducted by the National Labor Relations Board as a procedure for the union to gain representation rights over a unit of Supplier employees, or (iii) to follow any rules or procedures other than those established by the NLRA or the regulations implementing and the decisions interpreting the NLRA. Notwithstanding anything to the contrary, if Publix, in its sole discretion, determines that Supplier has entered into an agreement in violation of the foregoing during the term of this Agreement then Publix has the absolute right to terminate this Agreement immediately by providing written notice.

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Other Terms and Conditions, Continued

Cost Recovery	Supplier agrees to fully reimburse Publix for any and all costs (including but not limited to attorney's fees) that Publix incurs in responding to and addressing any Supplier labor issues which arise during the term of this Agreement. Supplier labor issues include without limitation picketing, hand billing, strikes, other public displays and other actions by any labor organization which affect Publix or its customers in any way, any organizing drive by Supplier employees or any other incidents that arise between Supplier and its employees, regardless of whether a labor organization directed or initiated such actions, which affect Publix.
Antitrust Claims	Supplier hereby conveys, assigns, and transfers to Publix one hundred percent (100%) of all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or the common or statutory law of any State arising out of or relating to Supplier's purchase of Products which are subsequently resold to Publix after the effective date of this agreement. The parties further agree to cooperate with each other as reasonably necessary to assist the other with its portion of any claim. Upon Publix's request, Supplier agrees to preserve and provide all necessary records related to the claims assigned herein and to make witnesses available to be interviewed and testify.

Insurance Requirements

Continuing indemnity and proof of insurance

All Suppliers must sign a Continuing Indemnity Agreement, as amended from time-to-time, and must be adequately insured and provide a Certificate of Liability Insurance and a copy of the policy endorsements required by this section prior to providing any Product or services to Publix.

Suppliers must provide evidence of insurance in the following amounts:

- Workers' Compensation Insurance in accordance with the laws of the applicable state covering the Supplier and its employees for all costs, statutory benefits and liabilities under State Workers' Compensation and similar laws. The Supplier shall require any sub-contractor to provide Workers' Compensation Insurance for such sub-contractor's employees.
- Commercial General Liability Insurance with combined single limits of not less than $3,000,000 per occurrence for death, bodily injury or property damage.
- Commercial Automobile Bodily Injury and Property Damage Liability Insurance (covering owned, hired and all classes of non-owned vehicles) of $1,000,000.
- Professional Errors and Omissions Insurance of $1,000,000 per claim, $3,000,000 aggregate.
- Blanket Contractual Liability Insurance under Commercial General Liability Insurance including coverage for liability assumed by Supplier under any Indemnity.

Insurance terms and conditions

The Supplier shall be required to cause its General Liability Policy provided herein to be endorsed, adding Publix as Additional Insured, to the extent of the Supplier's liabilities arising out of this Agreement.

If the work calls for lifting or moving Publix's property, the Supplier will have its General Liability Policy endorsed to cover damage done to property of others in its care, custody or control. In addition, the minimum limit for each accident shall be increased to an amount adequate to cover the replacement cost of the property to be moved. Evidence of a separate property policy covering physical damage to property of others in the Supplier's care, custody or control will be accepted in place of this endorsement to the General Liability Policy.

If any of the work is sublet, the Supplier will be required to obtain Contractors Protective Liability Insurance with limits in the amounts set forth above.

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Insurance Requirements, Continued

Insurance terms and conditions, continued

All insurance coverage required herein shall be primary coverage in the event of any loss or claim. The Supplier shall not commence work or provide Product until Publix has been furnished a certificate in duplicate, from the Supplier's insurance carrier certifying that policies of insurance providing coverage, as listed above, have been issued to the Supplier and are in force, and until the certificate has been examined and approved by Publix. The certificate shall state that it is issued at the request of Publix, and that the insurance carrier waives all subrogation rights against Publix. In addition, the certificate shall state that the insurance carrier will give Publix thirty (30) days prior written notice of any cancellation of or material change in coverage of these policies.

All of the aforesaid insurance shall be written by insurance companies which are authorized and licensed to do business in the State of Florida; rated by A.M. Best Company with a rating of "B+, Class VIII" or better; and deemed acceptable to Publix. The Supplier shall provide Publix with a certificate of insurance evidencing the above coverage. All such insurance, including certificates therefore, shall be obtained and delivered to Publix prior to commencement of any work by Supplier or the delivery of any Product by the Supplier.

Certificate of liability insurance

Publix requires that the Certificate of Liability Insurance be on the applicable ACORD Form.

If the ACORD Form 25-S is used, the following modification MUST BE MADE:

The following statement must be deleted from the ACORD Form 25-S: "This certificate is issued as a matter of information only and confers no rights upon the certificate holder."

In addition to obtaining evidence of insurance on the appropriate ACORD form, it is mandatory that Publix be named as an additional insured under the Supplier's policy (which shall be indicated on the certificate of insurance). Publix requires submittal of a copy of the Supplier's additional insured endorsement and broad form vendors endorsement.

Please use the following address on the certificate:
Publix Super Markets, Inc.
P.O. Box 407
Lakeland, FL 33802-0407

A copy of the certificate of the endorsements must be emailed to our Risk Management department at:
Riskmanagement.COIsandCIAs@publix.com

Chapter 3: Item Management

Overview

Introduction

Maintaining accurate Product information allows us to efficiently receive Product into our supply chain, distribute that Product through our distribution network, and sell that Product to our customers. This section provides the guidelines regarding what Product information will be required and the guidelines for submitting and maintaining current Product information at Publix.

In this chapter

This chapter contains the following topics.

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Product Set Up and Maintenance

Product information

When creating a new Product in our systems, Publix requires certain basic information about the Product to complete the process. The information is categorized into one of two groups: Item Data and List Cost/Allowance (see definitions below).

Item data

Item Data includes information related to the physical attributes of the Product. Vendors should submit their item data on the Publix Item Data Form or as otherwise directed by Publix.

Identifying hazardous materials and hazardous waste

Publix is committed to the proper handling and disposition of Products that may be dangerous to humans or harmful to the environment. To ensure we properly handle hazardous Products, Publix relies on our Suppliers to provide information that identifies their Products as hazardous materials or hazardous waste.

Publix has selected the WERCSmart Solution to give us visibility to information necessary to manage our hazardous Products. Suppliers must register their Covered Products (described below) with the WERCSmart Solution prior to delivery of any Covered Product to Publix.

If you already have a WERCSmart account with registered products, simply log into your account and click the “Forward Product Registration” button and select “Publix Super Markets, Inc.” as a retailer to receive the data. If you do not have a WERCSmart account, please visit https://www.ulwercsmart.com to set up an account and enter the required information into the WERCSmart portal for each Covered Product. Visit the WERCSmart Help Desk at https://wercsmart.freshdesk.com for helpful documents, tutorials and resources. UL will assess a per product registration fee based on the service required and the type of product being registered.

Pricing information can be found at https://ulwercsmart.com/subscription-options.php#pricing.
For each new Covered Product being presented to Publix, suppliers will need to register the item and Publix will need to receive the data from WERCSmart, prior to the item being authorized to any Publix store.

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Product Set Up and Maintenance, Continued

Identifying hazardous materials and hazardous waste, continued

Covered Products whose formulations, ingredients or UPC codes have changed in any way will need to be reevaluated by WERCSmart prior to receiving by any Publix store.

Covered Products are products that meet the definition of and/or are considered a Hazardous Material by US Department of Transportation and/or meet the definition of a Hazardous Waste by the US Environmental Protection Agency. The following types of products are Covered Products, however this is not an all-inclusive list. If you have a question about whether a product must be registered, please go to the WERCSmart website at https://www.ulwercsmart.com.

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Product Set Up and Maintenance, Continued

Products containing composite wood

On December 12, 2016 the EPA issued a final rule to implement the Formaldehyde Emission Standards for Composite Wood Products Act. The standards impose requirements for producers, fabricators, importers and retailers of Products that contain hardwood plywood, medium-density fiberboard, particleboard, and/or composite wood materials. Publix does not accept any Products that contain composite wood (for example, plywood panels in cat scratching posts, particleboard lids on candles, composite wood plates, bowls or utensils). You hereby represent and warrant to Publix that no Product sold or delivered to Publix contains hardwood plywood, medium-density fiberboard, particleboard, and/or composite wood materials.

Maintaining accurate and up-to-date nutritional information

Publix is committed to providing our customers the information they need to make informed decisions about the Products we sell. We rely on our Suppliers to help us maintain accurate information in our systems. The Supplier must provide the Buyer the Nutrition Facts panel for each Product presented. If the Product formulation changes, the Supplier must provide their Buyer the updated Nutrition Facts panel or a new sample of each Product with the updated Nutritional Facts panel for the purpose of updating the nutritional information in our system.

Product cost and deal notification

List Cost/Allowance offers include all list costs, item level charges and allowances associated with a Product. Cost and deal changes must be communicated promptly to Publix via the Publix Business Connection using a List Cost/Allowance Offer. Each category team establishes specific timelines for prompt communication.

Product promotion timeline

A promotion window consists of **order dates** that begin on Saturday (12:01 a.m.) and end on Saturday (12:01 a.m.) for warehouse Suppliers, or **delivery dates** that begin on Monday (12:01 a.m.) and end on Monday (12:01 a.m.) for direct store delivery (DSD) Suppliers.

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Product Set Up and Maintenance, Continued

Establishing a Perm Cost

A Perm Cost is a cost offer that represents the amount Publix will pay for the Product when it is not on promotion. All Products must have a Perm Cost offer in place before the item set up can be completed. This offer must include the list cost and any charges or allowances being provided on an ongoing basis or for an extended period of time. Any cost structure offered for more than eight weeks should be considered a Perm Cost. List Cost/Allowance offers in the Publix Business Connection are designated as Perm Cost offers by selecting the "End of Time" check box next to the deal end date. The "End of Time" indicates the offer will continue until another Perm Cost offer is submitted.

Submitting temporary cost offers

A temporary cost offer is any List Cost/Allowance offer with a specific start and end date and should cover a period of no more than eight weeks. This offer must include the list cost and any charges or allowances being provided during the designated time period including allowances or charges provided on the underlying Perm Cost offer. Temporary cost offers, if accepted, supersede the Perm Cost offer as the cost of record during the designated dates. Publix expects all Suppliers to offer Publix any Product pricing, promotion incentives and allowances offered to any other retailer.

Cost offers and invoice matching

List Cost/Allowance offers represent the entire cost record for the Product during the specified dates and should identify each component of the cost exactly as it will be invoiced. Publix considers costs and allowances offered on a Supplier's invoice valid offers and reserves the right to accept or refuse these offers during the reconciliation process. If a Supplier submits a cost offer with a lower list cost but then invoices Publix for the Product with the original list cost and an off invoice allowance, Publix's reconciliation systems, which reconcile at the cost component level, will accept the lower list cost which had been offered in the cost offer and accept the allowance offered on the invoice. It is imperative that Suppliers submit cost offers which identify each component of the cost exactly as it will be invoiced.

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Product Set Up and Maintenance, Continued

Reconciling overlapping deals

A Product may never have more or less than one valid and active cost structure in effect at any given time. For most Products, the Perm Cost will represent the effective cost of record most of the time. Approved temporary offers will become the cost of record during the dates specified in the offer leaving the Perm cost valid but ignored during the temporary deal period. When a new Perm Cost offer is submitted, any temporary cost offers in effect on or after the Perm Cost start date will be terminated if they are already in effect or canceled if they are effective in the future. Because Suppliers may "stack" deals during a specific time period, it is possible to submit multiple temporary cost offers with overlapping dates. Because we do not know if an offer is intended to be "stacked" or to be a revision, we require the Supplier to provide their intent explicitly. Overlapping cost offers submitted via the Publix Business Connection will prompt the Supplier to reconcile the overlap when submitting the offer.

Product acceptance

New Product acceptance will be communicated to the Vendor by way of a purchase order for warehouse delivery Vendors or via the DSD Authorization/Activation Report found on the Publix Business Connection.

Vendor scorecards

Publix uses scorecards to help strengthen the relationship between Publix and our Suppliers by reporting on the key performance indicators that lead to improved supply chain practices.

After the fiscal month end, various scorecard metrics are calculated, scored, and ranked and scorecards are then generated for each Supplier and published on the Publix Business Connection. Scorecard data is pulled and reported based on Publix's fiscal calendar using a 5/4/4 week schedule. In this schedule, January includes 5 weeks, February includes 4 weeks, March includes 4 weeks, April includes 5 weeks, etc. As a result, data pulled by a Supplier for a calendar month may not match the data on the Publix scorecard exactly. Publix reporting weeks run from Sunday through Saturday. Supplier scorecards are published monthly, usually around the 25th of each month, for the previous month.

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Global Trade Item Number (GTIN)

All packaged retail Products for resale must have a unique Global Trade Item Number (GTIN) affixed to the Product prior to delivery. The bar code must be in a readable position and pass a scanner readability check the first time. Your Universal Product Code (UPC) barcode symbols must include a valid GTIN, the first part of which contains a GS1/UPC Company Prefix. The GS1/UPC Company Prefix (manufacturer's ID number) must be unique and identify the Supplier as the brand owner of their Products. This prefix will ensure that all numbers assigned by a Supplier to their Products will be uniquely identified and linked only to that Supplier. In the United States, GS1/UPC company prefixes are assigned by GS1 US, a not-for-profit organization. Publix requires all Suppliers to adhere to the GS1 Standards specifications regarding the use of GTINs. GS1 US provides simple tools and guidelines for proper utilization of your GTINs without requiring detailed GS1 Standards knowledge and offers print options for your barcodes and Products. GS1 US Customer Service can help you with your barcode, electronic commerce questions, and provide guidance on the efficient use of your GS1 company prefix.

Code dating/shelf life

Publix requires all Suppliers of food CPG Products and Publix Brand Products to use open dating. In an effort to place the emphasis on the most important information to our consumers, the Food Marketing Institute adopted a policy in 1983 regarding non-perishable packaged food Products which Publix expects our Suppliers to follow:

- All consumer food packages for non-perishable Products should bear a "BEST If Used By" or "BEST If Used or Freeze By" as an indication of product quality, which may be truncated to "BEST By" for small packages or "BB" for very small packages. The "BEST If Used By" quality date is intended to indicate to the consumer that, after a specified date, the product may not taste or perform as expected but is safe to use or consume. Note: the word BEST is in all CAPS.
- All consumer food packages should bear a readable, open date.
- The product date on pre-packaged products should appear on the outside of shipping containers and boxes so retailers can see what date is stamped on the product inside.
- The month on product dates should be spelled out or abbreviated in alphabetic month designations rather than using numbers (e.g. May 20 or Jan. 09, 2004) to avoid confusion. Comparable international dating conventions such as *dd-MMM-yyyy* in addition to the US style of *MMM-dd-yyyy* are acceptable.

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Product Set Up and Maintenance, Continued

Code dating/shelf life, continued

All Suppliers who do not use open dating must provide the information necessary to read the coded dating for each of their Products. In addition, we require such Suppliers to provide updates every time a change is made to their code dating system.

Use of cloned animals in the food supply

Since June 2001, the Food and Drug Administration (FDA) has requested that producers of animal clones keep the meat and milk from cloned animals out of the food supply. By complying with that request, producers and breeders of clones have observed and adhered to a voluntary moratorium. The US Department of Agriculture (USDA) is encouraging the cloning industry to maintain its voluntary moratorium until the industry can come together and discuss the necessary steps for a transition before lifting the ban.

Publix and other major US food retailers support the voluntary ban on food from cloned animals in the food supply and expect their Suppliers to comply with the voluntary ban. Publix will not purchase Products made from cloned animals. Any Suppliers who intend to introduce food from cloned animals into the food supply must notify Publix prior to doing so.

Planogram Implementation Teams

Background

Publix believes the efficient and effective management of our shelf space is important to us and to our Suppliers. Publix operates planogram (POG) implementation teams consisting of Publix associates who work together with Suppliers to quickly gain distribution of new Products by implementing shelf planograms in all Publix Stores within a 3 to 6 week period. Publix requires all Product Suppliers with at least one item in a Publix planogram, except those prohibited by law, to provide resources to achieve the planogram implementation objectives.

The planogram implementation objectives are to:

- get all new items to the shelf quickly (within 3 weeks for a majority of stores)
- implement all POGs accurately
- maintain current item distribution (eliminating voids)
- ensure product freshness (product rotation)
- ensure consistent weekly work of a stable qualified workforce, and
- maintain accountability for planogram hours.
- accomplish objectives cost effectively

Publix's planogram implementation process supports many specific Product sections across the store through the effective organization of Supplier resourced teams that will cycle through all Publix Stores every 3 to 6 weeks. Each Shelf Execution Team (SET) covers a set of nearby stores thus reducing travel time and related expenses. Each SET team is supervised by a Publix Merchandiser.

A separate group of travel teams handle all new and remodel store efforts across multiple days, under the supervision of Publix within each Publix division. This team structure enables Publix to get new items and implement revised POGs in our existing stores quickly.

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Planogram Implementation Teams, Continued

Background, continued

SET team associates are responsible for setting POGs and ensuring that all new items are on the shelves in every Publix Store. This work will be completed within 3 to 6 weeks of the POGs being published. Additional responsibilities include rotating products in designated sections and addressing all voids (i.e. items not selling in relation to their normal sales patterns and suspected to be missing). Schedules typically consist of a 4 day week (Monday -Thursday, 6-8 hours per day), beginning at 5am. Team sizes range from 1 associate to 10 associates, depending on the location and size of the store group for which the team is responsible. This variance is due to the vast geographic distribution of our stores. Most teams are comprised of 10 associates (the optimal number for team efficiency) who are responsible for a group of 10 to 12 stores. Stores are grouped in such a way to allow SET team associates to be on average within a ½ hour drive of all their stores. Typically, SET team associates will spend 1 day per cycle in each store, rotating through all stores in a 3-week period. SET teams are supervised by a Merchandiser who ensures placement and rotation of specific products in Publix Stores. Each Merchandiser will have 4-6 teams on average for which he/she is responsible.

New Store/Reset process

There are separate new store and reset teams for each division. These teams generally consist of more than 30 members (based on the number of new store/resets and travel time), are led by the Merchandise Manager for each division, and will perform all merchandising functions in setting up new stores as well as resets. Team members are full-time, have a variable schedule, and incur travel and overnight expenses.

Projecting labor hours

Each year, Publix calculates the projected total number of labor hours required to complete all routine sets, new store sets, and remodel sets assigned to POG teams. We do this by evaluating the average amount of time each POG requires, the category review plan for the upcoming year, the amount of work (major, normal, minimal, and swap outs) anticipated for each POG, and the number of new stores and resets planned for the year. The total number of hours is then assigned on a fair share basis across all participating Suppliers.

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Planogram Implementation Teams, Continued

Determining supplier fair share

Publix is committed to ensuring each Supplier is charged only for their fair share of the program. A Supplier's fair share is determined using the weighted calculation method described below.

- 95% of the fair share is calculated by determining the Supplier's Product sales at Publix for the previous calendar year as a percent of Publix's total sales for the same period.
- 5% of the fair share is calculated by determining the Supplier's number of Products carried and the number of Products introduced to POGs during the previous calendar year as a percentage of the total for the same period.

Publix's fair share

Publix's fair share is based on the share of Publix Brand Products as a percentage of the totals in the same manner that the Supplier's share is calculated.

Set provider qualification process

All Suppliers, including Brokers, who will provide associates to participate on SET teams must go through the SET provider qualification process. The criteria for participation establishes the Supplier's ability and willingness to effectively and passionately support our program and consists of

- number of associate reserves in the field
- effectiveness of their training and execution
- satisfying the general liability insurance requirements
- organizational fortitude, and
- ability to accurately report associate hours.

Supplier contribution based on fair share

Each Supplier is required to contribute their fair share of the total projected labor hours required for the upcoming year. The Supplier must complete the qualification process if they will provide their own associates, or the Supplier must contract with a qualified Set Supplier or Broker for the hours required. Suppliers who choose to use their own associates are required to meet the same qualifications as the Set Supplier or Brokers.

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Planogram Implementation Teams, Continued

Supplier contribution based on fair share

Suppliers who choose to use their own associates for the program are required to provide an associate for one of the SET or Travel teams for the entire one year term. This participation requires, at a minimum, one part-time associate for 32 hours per week which equates to 1,600 hours annually.

Fair share hours are rounded up to the next equivalent associate (for a 1 year term). For example, a Supplier with a fair share of 524 hours is required to provide a single associate for 1,600 hours. A Supplier with a fair share of 2,130 hours would be required to provide two associates for a total of 3,200 hours.

Publix's contribution based on fair share

Based on Publix's fair share of the program, we commit to maintain

- Divisional Merchandise Managers who will coordinate and work with the new store/reset teams
- Merchandisers to lead the SET teams
- Space Management team members to oversee POG workflow, reporting, fair share true ups, team designs and structures, etc.
- Grocery Replenishment Specialist per Publix Store each cycle day to print needed POGs, void reports, and weekly rotation schedules for the team. They will also support the teams, validate the work completed, work with the teams, and enter status updates into our systems.

SET provider scorecards

Publix has developed a SET provider scorecard that groups each SET provider into one of three groups (national, regional, or local), then scores and ranks them based on process efficiency, team member service, and Merchandiser leadership against all other SET providers in the same group. Suppliers are able to view composite scores and rankings for each provider for comparison relative to their coverage areas. Each SET provider or Broker will receive their individual scorecard.

Publix Brand Product Management

Background	The purpose of this section is to provide additional Product management guidelines specific to Publix Brand Products.
Reviews of Publix Brand Products	**"Publix Brand Products"** are Products that are labeled under any of the Publix brand names or any other Publix trademark and include Products that are used by Publix as packaging or an ingredient or other element during the manufacture of a Product that is labeled under any of the Publix brand names. .
Publix Brand Product Specifications	Publix's Category Managers and our CQA department work together to determine the technical specifications for each Publix Brand Product. The Products provided by our Publix Brand Suppliers must consistently meet these technical specifications. Publix requires periodic testing at varying intervals to ensure these specifications are met consistently. These product evaluations will be coordinated by Publix with an independent laboratory, and will be conducted at the Supplier's expense.
Industry expertise	Publix expects all Suppliers that provide Publix with Publix brand Products or Products that are used by Publix as packaging or an ingredient or other element of the manufacture of Publix Brand Products (**"Publix Brand Supplier"**) to be experts in their particular industry.
Nutrition information	Publix Brand Suppliers are required to provide Publix with complete and accurate nutrition information and a complete list of ingredients for each of the Products they produce. Any variations in Product formulations, packaging, or production methods that affect these disclosures must be reported immediately to Publix by the Supplier.

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Labeling requirements

Publix-branded products must be packaged in accordance with the applicable Publix Product Specifications. Prior to the Supplier's final approval of a label, all labeling must be approved by Publix's CQA and Marketing/Creative Services departments. Only approved logos, formats, bioengineering (BE) disclosure and colors are to be used on Publix labels. Label approval includes a regulatory review of all Publix Brand Product labels based on all applicable regulatory requirements, including those from the following agencies:

- US Food and Drug Administration
- USDA Food Safety and Inspection Service
- USDA Agricultural Marketing Service (AMS)
- US Environmental Protection Agency
- US Consumer Product Safety Commission

It is a Supplier's responsibility to review all labels and ensure full compliance with all applicable laws, rules and regulations. As provided in the Continuing Indemnity Agreement, the Supplier shall indemnify, defend and hold Publix harmless from any fines or other costs or damages incurred due to label information alleged to be inaccurate, incomplete, out of compliance or misleading.

Similar to the process when suppliers notify Publix of allergen or nutrition changes, we will now need to know if an ingredient(s) changes from a non-BE ingredient to a BE ingredient or vice versa. It is the Supplier's responsibility to communicate timely with the appropriate Publix Buyer for approval. If approved, the changes will need to be completed in advance so suppliers can get approved labels updated and printed.

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Publix Brand Product Management, Continued

Purchased packaging

Any Publix Brand Supplier who purchases packaging for Publix Brand Products from a third party should take random samples of the packaging from each delivery, check it against the criteria in the list below, and document the results:

- material type and standards
- package dimensions
- color and print quality
- closures and seals and
- accuracy of all printed information on the package including
  - Ingredients
  - Weight and
  - GTIN, etc.

Publix Brand Suppliers should not have more than 3 months of packaging on hand at any given time.

Registration

It is the Supplier's responsibility to ensure that all Publix Brand Products meet regulatory compliance standards, including those related to registration. Suppliers are required to register their facilities and/or any Publix Brand Products if registration is required by the federal government and/or in each of the states in which Publix operates. Publix's CQA department or third party auditors representing Publix may request proof of registration at any time. All registration documentation, including the registration issued by the state (if any), the application for registration and all supporting documentation are to be made available to Publix upon request.

Environmental Protection Agency registrations

Environmental Protection Agency (EPA) registrations are required for pesticides, fungicides and rodenticides Products that make a claim regarding Product effectiveness on the label. Examples of this could be a claim that bleach "kills 99.9% of germs" or a pesticide claim on insect extermination. All Suppliers of Publix Brand pesticides, fungicides and rodenticides Products who wish to make a claim on the Packaging are to contact the EPA with details supporting the claim. Once approved, the EPA will return a stamped label. Once the EPA approval and the stamped label are received, the Supplier must register the Product in all states in which the Product is offered for sale or states the Product may pass through to reach its final destination.

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Publix Brand Product Management, Continued

Pet feed registration

Suppliers of Publix Brand Products classified in the pet feed category must register their Product in each state where the product is available for sale. The registration process in each state may be different, therefore it is the Supplier's responsibility to contact each state for guidance to ensure compliance with all state rules. Suppliers of pet foods must provide Publix with proof that the Product has been registered in all states in which Publix operates, including all sizes of any particular variety, or that an exemption applies from such registration.

Regulations for products made from, or processed with, material from cattle

FDA regulations require manufacturers and processors of human food and cosmetics manufactured from or processed with material from cattle to establish and maintain records sufficient to demonstrate that the food or cosmetic does not contain prohibited cattle materials. Prohibited cattle materials include:

- brain
- skull
- eyes
- trigeminal ganglia
- spinal cord
- vertebral column (excluding the vertebrae of the tail, the transverse processes of the thoracic and lumbar vertebrae, and the wings of the sacrum)
- dorsal root ganglia of cattle 30 months and older and
- tonsils and distal ileum of the small intestine of cattle.

Beef Suppliers must provide Publix affirmation of guaranty annually in writing.

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Publix Brand Product Management, Continued

Dietary Supplement and Nonprescription Drug Consumer Protection Act

The Dietary Supplement and Nonprescription Drug Consumer Protection Act, effective December 22, 2007, requires persons listed as the distributor on private label OTCs and private label dietary supplements to submit reports of any "serious adverse events" associated with the OTCs or dietary supplements to the FDA and to maintain records of all "adverse events" associated with the OTCs or dietary supplements.

Publix Brand OTCs and Publix Brand dietary supplements list Publix as the distributor of the Product on the label. Under the Act, Publix can delegate the reporting and record keeping duties to the manufacturer; therefore, Publix expects all Suppliers of Publix Brand Products subject to the Act to accept the reporting and record keeping responsibilities by signing and abiding by Publix's Serious Adverse Event Reporting Agreement.

Sale of Publix Brand Products or Packing to third parties

Publix makes every effort to protect the integrity of the Publix Brand and develops Publix Brand Products which are intended to be sold only in Publix Stores. Publix Brand Suppliers who produce Publix Brand Products or Publix Brand Product Packaging must not sell, donate, or otherwise distribute those Products to any third party without the express written consent of Publix.

Customer Service

Publix has built its reputation largely on customer service. We expect our Publix Brand Suppliers to act as we would when responding to any customer inquiry or complaint regarding a Publix Brand Product.

To ensure we maintain the highest level of customer service, each of our Publix Brand Suppliers are required to

- adopt and follow written procedures explaining response systems to all Publix Brand Product complaints or inquiries and provide a copy of such written procedure to Publix upon request;
- provide Publix an account number for an overnight delivery service such as UPS or FedEx which can be utilized to submit complaints and inquiries to the Supplier;
- respond to all customer complaints or inquiries within 24 hours of receipt of the complaint or inquiry;

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Publix Brand Product Management, Continued

Customer Service, continued

- provide a copy of all customer correspondence related to Publix Brand Product complaints to the appropriate Publix CQA associate until customer satisfaction is achieved; and
- include Publix in any releases of liability obtained by the Supplier and related to a Product purchased or provided to Publix by the Supplier.

Publix Brand Product Food Safety and Quality Policy

Background

Publix must approve any facility that manufactures Publix Brand Products, including co-packer facilities. This section contains the quality assurance and food safety requirements for all of our Publix Brand Suppliers.

Food safety management system

Publix requires all Publix Brand Suppliers to implement a food safety management system with appropriate controls. Such food safety management system must include a risk assessment (hazard analysis) for each Product. Hazard Analysis and Critical Control Point (HACCP) is one such food safety management system. HACCP uses a systematic approach to the identification, evaluation, and control of food safety hazards using principles defined by the National Advisory Committee on Microbiological Criteria for Food (NACMCF). For FDA regulated products, the Preventive Controls for Human Foods and the Preventive Controls for Animals Foods is appropriate. The food safety management system, including the hazard analysis, must be reassessed at least every three years, or more frequently if necessary, when any significant change is introduced to the facility or any time that a Product's production process is significantly altered (change in ingredients, method of production, etc.).

In order for the food safety management system to be effective, all Publix Brand Suppliers shall have prerequisite food safety programs in place to effectively support the food safety plan and/or HACCP plan (e.g., Good Manufacturing Practices (GMPs)). These Supplier food safety programs must meet all regulatory requirements.

Management commitment to food safety

Publix Brand Suppliers' senior management must have documented policies and procedures showing a strong commitment to food safety.

Food safety training

Publix Brand Suppliers must maintain documented procedures for food safety training of all personnel who manufacture, process, pack, or hold food. Training must include the principles of food hygiene and food safety, including the importance of employee health and personal hygiene. As appropriate to the individual's responsibilities, training also must include instruction on GMPs, Standard Sanitation Operating Procedures (SSOPs), HACCP or Preventive Controls, and other food safety programs. Suppliers must maintain records verifying that the Supplier's employees have successfully completed such training.

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Publix Brand Product Food Safety and Quality Policy, Continued

Pest management	Publix Brand Suppliers must implement an integrated pest management program in each production facility to prevent and eliminate pests (including rodents, insects, birds, etc.). Refer to Pest Management Guidelines section of this document for details.
Health and hygiene	Publix Brand Suppliers must implement and execute programs to ensure that associates with illnesses that can be transmitted through food, or who are showing symptoms of such illnesses, are excluded from food production areas in the Supplier's facilities. In addition, Publix Brand Suppliers must implement personal hygiene programs to prevent food contamination.
Product weights and measures	Publix Brand Suppliers are required to adhere to all applicable state/local regulations when marking package labels with the net weight of contents. All consumer packaged goods (CPG) Products indicating a specific weight shall contain at least the minimum weight for the food contained in the package as declared on the package, taking into account the weight of the packaging materials.
Purchase of materials from an Approved Source	Publix Brand Suppliers shall only purchase raw materials and packaging from an Approved Source. To be an Approved Source, a company must comply with all applicable legal and regulatory requirements of the FDA, USDA Food Safety and Inspection Service (FSIS), USDA Agricultural Marketing Service, Consumer Product Safety Commission, and/or the US Environmental Protection Agency. Additionally, to be an Approved Source, a company must comply with all legal and regulatory requirements relating to food safety from governing state agencies (i.e., state Departments of Agriculture).

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Publix Brand Product Food Safety and Quality Policy, Continued

Purchase of raw materials

Raw materials purchased by Publix Brand Suppliers must be purchased only from an Approved Source that complies with an agreed upon specification, and must be suitable for the process, as defined by the Safe Quality Food (SQF) standard. Analytical standards and quality levels for each raw material should be agreed upon by Publix and the Supplier for each Product. Raw materials should be sampled on arrival and inspected for damage, spoilage, quality, tampering and signs of pest activity before off-loading. Visual, organoleptic, analytical, and physical tests should be done when appropriate. Lot numbers of raw materials must be recorded and linked to finished Products in records maintained by the Supplier. Processes must be adopted to allow tracking of the ingredients through the manufacturing process to the finished Product, and then to the storage, distribution, and transportation of those finished Products. No raw materials may enter production until cleared against the quality checks and specification verification process described in this paragraph.

Purchase of packaging material

Packaging material must be purchased from an Approved Source, comply with agreed upon specifications, and be used per the manufacturers' instructions. Packaging material should be inspected for damage, quality tampering, and for compliance with the agreed-upon specifications upon arrival. When appropriate based on the nature of the material, packaging material must be cleaned with soap and water, and sanitized before entering a production area. Deliveries of packaging materials should be checked on arrival before taken into the warehouse or production area.

Chemical control

Publix Brand Suppliers are responsible for documenting the procedures to prevent the chemical contamination of Publix Brand Products. Procedures must be in place to prevent known chemicals such as cleaners, sanitizers, and lubricants from contaminating a Product. Suppliers must ensure that new and emerging chemical concerns, such as chemicals from food packaging materials and pallets, do not contaminate the Product.

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Publix Brand Product Food Safety and Quality Policy, Continued

Foreign material control	Publix Brand Suppliers are responsible for documenting the procedures to prevent the contamination of Publix Brand Products by foreign materials. This includes documented procedures for evaluating raw ingredients and finished Products. Systems such as metal detectors and/or X-ray machines should be installed as appropriate for foreign material control.
Traceability	Publix Brand Suppliers must have documented processes in place for full traceability of all in-process ingredients and finished Products provided to Publix. Mock recalls shall be conducted at least quarterly to verify the effectiveness of the traceability system (both forward and reverse traceability).
Microbiological profiling	Publix Brand Suppliers must have a documented microbiological sampling and testing plan in place to analyze and document the presence of microorganisms within the manufacturing facility. Suppliers must track and trend the results obtained from microbiological sampling and testing. Appropriate corrective actions must be implemented in response to microbial testing results.
Test and hold	Publix Brand Suppliers must have a documented test and hold procedure in place so that no Product being tested for pathogens or other adulterants can enter the Publix supply chain unless negative results are received by the Supplier. The test and hold procedure must also apply to Product produced on food contact surfaces that are subject to microbiological sampling and testing, to ensure that such products do not enter the Publix supply chain unless negative results are received by the Supplier. Suppliers shall conform to the Industry Best Practices for Holding Tested Products as published by the International HACCP Alliance.

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Publix Brand Product Food Safety and Quality Policy, Continued

Cleaning and sanitation	Publix Brand Suppliers must have a documented master cleaning schedule in place as part of their Sanitation Standard Operating Procedures (SSOPs). The program must effectively provide for the adequate cleaning and sanitation of all production rooms and food handling equipment. Additional SSOPs shall exist for clean-out-of-place and clean-in-place equipment. An environmental monitoring program shall routinely assess the effectiveness of the cleaning and sanitation program.
Internal audits	Publix Brand Suppliers must implement an internal quality assurance program which includes audits conducted at regular intervals to determine whether the food safety management system is effective. Appropriate corrective actions must be implemented to address audit findings.
Food defense program	Publix Brand Suppliers should have a written and documented program developed to address food defense at each production facility. The food defense program should follow the food defense guidelines published by the FDA and USDA, as appropriate. Food defense vulnerability assessments shall be conducted using either the FDA Food Defense Plan Builder and/or the Carver + Shock methodology for each facility. Each documented program should include training, plant specific rules, instructions for monitoring, identifying and reporting signs or evidence of tampering, and instructions for addressing facility security breaches. The training documentation and proof of training should be maintained for each individual at the facility. Products from Publix Brand Suppliers shall only be delivered to Publix on trailers with appropriate numbered trailer seals which match the seal number(s) documented on the bill of lading, and Products from Publix Brand Suppliers shall have appropriate anti-tampering devices if not hermetically sealed.
Continuous quality improvement	Publix is committed to the Continuous Quality Improvement process, and we expect our Publix Brand Suppliers to establish a process for finding opportunities for improvement relative to food safety and quality assurance.

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Publix Brand Product Food Safety and Quality Policy, Continued

Crisis management	Suppliers shall have a documented crisis management program that encompasses product recalls, security breaches, contingency supply plans and other concerns as deemed appropriate.
Food allergen control systems	A food safety management system must consider the significant importance of food allergens. All ingredients known as potential food allergens must be clearly labeled. An allergen assessment shall be conducted as part of the hazard analysis. If food allergens are identified as a potential hazard, allergen awareness must be part of the Supplier's food safety training program. If the Supplier handles allergens in their facility, attention to preventing the cross contamination of allergens must be a key component of the food safety training program.

Publix Brand Product Pest Management Guidelines

Background

Publix requires all Publix Brand Suppliers to have comprehensive pest control programs in place. Pest control programs must include preventative measures and corrective actions that cover continuous sanitation and good housekeeping measures. All Publix Brand Suppliers must comply with the pest management guidelines included in this section.

Facility maintenance

All Publix Brand Suppliers must have a comprehensive, integrated pest control program that addresses building maintenance and layout, maintenance of facility grounds, inspections, and treatments. The pest control program must include periodic facility inspections. Any cracks, crevices, broken panels or other maintenance issues noted during a facility inspection must be repaired immediately. All exterior windows, eaves, apexes, vents, etc. must be screened with suitable material to prevent insect entry. Doors are to be tight fitting and should have an insect prevention device to stop the access of insects.

Facility grounds maintenance

Proper maintenance of facility grounds will help control infestations and will prevent harborage for pests. Dumpsters, trash receptacles, and other containers used for refuse must be made of a material that does not pose a cross contamination risk or attract pests. All trash receptacles must have tight lids that are kept securely fastened in place. Trash receptacles should never be allowed to overflow and should be cleaned daily or more often if necessary.

Baits and traps

When baits and traps are used as part of the pest control program, a map of the premises indicating the position of all stations and traps must be documented and maintained on the premises. All bait boxes and traps must be maintained, numbered, dated, and mapped.

When using poisons to control rodents, solid baits must be placed in bait boxes which are required to be fastened to the ground and locked. Glue boards, vector lights, and others rodent control equipment must be maintained, numbered, dated, and mapped like bait stations and mechanical traps.

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Publix Brand Product Pest Management Guidelines, Continued

Chemical treatments	When using chemical treatments as part of the pest control program, Material Safety Data Sheets (MSDS) or Safety Data Sheets (SDS) must be available for all chemicals used. Residual and non-residual chemicals must be used according to the manufacturer's instructions and in compliance with all applicable laws and regulations.
Fogging and fumigation	Fogging and fumigation of plant production areas must be performed by a qualified technician and can only be done outside of production hours. All product and packaging material must be removed from the area. Product contact surfaces should be covered where possible. Following fogging, all product contact and incidental product contact surfaces must be washed, rinsed, and sanitized before product or packaging materials can be taken into the area.
Insectocutors	Insectocutors are recommended as protection against flying insects. When used, they are not to be located in proximity of production lines. They should be periodically maintained and always operational. Insectocutor trays must be emptied and cleaned weekly, and UV tubes should be replaced according the manufacturer's instructions, but no less than once per year. Insectocutors must be numbered, mapped, and dated to indicate when they were last serviced. Flypaper poses a contamination risk and must never be used.
Pheromone traps	Pheromone traps may be used in areas where monitoring of "stored product pests" is necessary. These traps must be numbered and dated to indicate when they were last inspected for activity.
Prevention of birds	No birds should be present or nesting in the facility. Prevention of birds should be maintained through good grounds keeping and trash collection. A good building maintenance program will also prevent bird access. Physical barriers should be installed where needed to prevent entry, roosting, and nesting. If birds do enter a facility, they must be removed immediately, and any evidence of the birds must be cleaned up before work is resumed.

Publix Brand Product Certification and Food Safety Audit Guidelines

Background

Publix is committed to providing safe, high quality Products to our customers. To help achieve this, we require all Publix Brand Suppliers to have effective food safety, quality, and food defense programs in place. These programs must encompass all processing steps from selection of raw materials through delivery of finished Products to Publix.

Publix requires all Suppliers to provide documentation of an annual third party audit assessing both food safety (e.g., GMP/HACCP) and quality systems to Publix. Information from these audits is used to identify opportunities for improvement and to demonstrate the Suppliers' commitment to food safety and product quality. Publix Brand Suppliers must comply with the certification and third party audit guidelines described in this section.

Supplier audits for products that are finished food, ingredients and food packaging material

Publix requires that all Suppliers of Products that are finished food, ingredients and food packaging material achieve and maintain certification audits from one of the Global Food Safety Initiative (GFSI) benchmarked audit standards. If you have not already achieved this certification, we recommend contacting the Safe Quality Food Institute. GFSI recognized certified programs may change, so please refer to the GFSI website for the most current certified programs.

We understand that some Suppliers contract with other companies to manufacture products that they in turn sell to Publix. It is the Suppliers' responsibility to first obtain approval from Publix to utilize the manufacturing facility of another party. An approved certification or third party food safety audit must be provided to Publix prior to allowing a different or new production facility to produce Product. It is the Supplier's responsibility to obtain the required audit information from the third party co-manufacturers and provide this information to Publix.

Records access

Upon notice from Publix to the Supplier, Suppliers must make available any and all documents and records requested relating to food safety and food defense at the facility where Products are processed. Upon request, Suppliers are expected to provide substantiation showing that the Suppliers are in compliance with these guidelines.

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Publix Brand Product Certification and Food Safety Audit Guidelines, Continued

Non-food related product supplier audits

For Publix Brand Suppliers that do not produce food and fall outside the requirements of GFSI, third-party food safety and/or product safety audits must be conducted at least annually. Contact Publix's CQA department at SupplierCompliance@publix.com for a current list of third party audit companies. These third party audits should be unannounced so they accurately assess the normal operating conditions of the facility.

Access to processing facilities

Publix reserves the right to conduct an audit of any Supplier's facility, including third party co-packing facilities where Publix Brand Products are produced or processed and any warehouse facility where Publix Brand Products may be stored or warehoused. These audits may be unannounced and may include environmental sampling and analysis to determine the level of sanitary control. All information from such audits will be shared with the Supplier.

Documents required to be provided to Publix

Publix Brand Suppliers will provide Publix with a copy of (i.) their food safety certification from a GFSI certified auditing body each year, and whenever requested by Publix (ii.) a non-conformance summary of the audit findings (including a written correction plan defining the steps to be taken to address the deficiencies) each year and whenever requested by Publix. Supplier will provide Publix with written notification wherever the supplier receives a failing score on their audit. The corrective action plan should be emailed to SupplierCompliance@publix.com all documents must include the following information:

- audit company name
- Supplier name
- physical address of the facility audited (including city, state, and zip code)
- date of the audit

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Publix Brand Product Certification and Food Safety Audit Guidelines, Continued

Documents required to be provided to Publix, continued

- contact information for the individual responsible for each of the corrective actions
- corrective action plan for each infraction noted on the audit, including
  - referencCQA e to the corresponding violation name or number on the audit
  - specific action taken to correct the violation
  - when the corrective action was/will be taken and
  - name of the contact person responsible for the specific action.

Suppliers are responsible for taking corrective action for any non-compliance noted in an audit report regardless of whether the Supplier "passes" the audit.

Critical concerns

The health, safety, and welfare of our customers are always our primary concern. Publix Brand Suppliers must notify Publix's CQA department immediately of any public health concern which could result in food borne illness and/or a possible Product recall, including such concerns identified through an audit, and provide Publix with the supplier's correction action plan. CQA's phone number is 863-688-1188, extension 35236 and is available 24 hours per day, 7 days per week.

Product Brand Compliance Information Management Guidelines

Background

Publix is committed to maintaining premier quality and food safety standards on all Publix Brand Products. To support us in our efforts, Publix Brand Suppliers are required to provide updated food safety and quality assurance related information to Publix. We expect our Suppliers to keep this information current and up to date. All Publix Brand Suppliers must comply with the compliance information and management guidelines included in this section.

Information required

To successfully maintain the highest quality and safety standards on Publix Brand Products, Publix maintains information about the Suppliers and the Products they provide. The information required includes, but is not limited to, the information listed below.

- Supplier Information including
  - the company name, full mailing address, full shipping address, phone number, and fax number
  - the Primary Quality Assurance Contact's office phone number, cell phone number, and email address
  - the Recall Coordinator's contact information and
  - details of the manufacturing facility location(s).
- all Product specifications
- third party and/or certification food safety and quality systems audits
- certificates related to any third-party seals
- Product certifications
- Kosher certificates
- Organic certificates and
- certificates of analysis when required (i.e. – ground beef or sprouts).

Providing food safety and quality assurance related information to Publix

Suppliers are required to provide Publix up-to-date and accurate food safety and quality assurance information in a timely manner and to provide updated information should any changes occur. This information should be provided to Publix's CQA department by email at SupplierCompliance@publix.com or by phone at (863) 688-1188, extension 35236.

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Product Brand Compliance Information Management Guidelines, Continued

Providing third party audit information to Publix	Suppliers must arrange for third-party audit and certification companies they use to have all food safety, product safety and/or quality systems audits sent directly to Publix. In addition, corrective actions for all audits must be provided to Publix within two weeks of the audit with detailed remedial action for both critical and non-critical infractions. Suppliers must immediately contact Publix's CQA department regarding any critical concerns identified during the audit of a facility(s) which may result in the adulteration of product or possible product recall.

Chapter 4: Promotion Guidelines

Overview

Introduction

Publix relies on Suppliers to help us drive sales through the use of promotions. Promotions include any effort which offers the customer an incentive to purchase the Supplier's Product in a Publix Store. This chapter provides Suppliers information needed to help successfully promote their Products at Publix.

In this chapter

This chapter contains the following topics.

Topic	See page...
Financial Full Disclosure	87
Publix Product Promotion Options	90
Incremental Product Display Requirements	92

Financial Full Disclosure

Background

We seek a comprehensive understanding of the resources available to Publix from our Suppliers so that we can make better decisions for our customers and stockholders. We expect all Suppliers to treat Publix fairly and equitably by providing us a proportionate amount of all incentives and promotional allowances offered in the marketplace. In addition, we expect all Suppliers to provide us complete and accurate information regarding these resources annually and upon request.

Business summary

Suppliers must provide the following information regarding the status of their business:

- Supplier's total sales (Publix's cost of Supplier's Products during the previous year)
- the percent of the Supplier's dollar sales represented by Publix during the previous year
- Publix's retail dollar sales on the Supplier's Products during the previous year based on syndicated data and
- Publix's market share of the Supplier's Products.

Types of funds

A fund type is a fund's classification based on the manufacturer's purpose for creating the fund and on the types of executions the funds support. For example, a fund that is created to support co-equity executions such as direct mail or cooperative radio would be a co-equity fund.

Suppliers must provide the following information regarding the types of the funds they support:

- the names of each of the funds the Supplier supports
- the Supplier's purpose for the fund and
- the time period on which the fund is based
- how Publix earns the fund
- any constraints on spending the fund.

Value of funds

The fund value is the dollar amount that Publix will earn if we fulfill all of the agreed upon performance conditions. In cases of live accrual, where the fund is calculated using cases shipped during the fund period, a projection will be used to estimate the fund total.

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Financial Full Disclosure, Continued

Value of funds, continued

Suppliers must provide the following information regarding the values of the funds they support:

- the Supplier's sales to Publix during their most recent funding period
- the total dollar value of each fund for the previous fund period
- the total dollar value, or projected total dollar value, of each fund the Supplier supports during the current fund period and
- the Supplier's reinvestment percentage for each fund the Supplier supports for the previous fund period (calculated as fund value divided by the Supplier's total sales to Publix).

Basis of accrual funds

The basis of accrual of a fund is the criteria used to calculate the amount of the fund that will be available to Publix. For all funds calculated using an accrual rate, the Supplier must provide the following information:

- the Publix item code for each item
- the Global Trade Item Number (GTIN) for each item
- the case rate for each item
- the statistical case value for each item and
- the time frame that will be used to calculate the fund.

Basis of share of market funds

For all funds generated by calculating a share of a regional fund, the Supplier must provide the following information:

- the region the fund is designated to
- the percentage of the region's dollar sales Publix represents
- the percentage of the regional fund Publix will receive and
- information regarding how the regional fund is calculated.

Earning requirements

Earning requirements are the specific performances agreed upon by the Supplier and Publix that qualify Publix to collect the dollars associated with a particular fund. Earning conditions are not valid unless agreed to by Publix.

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Financial Full Disclosure, Continued

Earning requirements, continued

Suppliers must provide the following information regarding any earning conditions of the funds they support.

- the percentage of the total fund that can be collected on a single performance
- the maximum amount, if any, that will be paid for a single performance
- the number of performances required to collect the entire fund
- the specific performances being requested to fulfill the earning requirements of the fund and
- a copy of the Supplier's fund agreement if such a document exists.

Payment methods

Payment methods are the means used to make payment of the funds to Publix. Some examples of these are off-invoice, bill-back, or lump sum. Suppliers must provide an outline of how the Supplier's funds were paid to Publix during the previous fund period.

Publix Product Promotion Options

Background

Publix provides promotion options that are available to drive Product sales in Publix Stores. Product Suppliers may submit promotion offers for their Products for consideration by Publix. This section provides information regarding the types of promotions available at Publix and how Suppliers may submit promotion offers to participate in them.

Sales events

Sales events are Publix managed promotions centered around a particular theme that may be supported through television, radio, print, weekly ads and direct mail, price promotions, and displays. The amount of support for these events varies from event to event. The categories of Products selected for a sales event are determined by Publix based on the theme of the event. Publix will contact the appropriate Suppliers to request offers to participate in the event. Supplier participation in these events requires Publix approval, Supplier promotional funding for the retail price reductions, and Supplier marketing funds to offset the cost of the media support provided.

Weekly ads

Publix may publish a weekly ad and distribute versions of this ad in various markets. Weekly ads represent a significant promotion vehicle available at Publix because they generally generate increased sales volume. Publix expects our stores to display all featured and buy-one-get-one (BOGO) Products in Publix's weekly ads. Suppliers shall ensure that Publix is provided with sufficient quantities of all products included in the weekly ad to prevent out-of-stock situations.

Promotional funding for weekly ads

Suppliers are expected to provide promotional funding for retail price reductions for Products included in the weekly ad. This funding shall include the Supplier reimbursing Publix for the promotional allowance or discount for any rainchecks provided by Publix up to thirty (30) days after the expiration of the weekly ad. Publix shall have the right to deduct such amounts from future payments to the Supplier.

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Publix Product Promotion Options, Continued

Publix cooperative advertising (Co-Ops)	Publix may sponsor cooperative advertising programs (Co-Ops) from time to time. We expect our Suppliers to participate in our promotional programs. Publix sends out communication in advance of these promotions to solicit offers. Suppliers who wish to participate are expected to provide promotional funding for Publix coupons and price promotions.
Temporary shelf price reductions	Temporary shelf price reductions (TPRs) are Publix promotions where the retail price of a Product is reduced for a specified period of time (usually two to eight weeks). These price reductions may be communicated to our customers using a special shelf tag. Suppliers requesting a TPR promotion must provide a temporary cost reduction for the Product being promoted that is sufficient to warrant a retail reduction. The funding requirements for a TPR promotion are negotiated with the Supplier by the category team.
Product display support	Suppliers may submit Product offers requesting display support in Publix Stores. Publix will only accept offers requesting display support on Products that are included in our weekly ad or that give the customer an immediate incentive to purchase, such as bonus packs, special packs, or Products with instant redeemable coupons (IRCs) supported by the manufacturer.
Submitting product promotion offers	All promotions and associated deals must be submitted to the Publix Buyer for approval. No deal negotiations or agreements are permitted at Store level. Product Promotion offers must be communicated promptly to Publix via the Publix Business Connection using a List Cost/Allowance, Scan Down, or Lump Sum Offer. Suppliers who do not have access to the cost and deal section of the Publix Business Connection should submit their promotion offer on a Publix Cost/Promotion Form. Each category team establishes specific timelines for prompt communication.

Incremental Product Display Requirements

Background

Merchandising product off the normal shelf location helps bring attention to items that customers might not have otherwise seen. Creative and colorful displays capture customers attention and entice additional purchases. When shelf space is limited, these displays help ensure in-stock position on sale items.

Incremental product displays include shippers, free standing displays, standees, tables and pallets which can be located in various areas of the store including at the end of an aisle or in the lobby, speedway or pallet drop area. Each type of displays should follow specific guidelines.

This document explains general guidelines, definitions and pictures of incremental product displays including maximum measurement and approved placement.

General guidelines

Below are general guidelines for designing incremental product displays.

The display should:

- come prebuilt and stocked with product to reduce labor
- merchandise product facing forward, not sideways, in the display
- contain only one GTIN within each facing (no hidden merchandise that could impact counting accuracy)
- be stable when placed on the sales floor
- support the weight of the product contents
- weigh 40lbs or less (unless intended to be moved by pallet jack)
- present product at least 6” above floor level (or on a pallet)
- have space to affix signage (or tags for multiple price points)
- contain a cardboard trim if shipped on a pallet smaller than 40” x 48”

Note: Permanent racks and fixtures used as a primary product location should be coordinated through the Category teams and Macro Space Planning team to ensure placement.

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Incremental Product Display Requirements, Continued

Definitions

Type	Definition	Maximum Size	Placement
Shipper	product in a pre-built cardboard display with bottom shelf at least 6” above floor level; as display sells down, product is worked to shelf and shipper recycled	Width 24” Height 60” Depth 18”	• End of aisle • Lobby • Speedway • Pallet drop area
Free standing display	display which has to be filled by a supplier or store associate, often made of cardboard, metal or wood and refilled frequently	Width 24” Height 60” Depth 18”	• End of aisle • Lobby • Speedway • Pallet drop area
Standee	display intended for advertising, does not contain retail product	Width 24” Height 60” Depth 18”	• End of aisle • Lobby • Speedway • Pallet drop area
Merchandising table	displays product on a table Note: table must • have lockable wheels • fit in with store decor	Width 24” Height 60” Depth 96”	• Lobby • Speedway • Pallet drop area
Pallet display	product shipped and intended for display on a ¼ pallet, ½ pallet or full pallet.	¼ pallet Width 24” Height 60” Depth 18” ½ pallet Width 40" Height 60" Depth 24" Full pallet Width 40" Height 60" Depth 48"	• End of aisle note: ¼ only • Lobby • Speedway • Pallet drop area

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Incremental Product Display Requirements, Continued

Shipper examples

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Incremental Product Display Requirements, Continued

Free standing display examples

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Incremental Product Display Requirements, Continued

Standee examples

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Incremental Product Display Requirements, Continued

Pallet examples

Chapter 5: Supply Chain Management

Overview

Introduction

This chapter covers the topic of supply chain management.

In this chapter

This chapter contains the following topics.

Topic	See page...
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Warehouse Delivery Guidelines	102
Scheduling delivery appointments	106
Delivering to Distribution or Manufacturing Facilities	109
Refused Damage Donation Program	112
Publix's Pallet Policy	113
Direct Store Delivery	116

Supply Chain Management

Product order management

Efficient supply chain management is based on having the right Products at the right place at the right time. Our Suppliers' ability to fill orders completely, accurately, and on-time is critical to our supply chain management. Publix expects all Suppliers to comply with the order management policies and guidelines included in this section.

Order generation

Publix utilizes various methods for determining Product order quantities and generating Product orders. All of these methods are based on a just-in-time strategy in which Product is ordered in quantities that are equal to the projected demand of the Product between the planned order arrival and the next order arrival. These methods include:

- Publix Automated Replenishment
- Publix manual order generation and/or
- Supplier order generation (primarily DSD).

Automated Replenishment System

The Publix Automated Replenishment System is a demand planning and replenishment tool designed to maintain inventory in Publix Stores and distribution centers according to Publix's standards. This system considers a wide variety of factors which influence volume to determine an appropriate sales forecast for each Product in each Publix Store. These forecasts are reviewed and then rolled up to create Product orders which are ultimately sent to the appropriate Supplier. The Automated Replenishment System is used to order the majority of the retail Products sold by Publix distributed via warehouse and store (DSD) delivered.

Publix manual order generation

Various departments in Publix, primarily the Publix Logistics department, are responsible for the inventory management and manual ordering of various Products. The associates in these departments use a wide variety of information to determine the appropriate order quantities and order timing.

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Supplier order generation

Publix relies on direct store delivery (DSD) Suppliers, in some cases, to work with our Publix manager to determine appropriate order quantities and to create orders in the Supplier's system. In all cases, the Supplier should attempt to achieve Publix's inventory management objectives of eliminating out of stocks and maintaining a quality presentation on the shelf with as little inventory as possible.

Order lead times

In most cases, Publix will set the order due date for Publix generated orders based on the lead time provided by the Supplier. Lead times must be communicated to Publix in the Vendor Maintenance section of the Publix Business Connection. Any Suppliers who do not have access to the Vendor Maintenance section of the Publix Business Connection must submit their Vendor information, including lead times, on the Publix Vendor Information Form. Vendor lead times must always be communicated in total calendar days, not business days.

Vendor lead times directly influence the amount of inventory Publix must carry in our Supply Chain to meet demand in Publix Stores. Shorter lead times require Publix to carry less inventory. Publix encourages all Suppliers to periodically evaluate their lead times and make every effort to reduce those lead times when possible. Suppliers with unnecessarily long lead times will be asked to reduce their lead time. Failure to provide reasonable Vendor lead times may result in a reduction and/or termination of business activity with Publix.

In rare cases, Publix may ask Suppliers to expedite an order if a Product shortage occurs within the Publix supply chain. We expect our Suppliers to make every effort to accommodate these requests to minimize the impact to our customers and to prevent lost sales due to out of stocks.

Order notification

Most Publix generated orders are submitted to our Suppliers via a standard Electronic Data Interchange (EDI) transmission. To facilitate this communication, Publix requires all Suppliers (other than suppliers to Publix's Manufacturing facilities) to be EDI trading partners.

Publix right of refusal

Publix reserves the right to cancel all or any part of a delivery if Product is not delivered on the date or dates specified in Publix's order, subject to applicable law; acceptance in such cases shall in no way bind Publix to accept further deliveries on any purchase order. Partial delivery on time will not excuse non-delivery or late delivery of the balance of the order.

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Supply Chain Management, Continued

Order fulfillment

Publix expects all orders to be delivered completely, accurately, and on time to maximize our sales to our customers. Publix measures the percentage of cases received versus the number of cases ordered to determine the "order fill rate." The order fill rate measure is calculated monthly and reported on the supplier scorecard.

Suppliers should not retain an order to prevent cutting a Product quantity from the order if holding the order will result in a late delivery. Because Publix uses a just in time inventory strategy, any delay in receiving Product may result in out of stocks. Holding an order for one Product may result in most Products being out of stock depending on the delay. Therefore, Publix expects our Suppliers to use a "cut and ship" approach to order fulfillment.

If extenuating circumstances exist that make the "cut and ship" approach questionable, the Supplier should contact their Primary Publix contact immediately.

Backorders

Publix does not utilize an automatic backorder process. Backorders shipped without approval from Publix via a valid purchase order transmission will be refused at time of delivery. Products cut from an order may be reordered on the next generated order, depending upon Publix's needs at the time of the order review.

Depending on the specific circumstances, additional options for more rapid replenishment may be available. Publix expects all Suppliers to communicate with the Primary Publix contact as soon as a Product shortage is identified to determine the appropriate action.

Out of packs

Publix recognizes that because of the nature of Products we sell, some Products may become temporarily unavailable. In these situations, Publix requires our Suppliers to contact their Primary Publix contact immediately. Depending on the duration of the outage, Publix will select the appropriate method of dealing with the situation. These decisions not only consider the replenishment of our supply chain, but also the condition of the item on the Publix Store shelves when the Product becomes available. Longer duration outages require additional steps to ensure the Product is reintroduced on the shelves in Publix Stores, whereas shorter outages reduce the likelihood that outages occur in the Publix Stores. For this reason, it is imperative the Supplier provide realistic and accurate information regarding the duration of the outage and when the Product will be available.

Warehouse Delivery Guidelines

Background

The transportation of Product through the supply chain is subject to delays that cause late deliveries, Product shifting that causes damage, and equipment breakdowns resulting in Product damages and late deliveries. To minimize the negative impact of these events, Publix expects all Suppliers comply with the guidelines in this section.

Shipment terms

Suppliers are responsible for the transportation of Product to the designated Publix facility with the cost of transportation included in the cost of goods (FOB Destination) unless otherwise expressly agreed on Publix's purchase order, in an approved List Cost/Allowance offer submitted via the Publix Business Connection, or on an accepted Publix Cost/Promotion Form. Additionally, unless otherwise expressly consented to in writing by Publix, no payment will be made for packing, boxing, drayage, storage or lumper fees. All bills of lading for FOB Destination shipments made by the Supplier must be marked "prepaid" in box 7. Publix reserves the right to reject any shipment if the applicable bill of lading is not marked "prepaid."

Submitting pick up allowance offers

Suppliers who deliver Product to Publix distribution centers are encouraged to periodically provide pick up allowance rates for each of their Vendors using the Publix Transportation/Warehouse Information Form. Publix will use these rates to determine if the Vendor is a viable candidate for the Publix managed inbound freight program.

Perishable product specifications

Fresh produce Products generally fall under the jurisdiction of the Perishable Agricultural Commodities Act ("PACA") and fresh meat Products are governed by the United States Department of Agriculture ("USDA"). The Supplier acknowledges and agrees that notwithstanding any PACA or USDA regulations, the Supplier shall be bound by Publix's Product specifications which may be more stringent than those set forth in PACA, by the USDA, or under any other applicable law or regulation.

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Product time and temperature control

Proper temperature management is critical to food safety and to the overall quality of foods that can support the rapid growth of undesirable microorganisms in the absence of temperature control during transportation (TCS foods) and refrigerated foods subject to spoilage, (together **"Refrigerated Products"**) and frozen Products. Refrigerated Products and frozen Products supplied to Publix must be maintained at or below the temperatures specified in the Publix Product Transportation Specifications section of this SP&G, unless other temperatures are specified by Publix for the specific Product type. The Supplier must ensure that the Carrier has developed and implemented written procedures for pre-cooling mechanically refrigerated cold storage compartments or containers and for conducting in-transit temperature monitoring with respect to Refrigerated and frozen Product shipments. Publix may reject any product not maintained at the specified temperatures in the product specifications and/or Publix Product Transportation Specifications section of this SP&G.

Publix has implemented the following guidelines to ensure the proper handling of certain Refrigerated Products:

- Publix requires the use of electronic temperature data loggers on every shipment of the following Products:
  - refrigerated Publix branded Products
  - refrigerated fresh meat Products
  - refrigerated fresh seafood Products
  - refrigerated fresh produce Products
  - refrigerated fresh deli Products and
  - refrigerated fresh bakery Products.
- Any truckload containing any of the Products identified in the list above must be monitored by an electronic time and temperature recorder, regardless of whether or not any other types of products are included on the load.
- In addition to the Products listed above, Publix may require any Supplier of Refrigerated or frozen Products to use electronic data loggers on all shipments of these Products if the Supplier has failed in the past to properly control Product temperature.

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Warehouse Delivery Guidelines, Continued

Product time and temperature control, continued

Any Supplier of Refrigerated or frozen Products may voluntarily elect to participate in our temperature logger program if the Primary Publix contact is notified in advance and approves the Supplier's participation.

DeltaTRAK FLASHLINK® VU Data Loggers are the approved electronic temperature monitoring device for refrigerated and frozen Product coming to Publix. To order, call DeltaTRAK customer service at (800) 962-6776 or order them online at http://www.deltatrak.com/publix.phtml. When ordering the data loggers, tell the customer care associate that you are ordering data loggers for loads going to Publix. The data loggers will be programmed with the approved temperature parameters and shipped to your facility.

Publix product transportation specifications

Publix Product must be transported in accordance with these Publix Product Transportation Specifications, and any other applicable requirements specified in this SP&G. Suppliers must provide a copy of these Publix Product Transportation Specifications to each carrier transporting Product and ensure through a contract that the carrier is complying with such specifications. Publix has the right to reject any shipment where Product is not transported in accordance with these Publix Product Transportation Specifications.

Each Supplier is responsible for using the scorecards to monitor the performance of its Product and services and to facilitate changes to the Supplier's business processes to positively influence the scorecard results. To successfully accomplish this, the Supplier must understand each of the KPIs on the scorecard, the relative importance of each KPI based on its associated weight, and the processes or factors that influence the score.

Additional information regarding the Publix Scorecards is available on the Resources tab of the Publix Business Connection.

Product handling

Product shipped to Publix should be handled and transported properly to prevent damage and eliminate waste. Product damaged prior to shipping must be removed and replaced. Publix has the right to reject any Products that have been involved in a vehicle accident during transportation, or that are otherwise adulterated.

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Warehouse Delivery Guidelines, Continued

Product storage	Storage conditions in “finished goods” warehousing or depots must be appropriate for the product stored. Correct temperature, humidity, etc. must be maintained to ensure that Product and container are kept in prime condition. All storage facilities must be rodent, insect, and bird proofed and follow appropriate good manufacturing practices.
Loading	All vehicles should be loaded and unloaded in covered bays protected from the weather and separate from production areas. Mixed loads of food and non-food commodities are not acceptable to Publix.
Indemnity	Publix shall incur no liability for Product rejected in accordance with these SP&G, nor any Carrier charges or other costs related to such rejected Product. The Supplier shall indemnify and hold Publix harmless for any claims or charges that may be brought by any affiliate of the Supplier, third party subcontractor, Carrier, freight broker or any other person against Publix.
Performance expectations	Each Supplier is responsible for using the scorecards to monitor the performance of its Product and services and to facilitate changes to the Supplier’s business processes to positively influence the scorecard results. To successfully accomplish this, the Supplier must understand each of the KPIs on the scorecard, the relative importance of each KPI based on its associated weight, and the processes or factors that influence the score. Additional information regarding the Publix Scorecards is available on the Resources tab of the Publix Business Connection.

Scheduling delivery appointments

Background

The efficient flow of Product into and out of Publix's distribution centers and manufacturing facilities requires planning and coordination. To manage all of the deliveries we receive, Publix requires appointments for all deliveries being made to any Publix distribution center or manufacturing facility. The purpose of this section is to provide our Suppliers the information needed to schedule delivery appointments for prepaid freight.

Publix appointment scheduling system

Appointments are scheduled using the Publix Appointment Scheduling System (PASS). PASS allows Suppliers to email a standard form, the Carrier Appointment Form, to a designated email account and utilizes the information contained on the form to schedule the appointment.

Carrier appointment form

All scheduling and rescheduling must be requested via email using the Carrier Appointment Form. Altering the form in any way will result in the request not being processed correctly due to lost information tracked within the form. To request the Carrier Appointment Form, Suppliers must call 863-688-9800 and leave a message including their name, email address, and return phone number.

Appointment request timing

Publix requires appointments for all deliveries to a Publix distribution center or a manufacturing facility. Delivery appointments must be made through our Corporate Transportation department at least 48 hours before the due date and may be made up to 2 weeks in advance. No delivery appointments will be granted without an open and valid purchase order number.

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Scheduling delivery appointments, Continued

Completing the carrier appointment form

The following guidelines must be followed to complete the Carrier Appointment Form properly.

- Do not alter the form in any way. Doing so will result in the request being rejected by the system.
- Complete all requestor information.
- Spell out the carrier/vendor name completely.
- Do not abbreviate or use the SCAC code unless instructed to do so.
- Complete the Appointment Return Email field being sure to include only one email address per request.
- Complete all required PO related fields:
  - Vendor name
  - PO# (Publix POs are formatted as follows: L256812-01 or 3024585)
  - Zip Code and
  - case count.
- If multiple POs are on the same truck, use the drop down list to indicate which truck and in what stop order the POs are loaded. Failure to do so will result in improper scheduling.
- Reschedule requests must include the reason for the reschedule.

Submitting the request

To submit the request, completed forms should be attached to an email and sent to Traffic.Appointments2@publix.com. The email must comply with all of the following guidelines to ensure proper processing of the request.

- Only one attachment per email will be accepted.
- Do not write notes/messages in the body of the email.
- To prevent the email from being flagged as SPAM, do not send emails that contain
  - pictures or graphics
  - wallpaper or
  - signatures that are not in plain text.

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Scheduling delivery appointments, Continued

Receiving the delivery appointment information

The list below provides information regarding how appointments are processed.

- Scheduled appointments will be returned to the email address provided in the Appointment Return Email field only.
- Appointment times are written in military time (for example, 6:00 p.m. = 1800).
- Responses will normally be received in approximately two hours. However, any request received after 15:30 EST (3:30 pm EST) Monday through Friday may not be completed until 10:30 am EST the next working day. In addition, during heavy volume times, the response may take longer.
- If a response is not received within three hours, the requestor should do the following:
    - Check his or her SPAM folder and add the Publix email address to the approved senders or email contact list.
    - Resend the email request and add “2nd Request” in the Notes to Publix field.
- If no response is received after four hours, the requestor should take the following steps.
    - Call the Help Line at 863-688-9800 and select option 1.
    - Leave his or her name, phone number, and the PO number.
    - Expect a call within thirty minutes.

Obtaining directions to a Publix distribution center or manufacturing facility

To obtain directions to any Publix distribution center or manufacturing facility, the requestor should call the Help Line at 863-688-9800 and select option 2. Please be sure to listen to the automated system. Directions will not be given person to person.

Rescheduling appointments

All rescheduling requests must be sent via email using the Carrier Appointment Form

Delivering to Distribution or Manufacturing Facilities

Background

Publix has established guidelines to ensure efficient and accurate receiving at all Publix distribution centers and manufacturing facilities. Publix requires all Suppliers to comply with the following guidelines to maximize efficiency and to eliminate lost opportunity associated with excessive wait times and excessive product handling.

On time delivery

Publix requires all deliveries to be made on time and measures the percentage of total deliveries that are delivered on time by Suppliers each month. The results of these measures are included in the Vendor Scorecard. Publix expects 100% of deliveries to be on time.

Case weights

Publix supports a safe work environment. We urge Suppliers to limit case weights to 40 pounds, if possible, as the order selection process can place our associates at risk of a work-related low back disorder (LBD). Therefore, although the maximum recommended weight for shipping containers is 50 pounds, the industry wide goal is 40 pounds. Publix supports this goal in keeping with our mission to be dedicated to the dignity, value, and employment security of our associates.

Delivery requirements for frozen food distribution centers

Publix's Frozen Food Distribution Centers operate differently than our other Distribution Centers and therefore have additional expectations for Product deliveries. All Products delivered to a Publix Frozen Food Distribution Center must be on pallets which meet our pallet specifications. In addition, the following additional requirements must be met for frozen food deliveries.

- Product must not be stacked on pallets with uneven bottoms, soft bottoms or bottoms with banding or strapping.
- All pallets should conform to the specifications outlined in the Pallet Policy section of this document.
- Product must not be stacked on pallets with sides or bottoms that have concave or convex distortion.
- Product must not be stacked on pallets with protrusions on the sides or bottoms.
- Product must not be stacked with an uneven weight distribution or shifting center of gravity.

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Delivering to Distribution or Manufacturing Facilities, Continued

Delivery requirements for frozen food distribution centers, continued

- Product must not overhang the pallet in any direction.
- Product stacked on a pallet must not exceed a 2500-pound pallet load.

If one or more of these requirements are not met at the time of delivery, the product will be restacked at the Supplier's expense before it will be received, regardless of whether the damage occurred prior to or during delivery. If product shifts or fails to meet these requirements prior to or during delivery to Publix, the Supplier will be billed for the restacking expenses and will bear the burden of recovering those charges from their delivery agent.

Rejection of product

Publix, at its option in the exercise of reasonable business judgment, may, at any time, reject (or revoke acceptance of) and return to the Supplier (or hold at the Supplier's risk and expense) any Product that

- does not conform with, or is shipped contrary, to Publix's instructions or these SP&G or
- is in excess of the quantities described in the applicable purchase order or cost form or
- that is of poor quality, damaged, deformed, temperature abused or
- allegedly contains any defect or inadequate labeling, or labeling that violates any law, regulation or court or administrative order, or that infringes upon any patent, trade name, copyright or other third party right.

Payment of any invoice will not limit Publix's right to reject or revoke acceptance. The Supplier shall bear all risks and pay all expenses of unpacking, examining, repacking, storing, holding and/or reshipping or returning, and shall reimburse Publix its net landed cost, with respect to any Product rejected or for which acceptance is revoked pursuant to this section. Publix shall incur no liability for such rejected Product, nor any Carrier charges or other costs related to such rejected Product. The Supplier shall indemnify and hold Publix harmless for any claims or charges that may be brought by any affiliate of the Supplier, third party subcontractor, Carrier, freight broker or any other person against Publix regarding such rejected Product.

To the extent applicable law requires that rejection and return be handled differently than described here, Publix will follow applicable requirements.

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Delivering to Distribution or Manufacturing Facilities, Continued

Rejection of product shipments involved in a traffic accident

If a shipment of Product destined for a Publix distribution center or manufacturing facility is involved in a collision or traffic accident involving a sudden impact to the Product (trailer rollover or unintended separation from the truck, sudden stop, damage to the truck or trailer, etc.) or other consequence that could result in Product damage (fire in the trailer, broken seal, exposure of Product to the elements, etc.), all such Product aboard such trailer involved in the accident destined for a Publix facility may be rejected by Publix without inspection of such Product. Publix shall incur no liability for such rejected Product, nor any Carrier charges or other costs related to such rejected Product. The Supplier shall indemnify and hold Publix harmless for any claims or charges that may be brought by any affiliate of the Supplier, third party subcontractor, carrier, freight broker or any other person against Publix regarding such rejected Product.

Delivery documents

An itemized bill of lading and packing list must accompany each shipment to a Publix Distribution or Publix Manufacturing Facility. Unless otherwise agreed in writing prior to the shipment, all bills of lading should indicate the freight is “prepaid” by the Supplier and the carrier will look only to the Supplier for freight charges. Publix reserves the right to reject any shipment where a bill of lading is not appropriately marked “prepaid”. Unless otherwise agreed in writing prior to the shipment, transportation for all deliveries, are FOB – Destination and Suppliers will endorse all freight documents with the designation FOB – Destination.

Refused Damage Donation Program

Program Overview

The Refused Damage Donation Program is designed to reduce costs associated with handling, storing, and shipping damaged products refused upon delivery. Under this program, reasonable quantities of such products will be donated to a local food bank. The food bank will collect donated products at no additional cost for the supplier.

Program Form

All suppliers should complete a Publix Refused Damage Donation Program Form. This form is available on the Publix Business Connection under the Resources tab> Supplier Information section > Business Forms > Publix Refused Damage Donation Program Form. Suppliers will use this form to determine a donation threshold. Publix can assist suppliers to determine the threshold if needed. Completed forms should be signed and submitted to their Publix buyer.

Exceeding Donation Threshold

If refused damaged product exceeds the established donation threshold, it will be palletized, wrapped, and either placed back on the trailer or held at the warehouse dock pending further instructions from the supplier.

The supplier is responsible for retrieving any damaged product held at the warehouse dock within 48 hours of notification, at their expense.

Publix reserves the right to donate any refused damaged product not collected within this timeframe to a local food bank.

Publix's Pallet Policy

Required pallet specifications

Publix requires that all merchandise be stacked on good pallets. Publix will not accept merchandise on bad pallets or accept any bad pallets into our distribution system. Inbound pallets must be 48" x 40," have 4-way entry, and meet Publix's pallet specifications. Publix will not accept pallets with broken, split, or double stringers; metal plate repairs; missing boards; or pallets made from soft wood, pine or other white woods. Publix does not participate in any pallet exchange programs. All pallets and packing material on trailers and containers of imported products provided by Supplier must be in compliance with Wood Packing Materials (WPM) regulations and International Plant Protection Convention's (IPPC) International Standards for Phytosanitary Measures No. 15 (ISPM 15).

Publix pallet programs

Suppliers must deliver product on pallets which meet Publix's specifications. We encourage all Suppliers to participate in our rental pallet program with an approved rental pallet company. Publix does not participate in any pallet exchange programs and will not provide any compensation for pallets delivered to Publix as part of a product delivery.

Approved pallet rental companies

Publix is committed to ensuring high quality pallets are utilized throughout our supply chain. To that end, Publix only accepts rental pallets from approved pallet rental companies. The following is a list of the rental pallet companies currently approved by Publix.

- CHEP
- PECO and
- intelligent Global Pooling Systems (iGPS).

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Publix's Pallet Policy, Continued

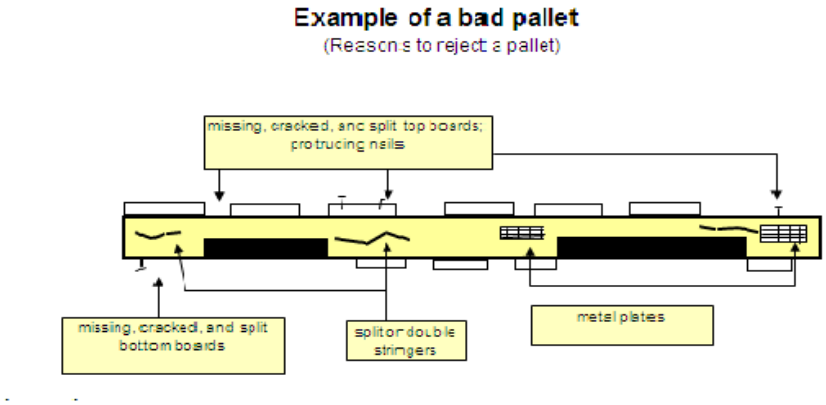
Pallet restacking

Publix expects all Suppliers to ensure the Product delivered to Publix distribution centers and manufacturing facilities is free of damage and properly stacked on pallets that meet Publix's pallet specifications.

Product stacked on bad pallets must be restacked at the Supplier's expense before it will be received. In addition, improperly stacked, leaning, or damaged Product must be restacked at the Supplier's expense before it will be received regardless of whether the damage occurred prior to or during delivery. If Product shifts or becomes damaged prior to or during delivery to Publix, the Supplier will be billed for the restacking expenses and will bear the burden of recovering those charges from their delivery agent.

Bad pallets

Publix will not accept merchandise on bad pallets, nor will we exchange or accept any bad pallets into our distribution system. The images below depict what Publix considers a bad pallet.



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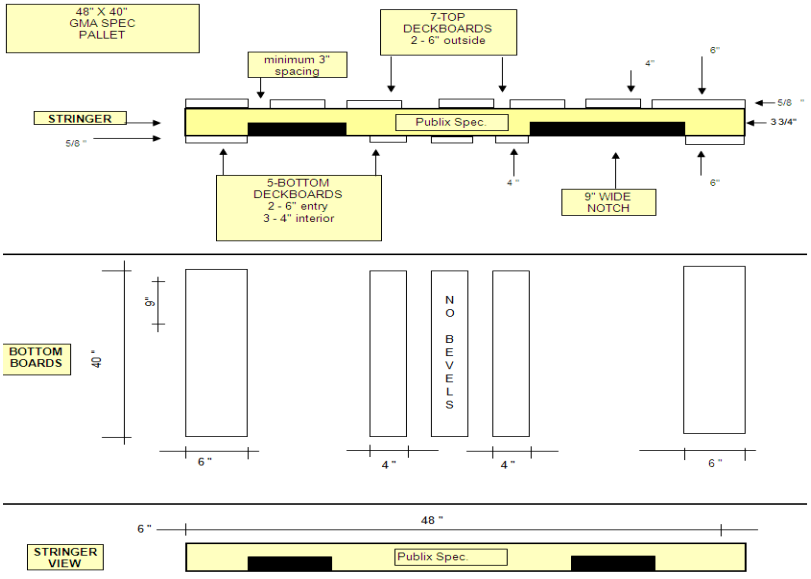
Publix's Pallet Policy, Continued

Publix pallet specifications illustration

The image below provides a visual representation of Publix's specifications for an acceptable pallet.



Direct Store Delivery

Background

Certain Suppliers deliver Products directly to Publix retail stores (**"DSD Suppliers"**) and therefore interact with Publix associates on a much more frequent basis. DSD Suppliers must comply with these SP&Gs and the following guidelines to maintain a successful business relationship with Publix.

Authorized distribution areas

DSD Suppliers must submit the proposed geographic areas and stores to be served to the Primary Publix contact in writing. Publix will determine which areas and stores will be authorized or accepted.

Delivery and service schedules

DSD Suppliers must submit in writing a proposed delivery and service schedule. DSD Suppliers on Automated Replenishment (AR) must load their schedules into the Publix Business Connection electronically. Publix will accept or negotiate changes to the proposal as needed. Publix requires on time deliveries per store receiving hours. DSD Suppliers must adhere to the receiving hours assigned by each store. We expect 100% on-time deliveries. Stores may require extra deliveries and merchandising support during periods when consumer demand for the Products is high. Suppliers are expected to adjust their delivery schedules during holiday weeks, weeks in which a natural disaster is threatening our stores, or any other weeks when our stores are not able to receive deliveries on the normal delivery schedule. These delivery schedule changes must be communicated to and approved by the Primary Publix contact in advance. Publix may, at its discretion, require Suppliers to check in/out of the store and denote the type of activity being conducted (delivery, merchandising, ordering, etc.).

Inventory levels

DSD Suppliers are expected to help Publix maintain an appropriate level of inventory with a minimum amount of back-stock and to merchandise the Product to maximize sales and prevent out-of-stocks. DSD suppliers that require Publix stores to maintain excessive inventory will be required to increase the number of deliveries per week.

continued on next page

Direct Store Delivery, Continued

Product rotation and managing shrink

All DSD Suppliers, with the sole exception of those suppliers with a non-full service agreement with Publix, are required to stock and rotate their Products on a regular and timely basis to eliminate Product expirations. DSD Suppliers must remove or exchange damaged, short-dated, rejected, or expired Products and issue full credit to the store where Product is removed and appropriate documentation where Product is exchanged. If credit cannot be issued, the Supplier must replace the unsalable unit with a new unit of the same Product in a condition suitable for sale. The ability to issue credit on certain Products, including alcohol and tobacco Products, may be limited or prohibited by federal, state or local law. Publix expects DSD Suppliers to provide Publix the maximum credit possible up to the limits of the law.

Product guarantee

All direct store delivery Products are 100% guaranteed by the Supplier until the Product is sold to the customer unless otherwise agreed in writing with Publix. Publix expects all DSD Suppliers to pick up any Product and issue full credit upon the request of the Store management, except as otherwise prohibited by law. In addition, the Supplier must pick up damaged, short-dated, rejected, or expired Products and issue full credit to the store. If credit cannot be issued, the Supplier must replace the unsalable unit with a new unit of the same Product in a condition suitable for sale. The ability to issue credit on certain Products, including alcohol and tobacco Products, may be limited or prohibited by federal, state, or local law. Publix expects Suppliers to provide Publix the maximum credit possible, up to the limits of the law.

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Direct Store Delivery, Continued

Electronic receiving

Publix expects all DSD Suppliers to participate in electronic receiving for product delivery and check in. Publix supports the detailed delivery methods described in the table below.

Receiving Method Description
(NEX) The Vendor's invoice is transmitted from its home office to the Publix Corporate Office. The invoice is then transmitted to the appropriate store to await the delivery.
(DEX) The Vendor uses his/her hand held terminal to create the Vendor's invoice and then to upload the invoice through one of the DEX ports at the time of the delivery. The Vendor agrees to the adjustments made by the inventory clerk and the invoice is automatically closed.

Delivery documents

For direct store deliveries, except those received using the Direct Exchange (DEX) receiving method, an original itemized invoice, paper or electronic, must accompany each store delivery. A copy of the invoice is not required for deliveries received using the Direct Exchange (DEX) receiving method. DEX Suppliers using an alternate receiving method must provide an original itemized invoice.

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Direct Store Delivery, Continued

Rejection of product shipments involved in a traffic accident

In the event that a shipment of Product is involved in a collision or traffic accident or other consequence that could result in Product adulteration (fire in the trailer, broken seal, exposure of Product to the elements, etc.), all Product aboard the trailer may be rejected by Publix without prior inspection of such Product. Publix shall incur no liability for such rejected Product, nor any Carrier charges or other costs related to such rejected Product. The Supplier shall indemnify and hold Publix harmless for any claims or charges that may be brought by any affiliate of the Supplier, third party subcontractor, Carrier, freight broker or any other person against Publix regarding such rejected Product.

Publix product transportation specifications

Publix Product must be transported in accordance with these Publix Product Transportation Specifications, and any other applicable requirements specified in this SP&G.

Performance expectations

Each Supplier is responsible for using the scorecards to monitor the performance of its Product and services and to facilitate changes to the Supplier's business processes to positively influence the scorecard results. To successfully accomplish this, the Supplier must understand each of the KPIs on the scorecard, the relative importance of each KPI based on its associated weight, and the processes or factors that influence the score.

Additional information regarding the Publix Scorecards is available on the Resources tab of the Publix Business Connection.

Chapter 6: Product Recall and Damage Guidelines

Overview

Introduction

This chapter encompasses product recall and damage guidelines.

In this chapter

This chapter contains the following topics.

Topic	See page...
Product Recall Information	121
Unsaleables/Reclamation	122

Product Recall Information

Background

Publix customers expect us to take every precaution to offer high quality safe Products for their families. Providing safe Products is of paramount importance to Publix. In the event that a Product that should not be sold makes it into Publix's supply chain, the need to quickly and accurately recall it is critical. The purpose of this section is to provide guidelines related to the exchange of information in a case where a Product recall is necessary.

Notification to CQA and Buying Contacts

Efficient communication during a Product recall is critical to our customers' health. Access to and routine use of a standard method of communicating Product recall information enables Publix to act swiftly to minimize the risk to our customers.

The Recall Information Form on the Publix Business Connection should be used to document key details needed for identification of recalled product. This form is available under the Resources tab> Supplier Information section > Business Forms > Recall Information Form. The completed form should be emailed with the subject line "Recall notification for [name of product or group of products being recalled]" to the supplier's Publix buying contacts and CC: PublixCQA.Recalls@publix.com.

All suppliers must also contact their Publix buying contact by phone to ensure the recall notification is received

Learning of a recall initially from a source other than the Supplier (e.g., FDA, USDA, press release, etc.) jeopardizes our business relationship and may result in a reduction and/or termination of business activity.

Unsaleables/Reclamation

Damage return agreement and chute selection

Publix disposes of damaged or expired Products at Publix's reclamation centers. Publix expects our Suppliers to provide support for the disposition of these Products by selecting a disposition option in our Damage Return Disposition Agreement.

Publix reviews and makes changes to the way Products are disposed of on a quarterly basis. Therefore, the Supplier must submit the completed Damage Return Disposition Agreement to Publix at least fourteen (14) days prior to the beginning of the next quarter's start date for the disposition election selected to be effective for the next quarter. The quarters start on the following dates:

QUARTER	START DATE
Q1	January 1st
Q2	April 1st
Q3	July 1st
Q4	October 1st

In the event that the Supplier does not timely provide the completed Damage Return Disposition Agreement or does not complete the Damage Return Disposition Agreement then the Supplier agrees that Publix will determine the disposition of the Supplier's Products.

Rate for disposition of unsaleable products

Based on the disposition selected by the Supplier or Publix, the Supplier shall pay to Publix the following disposition fees, except where prohibited by law:

Chute No.	Disposition Code	Disposition Options	Product Net Cost	+ Chute Cost Per Unit
#1	SC	Salvage Product	100%	.47
#2	CC	Donate to Charities as determined by Publix	100%	.52
#3	DC	Destroy Product	100%	.65

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Product recalls or product withdrawal

In the event that a Product is recalled, Supplier agrees to pay the list cost of the Product plus the following processing fee due to the additional labor and documentation associated with recalls, except where prohibited by law:

Recalls from our Stores	Disposition Method	
	Sent to DRC	Disposed/Picked up at Store
Ambient Temp. Product	Cost of product + $0.70	Cost of product + $0.70 (Allowed for DSD product only)
Refrigerated or Frozen Product	N/A	Cost of product + $0.70

Recalls from our Distribution Centers	Disposition Method	
	Sent to DRC	Disposed/Picked up at Distribution Center
Ambient Temp. Product	Cost of product + $0.42	Cost of product + $0.42
Refrigerated or Frozen Product	N/A	Cost of product + $0.42

In the event that the Product is to be destroyed, the Supplier agrees that additional fees and reclamation center cost (i.e., landfill cost) may be applied by Publix at Publix's full and sole discretion, except where prohibited by law.

Over-The-Counter drugs

Over-The-Counter ("OTC") drugs are medicines sold directly to a consumer without a prescription. For OTC that is expired or has a shelf life of less than one (1) year, "Salvage" and "Donate" chutes cannot be applied for the disposition of said Product. In the event that Supplier has selected a disposition that conflicts with the foregoing, Publix shall determine the disposition of the OTC. If a "Hold for Supplier Review" chute is selected then the Supplier is responsible for disposing of such Product in compliance with all applicable federal, state, and local laws.

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Unsaleables/Reclamation, Continued

Hazardous material or waste

Product that is identified and/or considered as hazardous by the applicable states' laws, United States' Environmental Protection Agency and/or the United States' Department of Transportation will be managed by a third party licensed in the proper handling and disposal of these Products. Additional fees may apply at Publix's sole and final discretion.

Damage compensation via swell allowances

Publix and certain Suppliers may agree to have the Supplier provide compensation to offset the cost of unsaleable Products and their handling by reducing the Product cost using a swell allowance. For Suppliers who are approved to be included in the swell allowance program by Publix, the Suppliers agree to the following:

- Unsaleable Products will be processed for proper disposition at Publix's sole discretion.
- Supplier shall provide swell allowances to Publix for each of the Supplier's Products to compensate Publix for the cost of the unsaleable Products and the associated processing costs.
- Supplier shall offer swell allowances to Publix in writing on a Publix Cost / Promotion Form or electronically on the Publix Business Connection.
- Suppliers shall reimburse Publix for the disposition and processing cost associated with the Supplier's unsaleable Products that exceed the swell allowances provided.

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Unsaleables/Reclamation, Continued

Indemnification for unsaleable products

In addition to any other indemnification obligations the Supplier may have to Publix, the Suppliers agree to indemnify and hold Publix harmless from:

- any loss, third party liability, claim or lawsuit arising from any injury or damage related to, or occurring subsequent to, disposition of the unsaleable Product except to the extent that the condition was created solely by Publix and
- an investigation, litigation, and / or settlement of any complaint, claim or legal action related to, or occurring subsequent to, disposition of the unsaleable Product.

Suppliers agree to assume responsibility and expense for any investigation, litigation, and/or settlement of any complaint, claim or legal action related to, or occurring subsequent to, disposition of the unsaleable product.

Chapter 7: Finance and Accounting Guidelines

Overview

Introduction

This chapter is about finance and accounting guidelines.

In this chapter

This chapter contains the following topics.

Topic	See page...
Finance and Accounting Guidelines	127
Supplier Payments to Publix	134
Supplier Coupon Policy	136

Finance and Accounting Guidelines

Publix payment to product suppliers

Publix has established policies and guidelines to ensure prompt and accurate payments to our Product Suppliers. Publix expects all Product Suppliers to comply with these policies and guidelines. Failure to comply will likely result in late or inaccurate payments.

Product invoice requirements for all suppliers

All Product Suppliers are required to comply with the following policies regarding Product invoices. Each Product invoice must contain any information required by law, and specifically the following information.

- Supplier name
- Supplier remit to address
- invoice date
- invoice number
- GTIN number
- item description(s)
- item pack and size
- number of units delivered (item quantity)
- all components of unit cost including, but not limited to, list cost, allowances, and third party charges (third party charges do not apply to DSD suppliers)
- extended cost
- total quantity and total cost for the invoice and
- cash discount and timing of terms.

Additional invoice requirements for warehouse vendors

All invoices for Product delivered to a Publix distribution center or manufacturing facility must contain the following additional information.

- complete purchase order (PO) number including any applicable (MWM) prefix letter and suffix number and
- taxes and legislative levies (listed separately).

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Finance and Accounting Guidelines, Continued

Additional invoice requirements for DSD suppliers

All DSD Supplier invoices for Product delivered to a Publix Store must contain the following additional information.

- store number
- store address and
- vendor number.

Accounting portal

Suppliers are required to enroll in the Publix Taulia Accounting portal after they are set up as a new supplier in the Publix systems. Features and benefits of this system include:

- Free to enroll and view your invoices and payment info
- 24/7 visibility to your account
- Invoice status
- Ability to list/search for invoices and credits
- Communicate with Publix through the portal messaging board

Once enrolled, you may expand access to others within your organization. For additional information and to enroll in the portal, please view our Publix Taulia Welcome website at http://supplier.taulia.com/customers/publix/

Invoicing free product

Any Product being delivered to Publix as free goods at no charge must be shown on the invoice as a separate line item. For example, if the Supplier is shipping 120 cases of Product A, of which 20 cases are free, the Supplier must have Product A listed twice on the invoice. One line should list the Product sold to Publix and the other line should list the free Product.

Sending invoices to Publix

All Supplier invoices for Product delivered to a Publix distribution center or manufacturing facility must be mailed or transmitted electronically using a standard EDI transmission. Faxed invoices are not acceptable. DSD Supplier invoices must be transmitted using the DEX or NEX receiving methods. For more information on these receiving methods, see the Electronic DSD receiving section of this document.

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Valid proof of delivery for DSD suppliers

Valid proof of delivery for DSD Suppliers including the following information must be received by Publix with the invoice for Products delivered by a DSD Supplier to a Publix Store:

- a store stamped and signed copy of the Vendor's invoice or
- a copy of the signed Publix generated invoice (created at the time of delivery based on the Products received), along with a copy of the Vendor's invoice.

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Valid proof of delivery for DSD suppliers, continued

Valid proof of delivery for DSD Suppliers including the following information must be received by Publix with the invoice for Products delivered by a third party carrier:

- a copy of the DSD Supplier's invoice with the delivery tracking number printed (not hand written) on it
- an invoice tracer
- a manifest with the signature of the Publix associate who accepted the delivery. The invoice number should always be printed (not hand written) on the manifest and is required if the delivery tracking number is not printed on the Vendor's invoice and
- the store's address listed in the delivery section on the manifest.

Payment terms for distribution or manufacturing suppliers

The following guidelines regarding payment terms of Vendor invoices for Product delivered to Publix distribution centers or manufacturing facilities apply as follows:

- products with extended terms must be billed separately (Publix does not partially pay invoices)
- Publix is willing to pay faster if offered a cash discount.
- Vendors have the option of receiving payments via ACH (Automated clearing house) This is the preferred payment method. We issue ACH payments daily along with suppliers that are paper check but offer a cash discount. All other check payments are currently issued up to twice per week.
- payment terms of less than 30 days are not accepted without a suitable discount for any invoice for Product delivered to a Publix distribution center or manufacturing facility.
- Publix cannot accurately pay an invoice until both the Product and the invoice have been properly received. Therefore, the payment date of an invoice for Product delivered to a Publix distribution center or manufacturing facility will be set based on the agreed upon payment terms from the date the Product is received or the date Publix receives the Supplier invoice, whichever is later.

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Finance and Accounting Guidelines, Continued

Payment terms for DSD suppliers

For DSD Supplier Product invoices with valid proof of delivery, the payment terms are 30 days from the Saturday following the week ending date for all deliveries made in a given week, unless otherwise agreed to or unless otherwise prohibited by law.

- Publix is willing to pay faster if offered a cash discount.
  Vendors have the option of receiving payments via ACH (Automated clearing house) This is the preferred payment method. We issue ACH payments daily along with suppliers that are paper check but offer a cash discount. All other check payments are currently issued up to twice per week.

Vendor invoice reconciliation

To ensure invoices are paid accurately, Publix reconciles the prices and quantity for each Product on the invoice against the cost offers previously submitted by the Supplier and the quantities entered into our receiving systems at the time of delivery. It is imperative every component of the cost structure on the Vendor invoice match the cost offer submitted by the Supplier exactly. Failure to submit costs as they will be invoiced will result in inaccurate payments to the Supplier.

Publix processes invoices for payment based on the product received during the check in process supported by valid proof of delivery.

Correcting discrepancies at time of DSD delivery

Discrepancies between the DSD Supplier invoice and the Publix generated invoice can result from cost or pack differences, shortages, damages, or the attempted delivery of unauthorized Products. The driver is responsible for making the necessary corrections to the Supplier's invoice and forwarding this information to the appropriate department within the Supplier's organization.

When separate invoices are required

Publix requires Suppliers to provide separate invoices when any of the following circumstances exist.

- Any Supplier delivering Product with extended terms must invoice these Products separately.
- DSD Suppliers delivering to multiple sub-departments must invoice each sub-department separately.
- Regulated alcohol Products such as beer and wine must be invoiced separately from any non-regulated Products.

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Researching outstanding invoices for warehouse suppliers

The following guidelines apply to inquiries regarding past due invoices for Warehouse Suppliers.

- Publix Merchandise Payables does not research invoices until they are at least 15 days past due.
- Suppliers in our EDI invoicing program must transmit any outstanding invoices via EDI.
- Suppliers who send paper invoices must mail a copy of the outstanding invoice along with a valid proof of delivery (POD). A valid POD consists of a bill of lading with the signature of the Publix associate that signed for the delivery.
- All inquiries for past due invoices should be sent to the following address:

  Publix Super Markets, Inc.
  Merchandise Payables
  P.O. Box 32012
  Lakeland, FL 33802-2012

Delivery of unauthorized products

Any unauthorized Products shipped to a Publix facility will be refused at the time of delivery, and it will be the Supplier's responsibility to have the product returned. Publix will not pay for any unauthorized Products delivered.

Credits

Credit for returned Product may not be included on a delivery invoice. All credits must be issued on a separate credit memo. Any Vendor issuing credit to multiple sub-departments must issue separate credit memos for each sub-department.

Deductions from payments to suppliers

Publix reserves the right to deduct from any amounts due and owing to the Supplier for disputed amounts, liens, allowances, performance issues, shortages, damaged items, bill backs, returns and other receivables, including assessments and fees or any failure of Supplier to make payments properly to contractors and vendors.

Publix also reserves the right to demand payment by check on past due balances.

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Finance and Accounting Guidelines, Continued

Requests for payment information

Suppliers must comply with the following guidelines when requesting additional information regarding an invoice payment Publix has made.

- Requests for reimbursements, payment amount clarification, or copies must be in writing and on company letterhead.
- We do not respond to independent auditor requests for account verification.

Supplier Payments to Publix

Payment terms

Payment terms for Supplier payments due to Publix are net 15 days from the invoice date. If an invoice is not paid in 15 days, Publix will deduct the amount from our next payment to the Supplier.

Payment address

All payments must be sent to the following address.
Publix Super Markets, Inc.
Payment Processing
P.O. Box 32009
Lakeland, FL 33802

Payments should not be sent to the Publix Buyer or Primary Contact.

Correspondence address

All correspondence related to Supplier payment to Publix must be in writing on Supplier's letterhead and mailed to the following address.
Publix Super Markets, Inc.
Accounts Receivable
P.O. Box 407
Lakeland, FL 33802-0407

Payments audit policy

In our continuing effort to provide our customers superior value, Publix performs post payment audits of all payments and billings made to our Suppliers. We perform this audit in accordance with the guidelines set forth below and we expect all Suppliers to comply with these guidelines.

Post payment audit policy

Publix complies with the Food Marketing Institute (FMI)/Grocery Manufacturers Association (GMA) Invoice Deduction Guidelines concerning post payment audit claims for pricing and promotional discrepancies. Therefore, our goal is to submit all post payment audit claims within 24 months from the end of the calendar year of the deal. However, Publix reserves the right, as protected under applicable statutes of limitations, to submit post payment audit claims within 48 months of the deal.

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Supplier Payments to Publix, Continued

Making post payment audit claims

When a discrepancy is found, Publix Payments Audit department will follow the guidelines below to process the claim and recover the funds.

- Publix deducts post payment audit claims from current payments to the Supplier. However, Publix reserves the right to bill the Supplier for balances that cannot be deducted from current payments.
- With each post payment audit claim submitted, Publix includes appropriate back-up documentation to support the claim. Publix will not provide documentation that was previously sent to Publix by the Supplier (i.e., original invoices) or previously sent by Publix to the Supplier (i.e., check remittances).

Disputing post payment audit claims

Suppliers must comply with the following guidelines when disputing a post payment audit claim.

- Publix submits post payment audit claims to our Suppliers in writing via hard copy or electronic media. Suppliers must communicate all disputes to Publix in the same manner.
- Publix responds to all disputes within 30 days. If we receive no additional communication from the Supplier within 60 days of our response, we consider the dispute resolved.

Promotion funds

Suppliers cannot deduct post payment audit claims from current year promotional funds.

Supplier Coupon Policy

Background

Publix supports the issuance and redemption of manufacturer coupons. The following information outlines our policies regarding manufacturer coupons redeemed at our locations. Publix expects all Suppliers to comply with these policies to ensure proper coupon handling.

Coupon processing

Manufacturer coupons are redeemed and collected at individual Publix Stores and submitted to an external agency for processing. The external agency

- separates the coupons
- counts the coupons and
- bills the manufacturer or the manufacturer's designated handling facility.

Invoice amounts and fees

All coupon invoices will be calculated based on the appropriate face value of the coupon. In addition, Publix may charge additional fees that are consistent with industry standards. These fees include but are not limited to:

- handling fees
- shipping and postage fees
- insurance fees
- deduction fees
- re-handling fees and
- hard-to-handle fees.

A current schedule of fees may be requested in writing from the Publix Accounts Receivable department.

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Supplier Coupon Policy, Continued

Payment terms for coupon invoices	Payment is expected within 21 days of the date of the invoice. All payments must be sent to the address on the invoice. If an invoice is not paid in full within 21 days, Publix will deduct the amount from our next payment to the Supplier. If Publix is unable to deduct or is prohibited from deducting the outstanding amount from the next payment to the Supplier, or if no future payments to the Supplier are expected, the Supplier will be notified of the outstanding amount due by the Accounts Receivable department. Failure by the Supplier to make payment in full may result in further collection efforts.
Requests for additional coupon information	The invoice number and deduction amount are provided on the deduction form for any deduction taken for a coupon invoice. If you need to obtain more specific information, please contact your redemption agent.
Coupon count/valuation differences	Publix's coupon processor uses internationally approved methods of quality control. If a Supplier believes a discrepancy in count or valuation exists when the coupons are received for payment, the invoice may be returned for verification. If the invoice is not returned for verification within 20 days of the invoice date, we will accept our processor's count/valuation as correct and valid.
Expired/invalid coupons	Customers are discouraged from redeeming expired/invalid coupons. If an expired or invalid coupon is redeemed, the result is promoted product movement for the Supplier and therefore payment is expected. It is the Supplier's responsibility to ensure that any coupons affixed to Products have an expiration date that allows a redemption period sufficient to sell through the Product. Publix does not support the removal of coupons from Products in our stores by Suppliers or their representatives unless the coupon is replaced with another coupon of equal or greater value that has a future expiration date.

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Supplier Coupon Policy, Continued

Correspondence regarding manufacturer coupons	All correspondence must be in writing on company letterhead and mailed to the Accounts Receivable department at the following address: Publix Super Markets, Inc. Accounts Receivable P.O. Box 407 Lakeland, FL 33802-0407