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Corporate Non-Perishables Purchasing Policy

The purpose of this document is to advise our vendors of Unified Grocers' policy with respect to purchase order agreements issued in Oregon, Washington, and California for the purpose of acquiring product and services for resale to our trade customers. This policy governs business in all Non-Perishables departments and divisions of Unified Grocers, Inc. including Grocery, Market Centre, Candy, Frozen Foods and Deli Grocery/Deli Meat/Warehouse Dairy.

1. Unified Grocers, Inc. (Unified) will not be bound by any condition of the vendor in any purchase order acknowledgment, invoice or other means of communication (verbal or written) which is inconsistent with Unified's Corporate Purchasing, Logistics and Vendor Policies.
2. All product billed to Unified (regardless of ship point), must have an approved Unified purchase order. This takes the form of our main line purchasing system-issued purchase order (PO), our electronic 875 format PO, or our Direct Merchandise Invoice (DMI) PO. Our Accounts Payable department will return any vendor invoice that does not refer to an authorized purchase order.
3. All pricing quoted to Unified will assumed to be "FOB Delivered" (i.e. – "FOB Destination") to the requested Unified Distribution Facility unless specifically noted on vendor price lists, new item proposals, cost changes and/or deal sheets provided to Unified or sent through the Unified vendor portal.
4. Unified requires a minimum 30-day advance notification on all non-commodity price changes (list cost increase/decline). We also request a minimum 12-week advance notification on all non-commodity promotional allowances.
 - Our Buyers make every attempt to control inventory in a manner that allows us to own minimal high-priced inventory going into promotions and price declines. However, if Unified does not receive proper notification, you may be billed for floor-stock protection. Your Unified Buyer will issue an invoice for all on-hand inventories at the effective date of the lower-priced products shipping out to Unified customers.
5. In the event of your product being discontinued by Unified, you will likely be issued a delete notification letter. This letter allows a 30-day window to either sell-through or otherwise dispose of our balance of inventory. In the event inventory remains in our warehouse at the end of 30 days, we will deduct the value of product from the vendor.
6. In the event Unified chooses to discontinue doing business with a vendor, such vendor will be held liable for all claims that occur while we're actively distributing vendor's product. This includes and is not limited to claims for merchandising activity or allowances, new item placement, damage/spoils claims, etc.
7. Unified Procurement personnel expect accurate information in all submittals by Portal or in writing. Any inaccurate information provided by vendors/brokers subjects the vendor/broker to being billed for loss of labor due to downstream implications from inaccurate information.

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8. All offers made to Unified by any vendor representative are the responsibility of the manufacturer regardless of broker, sales agent or employee. It is expected that all manufacturers notify Unified of any changes to your current sales representation.
9. Because Unified's retailers/customers must be given adequate time to sell-through any product before product expiration, Unified's expectation is to receive product with a minimum of 70% of the shelf life on the date of production on any open-coded products. Unified reserves the right to refuse and/or billback for any product received with less than this stated policy.
10. Product shipped to Unified that is "open-coded" (has a "sell-by" or "use-by" date on the consumer product) **must** also show the same corresponding date clearly on the **outside of the shipping case** to assist Unified distribution facilities in the proper rotation of product. Product that does not show this date on the outside of the shipping case may be refused or set aside and billed-back to the vendor.
11. All products shipped to Unified are expected to be covered by either a reclamation program or swells allowance paid off-invoice. Additionally, any excessive issues with either damage, discontinued, short-code date or otherwise spoiled product are to be handled through a "shared responsibility" process.