

## KROGER “OUR BRANDS” VENDOR CERTIFICATION POLICY

### OBJECTIVE

This Kroger Corporate Brand Vendor Certification Policy (this “Policy”) establishes requirements of The Kroger Co. and its affiliates and subsidiaries (“Kroger”) for a vendor (“Vendor”) of Kroger Corporate Brand Product (“Product”). These requirements are in addition to those set forth in Kroger’s Standard Vendor Agreement.

### PROCEDURE

The following must be met in order to gain and maintain approval as a supplier of Product to Kroger:

#### 1. Vendor Approval

Vendors are subject to review and approval by Kroger. Vendor will provide to Kroger any financial reports and information requested and must notify Kroger in the case of a change of control in ownership. Vendor may not assign or otherwise transfer any of its rights or delegate any of its obligations.

#### 2. Product Approval

A. Food. Vendor must submit to Kroger’s Food Technology Department the Product target and samples of proposed new Product and line extensions, along with technical specifications, for Kroger’s approval. Vendor will pay Kroger’s and Vendor’s expenses associated with the actions determined by Kroger to be necessary to have an item approved, including but not limited to the cost of formulation, development work, analytical and panel testing.

B. General Merchandise. Vendor must have approval from Kroger General Merchandise Corporate Brands to add a new item bearing a Corporate Brand label. Vendor must submit to Kroger General Merchandise Corporate Brand samples for pre-production approval of materials, color, fit, and strike off. Vendor will pay for all costs associated with the transportation of samples and regulatory compliance testing.

#### 3. Product Quality Audit

After Vendor and the Product have received initial approval, Vendor must submit samples from the first actual production run to Kroger for approval, and must receive approval, prior to any distribution of the Product to any location, including but not limited to distribution to sales and marketing representatives. Kroger requires consistent quality levels for Product.

#### 4. Facility Approval

A. **New Vendor:** All facilities used by Vendor to manufacture Product must pass a facility audit conducted by a Kroger representative or a Kroger approved outside agent. Facilities must comply with all applicable laws, regulatory requirements, Kroger specifications and for food Products, FDA/USDA Good Manufacturing Practices. Costs associated with the facility audit are the responsibility of Vendor.

**NOTE: At no time is an approved vendor to sub-contract the manufacturing of the Product to another supplier/manufacturer without prior notification and written approval by Kroger.**

B. **Product Line Extension:** Kroger, at its discretion, will determine whether a facility audit will be necessary for a line extension. If a facility audit is required, Vendor is responsible for costs of the facility audit.

5. **Food Safety/GFSI Certification**

Kroger requires that all Vendors that manufacture/produce Kroger private label (Our Brands) ingredients and food contact items be certified to a Global Food Safety Initiative (“GFSI”) benchmarked audit scheme for EACH manufacturing plant producing such ingredients and food contact items. The GFSI supports audit schemes that are focused on determining if food processing facilities are compliant with internationally recognized and accepted standards for food safety and quality. Vendor can choose to be certified under any of the approved schemes such as, but not limited to, BRC, SQF, IFS, and FSSC 22000. The certification will be made available to Kroger annually. Copies of full audits, including nonconformances and corrective actions, shall be made available to Kroger upon demand. Currently GFSI only recognizes schemes for the production of food packaging materials and not other food contact substances including, but not limited to, cookware, utensils, dinnerware and food manufacturing equipment. For these items certificates of compliance with applicable U.S. regulatory requirements shall be made available to Kroger upon demand.

6. **General Merchandise Quality Assurance.**

Vendors are required to provide the following data to Kroger:

- A. A current Product/Packaging Specification for the item(s).
- B. Quality and safety testing results for the item(s) from an independent, third party, accredited, non-governmental laboratory must be available.
  - (i) These test results should show a quality and performance criteria in agreement with Kroger Standard Testing Protocols.
  - (ii) Test results should show that the Kroger Corporate Brand Products meet all applicable regulatory and industry standards.
- C. Underwriter laboratory (UL) or Electronic Testing Labs (ETL) registration is required for all electrical items.
- D. All packaging and labeling of Products is in compliance with all applicable regulatory and industry standards.

7. **Problem Suppliers**

Kroger may designate Vendor as a “Problem Supplier” based on poor quality Product, loss of GFSI certification, excessive customer complaints, regulatory problems, lack of adherence to Kroger specifications, poor service levels, or other problems determined by Kroger in its sole discretion. Kroger will provide Vendor with written notice providing the reasons for designation as a Problem Supplier. The cost of added inspections, testing or reformulation necessary to correct the problem to Kroger’s satisfaction will be at Vendor’s expense. Vendor’s refusal to pay these charges or to correct the problem to Kroger’s satisfaction will be grounds for terminating Vendor as a supplier to Kroger.

8. **Approved Vendor Evaluations**

Kroger from time to time may deem it necessary to conduct subsequent plant or factory evaluations, Product audits, and/or grading trips at Vendor’s expense.

9. **Additional Vendor Responsibilities**

Vendors must:

- A. Provide Kroger with quality Product that meets all current specifications;
- B. Maintain facilities, products, records, and procedures that comply with applicable laws and regulatory requirements for food safety and quality;
- C. Have in place recall procedures acceptable to Kroger;

- D. Maintain adequate code dating, quality, and shipping records that ensure expeditious and successful withdrawal of nonconforming Product. Kroger strongly prefers that all Product be “Open Dated” and must approve any exceptions;
- E. Respond promptly with an appropriate explanation to information requests or questions by Kroger;
- F. Respond promptly and maintain records on all Product complaints identified by Kroger;
- G. Conduct and submit to Kroger timely Root Cause Analyses on all product withdrawals, product recalls, or ongoing quality problems as requested by Kroger.
- H. Report complaints or inquiries from any health or governmental authority regarding Vendor, its facilities or Product;
- I. Maintain finished Product and packaging inventories reasonably necessary to provide Kroger with an ongoing supply of Product per the agreed-upon order lead-time; and
- J. Keep Kroger fully informed of difficulties encountered or anticipated in quality, financing, production or shipping, which could result in claims, lost sales, profits or customer dissatisfaction.
- K. Conduct Social Compliance audits upon Kroger’s request.
- L. Pay for Customer Approval Panels, which will need to be completed before a Product can proceed to the package design phase. The Kroger Representative will provide Vendor with a cost estimate for the Customer Approval Panel.