

Shamrock Foods Company Operating Policies

Introduction

Shamrock Foods Company's (SFC) operating policies stated below have been established to increase efficiency, reduce unnecessary costs of transacting business and allow us to operate with each Supplier in a consistent manner. All Suppliers must comply with these policies when transacting business with SFC for the purchase of all products without exception.

All Suppliers who transact business with SFC must accept and adhere these policy terms. Failure to comply with these policies will jeopardize our business relationship. While it is not our intent to have this occur, continued violation may result in assessments or fees, or in a reduction or termination of business activity.

We reserve the right to change or amend these policies, terms and conditions at any time.

General Procurement Philosophy

- *We wish to capitalize on all Supplier programs that help to improve company sales and profitability.*
- *We have respect for all people and believe all Suppliers and Brokers should be treated fairly and equitably.*
- *We value our relationship with the Supplier and Brokerage community and acknowledge that the relationship must be mutually beneficial.*
- *Our Category Management Team is consistently striving to implement best practices and processes through all procurement and logistics areas.*
- *We are committed to working with minority owned business in their efforts to provide us viable goods or services that support our business.*

General Policies and Guidelines

Liability Insurance

All SFC Suppliers/Vendors must provide a certificate of insurance with the following policy limits:

For Meat, Poultry, Seafood, Dairy, Produce, Chemical Suppliers:

Combined total of \$7 million Each Occurrence & \$8 million Aggregate between general and umbrella policy

General Liability Minimums

Each Occurrence	\$2,000,000
General Aggregate	\$3,000,000
Products	\$3,000,000
Automobile Liability	\$1,000,000
Worker's Compensation	per statute
Employer's Liability	\$1,000,000
Excess/Umbrella	\$5,000,000

All Other Suppliers including non-food:

Combined total of \$6 million Each Occurrence & \$7 million Aggregate between general and umbrella policy

General Liability Minimums

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products	\$2,000,000
Automobile Liability	\$1,000,000
Worker's Compensation	per statute
Employer's Liability	\$1,000,000
Excess/Umbrella	\$5,000,000

Additionally, all suppliers must carry (i) worker's compensation insurance in the coverage amounts required by applicable state statute, and (ii) employer's liability – \$1,000,000 each accident, employee and policy limit.

Endorsement/Special Provisions include:

- Shamrock Foods Company, subsidiaries, affiliates and divisions must be listed as an additional insured. Form CG 20 15 Broad Form Vendor's Endorsement, or its equivalent must be attached.
- All policies must provide a waiver of subrogation in favor of Shamrock Foods Company. Form CG 24 04 "Waiver of Transfer Right of Recovery Against Others" endorsement or its equivalent must be attached.
- All insurance coverages referred to above are to be primary as to the additional insured and shall not be entitled to contribution from any insurance maintained by the additional insured party.

Certificate Holder must be listed as:

Shamrock Foods Company, subsidiaries, affiliates and divisions
Attn: Insurance Compliance
3900 E. Camelback Road, Ste. 300
Phoenix, AZ 85018

- List all subsidiaries, affiliates and DBA's covered by the policies;
- Provide at least 30 days' notice of cancellation using form "Designated Entity – Earlier Notice of Cancellation/Nonrenewal Provide by Us" endorsement or its equivalent.
- Show complete insurance carrier names as listed in the A.M. Best Property & Casualty Guide.
- Policies must be on an "Occurrence" basis, not a "Claims Made" basis. ("Claims Made" basis requires 2 year "tail" insurance.)
- The Certificate of Insurance must be completed in its entirety and signed. Binders or declarations are not acceptable.
- Updated certificate including endorsement pages must be automatically forwarded to coi@ShamrockFoods.com as Policies are renewed. Please put company name in subject line.

Hold Harmless Agreement

All Suppliers will be required to sign a SFC Hold Harmless Agreement. Substitution of your company's Hold Harmless Agreement must be approved by Shamrock Director of Category Management.

Military Suppliers

All Suppliers providing goods to Shamrock in connection with any DLA Troop Support Subsistence contract must comply with DLA Troop Support's Food Defense / Force Protection requirements. To download a copy of the DLA Troop Support Defense Checklist go to

http://www.dla.mil/Portals/104/Documents/TroopSupport/Subsistence/FoodSafety/FoodQuality/food_defense_check.pdf.

Security

All non-SFC persons entering a SFC facility must be identified with a valid picture I.D. This information will be recorded. Acceptable forms of I.D. are:

- State issued Driver's license or State I.D. card.
- Military or Government issued I.D. card.
- Current Passport.

Confidentiality Agreement

All Suppliers will also be required to accept and comply with a Confidentiality Agreement that protects SFC's business documents, practices, policies and pricing. Substitution of your company's Confidentiality Agreement must have the written approval of the Director Category Management.

Credit Checks

SFC will have the authority to conduct credit checks on current or potential Suppliers which may include a credit check of the company and, as appropriate, a check of company officers.

Samples

Samples are paid for by the Supplier and are not to be charged against SFC Marketing and/or Purchasing programs. SFC will access samples by: (1) request samples with a minimum of 72 hour lead time from Supplier or Supplier authorized representative such as a broker; or (2) SFC will pull samples from inventory for events and Supplier will be charged in the following manner:

- Cost of the item (landed cost) plus a \$3.00 per case charge to cover storage and handling costs
- Supplier or Supplier representative has 48 hours to respond to sample request and return the sample request to SFC Customer Care/SFC representative with their approval.
- SFC will not pull sample from inventory as long as communication is received from the Supplier or Supplier representative within this time frame.
- Supplier has the option to provide the sample themselves or through other means as long as the sample is received within 72 hours.
- Non-response to Sample request will be viewed as approval to pull from Shamrock facility.
- Shamrock Foods Company will deduct any Sample Invoices that have not been paid within 30 days of the sample leaving a Shamrock Facility.

Guaranteed Sales Agreement

Supplier's product or product lines must achieve sales and gross profit levels considered as acceptable by SFC within 90 days or Supplier must agree to remove product from SFC facility at Supplier's expense.

Electronic Data Interchange (EDI)

SFC requires the use of EDI and views the use of this technology as a key corporate strategy component to improve its business practices. Current EDI Transactions include:

1. EDI 850s Purchase Orders sent to the Vendor from SFC
2. EDI 855s Purchase Order Confirmations sent to SFC from the Vendor
3. EDI 810s Invoices, based on Purchase Orders/Confirmation, sent to SFC from the Vendor
4. EDI 856s Advance Ship Notices from the Vendor to SFC Foods
5. EDI 860s Purchase Order Change

SFC is continuing to develop additional EDI transaction sets. Supplier participation is required. To start EDI process, please contact SupplierEDI@shamrockfoods.com or our EDI partner SPS Commerce onboarding@spscommerce.com

Shamrock requires EDI invoice transactions (810's) to ensure accurate and timely payments.

Questions regarding EDI with Shamrock can be sent to SupplierEDI@shamrockfoods.com

PO Confirmation

All Suppliers are required to submit a PO Confirmation within 48 hours from the time the PO was placed confirming pricing (including freight or pickup allowance if applicable), quantities, dates, and ship method. Failure to provide a PO Confirmation will result in SFC paying PO cost or invoice cost, whichever is lower.

GS1 Standards Adoption

As a founding member, SFC is a leader in GS1 adoption through implementation of GS1 industry standards and execution of Global Data Synchronization Network (GDSN) synchronization of item data. As such, Supplier items must have a Global Trade Item Number (GTIN). Suppliers are required to participate in GDSN synchronization to improve data accuracy and drive cost out of the supply chain.

All product data content is to be sent through the Global Data Synchronization Network (GDSN®) and be in compliance with GS1 Standards. **Questions regarding data synchronization with Shamrock can be directed to our GDSN partner, [Syndigo](mailto:syndigo), at shamrockfoods@syndigo.com.**

Data Required

- Warehouse & Core product Data (*GTIN, case dimensions, net/gross weights, Ti/Hi, etc.*)
- Nutritional Information (*ingredients, allergens, nutrition facts*)
- Marketing Descriptions (benefits, storage & usage, vendor description)
- Images (*GS1 compliant*)

Please review our [Implementation Guide](#) prior to sending any publications to Shamrock. This information can be found on our GDSN landing page <https://syndigo.com/shamrock-foods>. Note that customer branded items have less publication requirements.

Questions regarding GS1 with Shamrock can be sent to datacompliance@ShamrockFoods.com

Supplier/Item Information

Except as discussed in “Cost Change Notification,” all item information, including changes to item, must be promptly submitted to SFC through the GDSN to ensure the quality of data. This must include case dimensions and “as shipped” Ti-Hi. Other Information, such as supplier contact information or supplier address changes, should be provided to the SFC Enterprise Data Management Department (EDM_Maintenance@ShamrockFoods.com) using approved forms. Approved forms are available by emailing EDM_Maintenance@ShamrockFoods.com.

Cost Change Notification

SFC requires a minimum 45 day written notification of change prior to the time any item or service cost increase becomes effective. In addition, all price changes must be effective on the 1st of the month after the minimum 45 day written notice. Any submission within 45 days of the proposed implementation date will not be accepted. Payment to Suppliers will reflect the cost detailed on the SFC purchase order.

Price declines must be communicated immediately. Price protection is expected for warehouse stock on hand as well as

open purchase orders for that product. This policy is not applicable for commodity items where cost is negotiated at the time of purchase and subject to fluctuating markets.

Please send all pricing and logistics notifications to supplychain@ShamrockFoods.com.

Note: Do Not send customer contract pricing OR PO Confirmations to this mail box, this mail box is ONLY for advanced pricing & logistics notifications.

For all advance notification for purchase order pricing changes, Supplier must provide the following:

1. Letter of explanation for pricing changes. Ensure it is on your letterhead and includes:
 - a. effective order date which will only be the 1st of the month
 - b. range of pricing change by product category
 - c. reason for price change
 - d. signature, name & title of Supplier representative
2. Industry or 3rd party supporting documentation justifying your change
3. Supplier MUST complete and submit the Shamrock Foods Price List Information Form (email supplychain@ShamrockFoods.com for the most current form version) a **minimum 45 days** in advance of price change, effective on the 1st of the month. (weekly price commodities excluded). **For example: A price change that's effective Feb 1st, 2013 must be completed on the Shamrock Foods Price List Information Form and submitted no later than December 15th.**
4. All price changes need to be submitted in either Excel or PDF Form.
5. All price changes MUST be by Order date and not Ship Date or Delivery Date
6. All price changes MUST be effective the 1st of the month

Exceptions:

- If you are an IMA Brand Supplier, you must gain IMA PAC approval prior to sending pricing to Shamrock Foods via aforementioned policy. You must still complete the Shamrock Foods Price List Information Form and pricing must be sent directly to your Shamrock Senior Category Manager and copy supplychain@ShamrockFoods.com.
- Bid Pricing/Minimum Bids: If you have existing bids with schools, healthcare, etc., please ensure you have updated the bid pricing, contract administration documentation, etc., if applicable, via existing process.
- Weekly priced commodities must follow same policy; with one week lead time, unless otherwise approved as per negotiated formula.

Logistics:

Continue to send logistics information directly to your existing key contacts and copy supplychain@ShamrockFoods.com.

1. Provide freight rate, pick up allowance and / or fuel surcharge changes
2. Provide specifics regarding the change versus current rate.
3. Include Effective date of change.
4. Provide Supporting documentation; Indices or 3rd party justifying change.

PO Scheduling / On-Time Receiving Policy

All SFC receiving appointments are scheduled using our dock management system. You must complete a one-time registration as a carrier via the web at shamrockloads.com or <https://managedreceiving.capstonelogistics.com> Appointments are to be made via the web at shamrockloads.com or <https://managedreceiving.capstonelogistics.com> There are no phone call appointments. A change or cancellation of a warehouse delivery appointment will require the carrier to notify the dock management system to reschedule the appointment.

SFC makes every effort to unload your product in the time estimated. To ensure this effort is sustained, we require that all carriers arrive at their appointment in a timely manner.

- SFC will not accept carriers that do not have an appointment
- Carriers must arrive on the day of their appointment. We will not take a carrier days earlier, or days later.
- SFC will only accept scheduled PO's. PO's that are added on to the truck, but do not have appointments will not be accepted and will require an additional appointment to be scheduled.

Carrier Unloading Method

All Supplier assigned carriers must be notified by the Supplier of the authorized unloading method for SFC. Unloading at SFC may be done by either the driver or by the driver hiring the on-site lumber service. SFC's cost of goods expectation is that the delivered cost includes any fees related to unloading the truck (from either hiring the lumber or paying the carrier additional money). SFC warehouses are no-touch facilities that will take possession of the goods on the dock.

Food Safety

Food safety and quality is the highest priority in everything we do at SFC. We require all food suppliers to have either (1) a current (within the last 12 months) FDA audit or (2) an independent 3rd party audit demonstrating safe food practices. We also require that suppliers have a written HACCP plan. These documents must be made available to Shamrock upon request.

Supplier Will Serve as Foreign Supplier Verification Program Importer

Shamrock Foods Company will not serve as the FSVP Importer, as that term is defined in 21 CFR § 1.500 ("FSVP Importer"), or serve as the importer of record, as that term is defined in 19 CFR § 101.1 ("Customs Importer of Record"). Suppliers who import food product into the United States shall serve as both the Customs Importer of Record and the Foreign Supplier Verification Program ("FSVP") Importer, identify itself pursuant to 21 CFR § 1.509 as the FSVP Importer in each line entry of Products offered for importation, and perform all other applicable requirements pursuant to 21 CFR Part 1 Subpart L.

In all circumstances where both Supplier and Shamrock Foods Company fall within the definition of FSVP Importer, Supplier shall serve as the Customs Importer of Record and the FSVP Importer. This provision shall not apply in circumstances where (i) Shamrock Foods Company is the sole person falling within the definition of FSVP Importer and (ii) Shamrock Foods Company has agreed in writing to be designated on the entry documentation as the FSVP Importer and the Customs Importer of Record. Supplier shall also serve as the Customs Importer of Record and the FSVP Importer in any instances when Supplier has agreed in writing to be designated on the entry documentation as the FSVP Importer and the Customs Importer of Record.

Temperature Receiving Requirements

Below is the temperature receiving guidelines we use at all SFC Branches. Upon receipt we check the temperature of each load to ensure product arrives to SFC at the correct temperatures to keep the food safety chain intact. If, product is determined to be out of these guidelines, the product will be refused. Any cost associated with noncompliance, including satisfying customer needs, will be the supplier's responsibility.

Egg Product: Shells should be clean and uncracked.

	Shell Eggs should be received at 33 – 41 F degrees ambient (air) temperature
	Frozen Eggs should be received at 0 – 10 F
	Liquid Eggs should be received at 34 – 38 F
Dairy:	All Non Frozen dairy products and systems cheese should be received at 33 – 40 F
Cheese:	Cheese should be received at 34-45 F
Meat:	Fresh Meat should be received at 28 – 40 F
Poultry:	Fresh Poultry should be received at 26 – 34 F (Never to exceed 38 F)
Seafood:	Fresh Fish should be received at 40 F or less
	Fresh Shellfish must be received by the Fish Team
Frozen:	Frozen foods should be received at, or below 10F
	Ice Cream may be received at or below (-5) F
Produce:	Should arrive between 33 - 60 F
	Potatoes - 45-50 F
	Dry Onion – 42-60 F
	Fruit and Greens – 33-40 F
	Tomatoes 45-50 F
	Cut and Diced Produce 33-40 F
	Bananas 58-62 F

Thank you very much for your dedication to provide our customers safe, quality foods.

Product Shelf Life

SFC requires a minimum of 66% (2/3rds) of the total shelf life remaining at time of receipt by SFC. You must have the ability to trace your product in the event of a recall, and to provide us with a written description of your recall procedures and product coding system.

For non-inventoried products or spot buys going directly to an end user third party customer or to an intermediary/broker for resale into an export market, if the intermediary/broker or third party Customer rejects the product based on quality, inadequate shelf life, or for any other reason, Supplier agrees to take the product back for full credit and at no expense to SFC.

Receiving Requirements

Suppliers must inform the carrier of the SFC purchase order number, which is required at the time of delivery and prior to any receiving activity. Delivered prices include unloading, sorting and segregating of products. Supplier will comply with receiving requirements at each SFC location. This may include CHEP pallets, slip sheets, GMA#1 wood pallets and payment of lumper fees if truck is not unloaded on time.

Pallet Standard

Pallet quality is an important ingredient of a safe working environment and the first layer of protection for product. To maintain the sellability of your product(s) through the supply chain, quality pallets must be used of sufficient strength to support them during forklift handling and in racking.

SFC requires that all suppliers ship product on quality pallets.

- SFC encourages the use of GMA #1 white wood pallets
- All pallets received by SFC must meet the industry standard of 'Grade A' as described below.

1. Pallets shall measure 48x40".
2. Pallets shall accommodate 4-way entry of forklift tines.

3. Pallets shall have stringers in good condition that have not previously been broken or repaired and are at least 1" in thickness. Blocks shall be in good condition and show only minor cosmetic damage.
 4. Deck boards shall all be present, in good condition, and, in the case of stringer pallets, arranged according to GMA standards. Leading top and bottom deck boards shall measure at least 5" in width (nominal 1x6 material should be used).
 5. No protruding fasteners or 'shiners' are acceptable on any surface.
- SFC will accept pallets from pallet rental companies (such as CHEP, Peco, or iGPS) and will return pool pallets to our pallet depot. SFC will not accept any pass through charges related to pallet rental company agreements.
 - If product is delivered on a sub-standard pallet and it has to be restacked as a result, a restack fee of \$25 will be assessed for each pallet.

Packaging Standardization

Pallet Composition

- All pallets must correspond to the Ti/Hi values provided by the Supplier
- There can be no product overhanging on the pallet
- Case labels must face outwards to easily identify the product
- Individual SKU's ordered in less than tier/layer quantity may be mixed on a pallet with other less than tier/layer SKUs
- All items shipped to SFC must be sorted and segregated by SKU and by the SFC warehouse Ti-Hi

Load Quality

- All loads must be secured and stabilized.
- Stretch wrap must cover all cases and extend halfway down the CHEP pallet, securing all cases to the pallet itself.
- Corner boards, if used, must be incorporated to eliminate crushing product when stacking pallets
- Multiple stacked pallets have to be stretched wrapped together to reduce load shifting
- Glue or Tape must not be used to stabilize cases since it interferes with SFC's de-palletizing equipment
- Lighter products must be placed on top of heavier products.
- All dunnage used to brace shipments en route to the SFC Facility will be at the supplier's expense.
- To prevent puncturing, it is mandatory that slip sheets be placed between bagged food items and the pallet.
- All product shipped must be sanitary, damage free and properly secured. This includes product packaged within the case. Failure to comply will result in an Overages, Shortages and Damaged (OS&D) Claim.

Overages, Shortages and Damaged (OS&D Notification)

All merchandise furnished to SFC is subject to inspection and approval as part of the receiving process at a SFC facility. Non-conforming or damaged Products may be rejected by SFC and disposed of, returned or held at Suppliers expense and risk. SFC may require supplier to replace any Non-conforming or damaged Products or grant SFC a full refund or credit. Non-conforming or damaged products are products that are not produced, sold, shipped and/or delivered in accordance with the VMA or PO's. SFC will contact Suppliers within one calendar week of receipt regarding OS&D Claims.

For any Shortages, SFC will follow a freight bill back process. This fee will be both a mathematical equation for cases charged versus cases received and administrative costs. Shortage can be determined two ways.

- BOL quantities are greater than what is actually being received
- PO Quantities expected to be received are greater than what is actually being received.

The following description of SFC's OS&D procedure provides a brief overview of the procedures and what Suppliers can expect when there is an OS&D claim.

- SFC will receive product utilizing the Bill of Lading
- If OS&D is confirmed, SFC will initiate an OS&D claim. The SFC receiver or purchaser will document any damages for claim processes.
- SFC will make an assessment of the cause of damage, notify the responsible party, and complete the OS&D report.
- Follow-up on OS&D will be completed by SFC. Expectations are:
 - Overages - SFC may agree to buy or may initiate a Return Authorization.
 - Shortage – SFC will deduct from Supplier or will file a claim against the carrier. In the event of a shortage by the Supplier, the Supplier will expedite a delivery of the product at the Supplier's expense
 - Damages - SFC will deduct from Supplier or will file a claim against the carrier.
 - The Supplier or Carrier will have a calendar week to pick up the damaged product from SFC. Failure to do so will release SFC from liability and SFC will dispose of the product immediately.

Back Orders

- Back orders are not accepted

Mis-Shipped Product

- Supplier shall ship only those quantities of Products ordered by SFC in the PO and shall not make any substitutions without SFC's prior written approval
- A disposition request will be initiated by SFC's purchasing department
- Response with the disposition and a return authorization number must be provided within 24 hours of receipt of notification from SFC

The options for disposition of product with insufficient shelf life are limited to the following:

- Pickup of the product (Return authorization number is required with this request for disposition and product must be picked up in a 2 week time frame) by the Supplier
- Authorization for destruction of the product. SFC reserves the right to recoup the cost of destruction for large quantities of product or product that requires special processes and/or equipment.
- Authorization to donate product to an organization/entity of Shamrock Foods's choice.

Concealed Supplier Damage (CSD) is product, determined through the selection process to be unfit for sale to SFC Customers due to quality, packaging integrity issues or was discovered by our customer. Examples of CSD include:

- NOT SFC Damage
- Mislabeled/No labeling
- Supplier covers product identification with other labeling
- Competitor label
- Missing catch weight
- Interior leakage (split open bags with no signs of damage to the master case)
- Short shipped (case missing one or more of contents)
- Damaged product inside a master case
- Physical damage in the middle of pallet
- Identified and documented packaging issues

- Faulty seals (foil seals that leak)
- Loose Wrap/miss-wrapped tray packs
- Loose lids/caps
- Loose flaps

Damage will be identified by SFC's warehouse personnel. SFC's Inventory Control will adjust inventory and document the change. Product will be appropriately disposed of immediately for any product where there are less than 5 cases or for product valued below \$250 per incident. All products will be billed back to the Supplier with an administration charge of 15%. If more than 5 cases are damaged or the dollar value exceeds \$250, the product goes through SFC's Product Return Process. If Product is determined to be contaminated, the product will be immediately destroyed even if the product is more than 5 cases or exceeds the dollar value of \$250.

CSD occurrences will be accumulated on a monthly basis and deducted for SFC remittances back to Suppliers. Since these deductions represent reimbursements to SFC for product that does not meet SFC quality standards and/or conditions as stated on SFC purchase orders, they are non-negotiable and non-refundable. Each occurrence will be supported with documentation stating the nature of the damage. This documentation will accompany the monthly bill backs and will include the SFC item code, Supplier number, and number of cases and a brief explanation of the issue.

Returns and Recalls

Return of product from SFC warehouses to a Supplier will be valued at the SFC system cost. Transportation of product will be coordinated with SFC Logistics. Additional costs incurred by SFC for product recalls will be charged to the Supplier. Base Fee: There will be a base fee charge to the Supplier of \$200 for each operating company or re-distribution center involved in a product recall. In addition, there will be a \$10 case handling fee for all cases impacted in the recall.

Product Cost: If the product is in inventory at a SFC warehouse, the Supplier will be charged SFC delivered cost. If the product has been delivered to a SFC customer and SFC has to provide credits to the customer for the product, SFC will charge Suppliers at a rate based upon the sell price of the item. Additionally, any product shipped back to the Supplier, the Supplier is responsible for the freight and handling charges associated with these returns.

Shipment; Risk of Loss

- (a) When (i) Supplier arranges for the transportation of Products from Supplier's dock to SFC via a carrier of Supplier's choosing, or (ii) Supplier's bill of lading for a shipment of Products indicates "shipper load and count" or other similar designation, then Products shipped shall be shipped F.O.B. Destination regardless of whether SFC has paid or shall pay for the transportation charges associated with such shipment. As between SFC and Supplier, all risk of loss or damage to Products shipped F.O.B. Destination shall remain with Supplier until such Products have been delivered to and accepted by SFC at the SFC designated destination.
- (b) All customer pickups will be considered shipper load and shipper count with load sealed, unless expressly designated on the Bill of Lading as carrier count and shipper load. If the shipper required the carrier to load product, then it must be part of the contract so that SFC can add that as the total transport of the product.

Detention at Supplier's Dock

- Loading time is not to exceed two hours.
- A detention charge will be assessed if the Supplier's ship point exceeds the allotted loading time of two hours.

- After the two hours allowable loading time, a fee of \$60/hour, chargeable in 1 minute increments will be assessed. In the event that a carrier arrives late for a scheduled appointment, all detention charges will be automatically waived.
- Suppliers requiring additional loading time on a regular basis may request a Drop Trailer program provided that the supplier meets established volume requirements and receives approval by SFC.
- Detention charges may apply for Drop Trailers in the event the carrier does not have access to pick up the trailer or if the trailer is not loaded at the designated appointment time.

Detention Incurred at Supplier Facility – Time Verification Process

In the event a carrier is detained at a supplier facility while loading, the carrier will create a load note in SFCs TMS system, requesting detention for time detained. SFC will send an email to the supplier for validation of the pickup appointment time, driver arrival time, driver departure time. The supplier has 48 hours to respond back and either validate or correct the times given by the carrier. If the supplier does not respond back then the carrier will be paid detention based on the times supplied by the carrier. If the supplier does respond and the times differ from the times supplied by the carrier, SFC will pay the carrier using the supplier's times. Once the carrier has been paid, the supplier will be charged back for the detention expense incurred.

Freight Collect

SFC locations will not receive a product shipment that is sent freight collect unless authorized on the SFC purchase order. The shipment will be refused and SFC will bear no responsibility for the disposition of the product.

Supplier Remittance and Billing

Suppliers will provide a single address for all SFC remittances.

Invoice Requirements

Accuracy of Supplier invoices is imperative. Suppliers may not invoice prior to shipment and must invoice only for the product shipped.

Each invoice for a SFC warehouse receipt must reference the one unique SFC purchase order. Multiple purchase orders may not be combined on a single invoice. Items with extended terms must be invoiced separately.

Payment, Cash Discount Calculation

The calculation for invoice cash discounts and allowances will be based on the gross amount of the invoiced items. The invoice payment period and the determination of discount periods will start on the later of the date (a) Supplier's invoice is received at the SFC accounts payable department, or (b) the Products are received at the SFC Branch. If there is a pricing discrepancy when comparing the invoice amount to SFC's Purchase Order or Products received, the processing of the invoice may be delayed and SFC will still be entitled to take the cash discount. SFC will consider Supplier invoices paid on the date the check is postmarked and mailed to Supplier.

Deductions

SFC reserves the right to deduct allowances, bill backs, returns and other receivables including assessments and fees from outstanding Supplier payables. SFC also reserves the right to request payment by check.

Supplier Correspondence

SFC must be notified in writing of any invoice payment discrepancy within 90 days of payment. Supplier correspondence on open invoices must be initiated within six months of the initial invoice date.

Fee Assessments

SFC reserves the right to impose fees and assessments for persistent policy violations which reduce efficiency or create additional expense or loss of revenue for SFC. Some examples of such fees and assessments that will be imposed include, but are not limited to: labor costs incurred due to Supplier shipping errors, shipment of short coded product, late deliveries, short shipments of product, product recalls, weights and measures violations, other state and local or federal violations.

Contract Maintenance Administrative Fee

A sales-based administrative fee of \$25.00 per month or \$6.25 weekly will be charged for supporting documentation of all customer deviations/allowances per contract managed. Please note this is non-negotiable and will ONLY be charged if a contract needs to be administrated per your request to satisfy a mutual customer.

Questions contact: EDM_maintenance@ShamrockFoods.com

ACCEPTED AND AGREED:

By: _____

Name: _____

Title: _____

Date: _____