

**BASHAS' INC.**  
*VENDOR CREATION REQUEST FORM*

**Bashas'                      AJ's Fine Foods                      Food City                      Diné**

A/P Category (Bashas' Use Only) \_\_\_\_\_

A/P Dept (Bashas' Use Only) \_\_\_\_\_  
*(please type or print legibly)*

Vendor Name: \_\_\_\_\_  
*(as it appears on invoice)*

Product Distributed By: \_\_\_\_\_  
*(if other than Vendor)*

**VENDOR ADDRESS & PHONE NUMBERS**

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ - \_\_\_\_\_

Country: \_\_\_\_\_

Phone: (    ) -    ext    Cell: (    ) -    Fax: (    ) -    \_\_\_\_\_

Buyer Contact : \_\_\_\_\_

E-mail: \_\_\_\_\_

**REMIT TO ADDRESS (if different than Vendor Address)**

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ - \_\_\_\_\_

Country: \_\_\_\_\_

Phone: (    ) -    ext    Cell: (    ) -    Fax: (    ) -    \_\_\_\_\_

Payment Terms: \_\_\_\_\_ Federal Tax ID #: \_\_\_\_\_

Vendor DUNS #: \_\_\_\_\_ Vendor Comm ID/DEX # : \_\_\_\_\_

Acct Contact: \_\_\_\_\_ Email: \_\_\_\_\_

**Note: Vender terms' due date is based upon the date goods or services are received. Bashas' policy is to issue checks totaling less than \$3,000 on the Monday following the due date.**

**MANDATORY - ATTACH THE FOLLOWING**

- 1) PROOF OF INSURANCE
- 2) COPY OF AN APPROVED INVOICE (SIGNED BY CATEGORY MANAGER)
- 3) VENDOR AGREEMENT
- 4) PRODUCT DISPOSITION CHUTE OPTIONS

Vendor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**BASHAS' INC.**  
**VENDOR CREATION REQUEST FORM**

\*\*\*\*\*Office Use Only\*\*\*\*\*

**Buyer Assistant/Clerk:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*(Your signature means all information has been verified)* *(mm/dd/yyyy)*

**Buyer/Manager Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*(Your signature means you have reviewed this form and approved payment terms)* *(mm/dd/yyyy)*

**Vice-President Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*(Your signature authorizes this vendor to be setup as a continuous vendor with the approved terms stated above)* *(mm/dd/yyyy)*

**Date Sent to Finance:** \_\_\_\_\_  
*(mm/dd/yyyy)*

**Finance Dept Approval:** \_\_\_\_\_ **Critical Level:** \_\_\_\_\_  
*(Your signature means this form and attachments have been reviewed and approved by the Finance Department)*

**Date Sent to Accounting:** \_\_\_\_\_  
*(mm/dd/yyyy)*

**Accounts Payable System Entry**

**Entered By:** \_\_\_\_\_ **Sort Code:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Proofed By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*(Your signature means all information was properly entered into the Accounts Payable System)* *(mm/dd/yyyy)*

**Date Copy of Returned To Buyer Assistant/Clerk:** \_\_\_\_\_  
*(mm/dd/yyyy)*

**A/P Vendor #:** \_\_\_\_\_

**A/R Vendor #:** \_\_\_\_\_

**DSD Vendor #:** \_\_\_\_\_

**WW Vendor #:** \_\_\_\_\_

# BASHAS' INC.

## VENDOR CREATION REQUEST

**FORM Warehouse Information** *(Vendors Please Fill Out)*

**Ship From Address (if different than Vendor Address)**

Ship From Address: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ - \_\_\_\_\_

Country: \_\_\_\_\_

Phone: (    ) -    ext    Cell: (    ) -    Fax: (    ) -   

**Shipment and Delivery Information**

Freight Rate	
Freight Type	-
Freight Pmt Method	-
Delivery Method	-
Pickup Allowed	-
Pickup Point	
Pickup Rate	
Pickup Type	-
Max Shipment Qty	
Min Shipment Qty	
Lead Time	
Weighting Code	-
Delivery Days	Sun <input type="checkbox"/> Mon <input type="checkbox"/> Tues <input type="checkbox"/> Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/> Sat <input type="checkbox"/>

**BASHAS' INC.**  
*VENDOR CREATION REQUEST FORM*

**Broker Information**

Rep 1 Company: \_\_\_\_\_

Ship From Address: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ -

Country: \_\_\_\_\_

Phone: (    ) - ext            Cell: (    ) -            Fax: (    ) -

Rep 1 Contact : \_\_\_\_\_

E-mail: \_\_\_\_\_

Rep 2 Company: \_\_\_\_\_

Ship From Address: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ -

Country: \_\_\_\_\_

Phone: (    ) - ext            Cell: (    ) -            Fax: (    ) -

Rep 2 Contact : \_\_\_\_\_

E-mail: \_\_\_\_\_

Rep 3 Company: \_\_\_\_\_

Ship From Address: \_\_\_\_\_

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ -

Country: \_\_\_\_\_

Phone: (    ) - ext            Cell: (    ) -            Fax: (    ) -

Rep 3 Contact : \_\_\_\_\_

E-mail: \_\_\_\_\_

# BASHAS' INC.

## VENDOR CREATION REQUEST FORM

**Vendor EDI Information Needed** *(Vendors Please Fill Out)*

**Vendor EDI Transaction Location**

Vendor EDI  
 Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ -  
 Country: \_\_\_\_\_  
 Phone: ( ) - ext Cell: ( ) - Fax: ( ) -  
 EDI Contact : \_\_\_\_\_  
 E-mail: \_\_\_\_\_

**Mailing Address (if different than Vendor EDI Company Address)**

Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City : \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ -  
 Country: \_\_\_\_\_  
 Phone: ( ) - ext Cell: ( ) - Fax: ( ) -  
 Contact: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

**General Vendor EDI Information**

<b>VAN</b>	
<b>Version</b>	
<b>Interchange ID Qualifier</b>	
<b>Interchange Sender/Receiver ID</b>	
<b>GS Sender/Receiver ID</b>	
<b>EDI Transactions Currently Transmitted</b>	
<b>Established UCCNet Partner</b>	-



Date: September 9, 2016  
From: Phil Hawkes – Vice President of Marketing, Merchandising & Procurement  
To: All Vendors  
Re: Bashas' Merchandising Services

Some of our most important common goals include creating optimum schematic placement for all items, efficient store cut-in of new items and the continuous updating of every store's planograms. We intend to address all of these by implementing a new space management and store reset program for all Bashas' store formats. The Bashas' Merchandising Services program will include funded, dedicated reset teams and schematic development groups. Bashas' Merchandising Services will replace all current ISE, fair share new store/remodel staffing and item execution programming and will begin operation in July of 2016.

In order to carry out these merchandising functions, an efficient, consistent funding mechanism is necessary. The charge for all of these services for the remainder of 2016 will be 0.65% of cost of goods sold. Deductions will be made monthly beginning in July, 2016. The Bashas' Merchandising Services Program and its funding will apply to all UPC-coded products in categories updated and listed within the ISE buying calendar in the Grocery, Frozen, Refrigerated, Natural Choice, General Merchandise, HBC and Meat departments.

The consumer, the economic environment and the marketplaces we operate in are constantly changing. It is more important than ever to operate stores that are merchandised to accommodate for all of those changes. The Bashas' Merchandising Services Program approach will address those needs and benefit us all with execution features that include:

- Schematic development for Bashas', Diné, Food City and AJ's.
- All category resets, new item placement, remodel resets and new store set up requirements
- Consistent, efficient and timely retail merchandising.
- Accommodation for equipment, aisle/section hardware reset requirements.
- Centralized coordination of a single source of dedicated labor resources.

We thank you for your support of this new program. As mentioned previously, we have shared goals and this new initiative will help us both achieve them. Please feel free to contact Nick Torres with any questions about Bashas' Merchandising Services.



# Bashas'

Family of Stores



*Angel Preciado*

**Risk Management**

TO: ADMINISTRATIVE TEAM

RE: VENDOR AND CONTRACTOR INSURANCE REQUIREMENTS

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Following are the insurance requirements required in order to conduct business with Bashas' Inc.

- All policies must be written with companies that carry a Best rating of not less than A-VIII
- All policies shall carry a 30 day cancellation notice provision
- Policies shall maintain a primary minimum liability limit of \$1,000,000 AND \$2,000,000 excess/umbrella limit or a combined single limit of \$3,000,000.
- Vendor must maintain Statutory Worker's Compensation Coverage, proof must be indicated on the Certificate of Insurance.
- All policies must name Bashas' Inc as an additional insured.
- Certificate Holder shall be:

Bashas' Inc.

Risk Management

PO Box 488

Chandler, AZ 85244

**THIS IS A MANDATORY POLICY**

Revised 1-12



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

PRODUCER (Insurance provider name and address, this block)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME:</td> </tr> <tr> <td>PHONE (A/C. No. Ext):</td> <td>FAX (A/C. No):</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS:</td> </tr> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <tr> <td>INSURER A :</td> <td></td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	CONTACT NAME:		PHONE (A/C. No. Ext):	FAX (A/C. No):	E-MAIL ADDRESS:		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A :		INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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**COVERAGES**

**CERTIFICATE NUMBER:**

**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	<b>X</b>				<b>MUST BE CURRENT</b>	EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ _____ \$								
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ _____ \$								
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____	<b>X</b>					EACH OCCURRENCE \$ AGGREGATE \$ _____ \$								
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	N / A				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">WC STATUTORY LIMITS</td> <td style="width: 30%;">OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
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E.L. EACH ACCIDENT	\$														
E.L. DISEASE - EA EMPLOYEE	\$														
E.L. DISEASE - POLICY LIMIT	\$														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**Bashas' Inc is listed as Additional Insured**

**CERTIFICATE HOLDER**

**CANCELLATION**

<p><b>BASHAS' INC RISK MANAGEMENT PO BOX 488 CHANDLER, AZ 85244</b></p>	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p>
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# BASHAS' INC.

## VENDOR AGREEMENT

This agreement ("Agreement") is entered into as of \_\_\_\_\_, between Bashas' Inc. ("Bashas'") and \_\_\_\_\_ ("Vendor").

1. Vendor: Subject to the terms and conditions of this Agreement, Bashas' hereby engages the Vendor as a vendor to \_\_\_\_\_ (perform/provide) the following: \_\_\_\_\_, and the Vendor hereby accepts such engagement.
2. Duties of Vendor: During the term of this Agreement, Vendor agrees to provide the services for Bashas' which Bashas' authorizes, from time to time and to abide by all terms and conditions of this agreement.
3. Confidentiality: The Vendor acknowledges that during the engagement the Vendor will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications owned or licensed by Bashas' and/or used by Bashas' in connection with the operation of its business including, without limitation, Bashas' business and product processes, methods, customer lists, accounts and procedures. The Vendor agrees to not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of this engagement with Bashas'. All files, records, documents blueprints, specifications, information, letters, notes, media lists, original artwork/creative notebooks, and similar items relating to the business of Bashas', whether prepared by the Vendor or otherwise coming into Vendor's possession, shall remain the exclusive property of Bashas'. The vendor shall not retain any copies of the foregoing without Bashas' prior written permission. Upon the expiration or earlier termination of this Agreement, or whenever requested by Bashas', the Vendor shall immediately deliver to Bashas' all such files, records, documents, specifications, information and other items in Vendor's possession or under Vendor's control. The Vendor further agrees that the Vendor will not disclose Vendor's retention as an independent vendor or the terms of this Agreement to any person without the prior written consent of Bashas', and shall at all times preserve the confidential nature of Vendor's relationship to Bashas' and of the service hereunder.
4. Conflicts of Interest – Non-hire Provision: The Vendor represents that the Vendor is free to enter into this Agreement, and this engagement does not violate the terms of any agreement between the Vendor and any third party. Further, the Vendor, in rendering duties under this Agreement shall not utilize any invention, discovery, development, improvement, innovation, or trade secret in which the Vendor does not have a proprietary interest. During the term of this Agreement, the Vendor shall devote the necessary productive time, energy and abilities to the performance of the duties hereunder. The Vendor is expressly free to perform services for other parties while performing services for Bashas'.
5. Merger: This Agreement shall not be terminated by the merger or consolidation of Bashas' into or with any other entity.
6. Termination: Either party may terminate this Agreement at any time if the other party materially breaches any provision of this Agreement. In addition, this Agreement terminates automatically upon Vendor's completion of all services authorized by Bashas'.
7. Independent Vendor: This Agreement shall not render the Vendor an employee, partner, or agent of Bashas' for any purpose. The Vendor is and will remain an independent vendor regarding the Vendor's

relationship to Bashas'. Bashas' shall not be responsible for withholding taxes with respect to the Vendor's compensation hereunder. The Vendor shall have no claim against Bashas' hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind, nor shall Vendor be deemed an employee of Bashas' for any purpose whatsoever. Bashas' does not provide Vendor with any business registrations, licenses or tools required to perform any of the duties assigned. Vendor must abide by all Bashas' policies and procedures regarding operations and safety, and it is Vendor's responsibility to inquire about such policies and procedures before commencement of any work or services.

8. Insurance and Indemnification: Vendor shall obtain insurance of the types and in the amounts described below. The insurance shall be written by insurance companies and on forms acceptable to Bashas'. In addition, policies shall be written with insurance carriers authorized to transact business in the State of Arizona (as compared to being licensed) and with a rating of A- VII or better in A.M. Best's Insurance Reports.

A. Commercial General and Umbrella Liability Insurance.

Vendor shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$5,000,000 each occurrence. CGL insurance shall be written on ISO occurrence form and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal injury and advertising injury.

Bashas' shall be included as an additional insured under the CGL, under the primary commercial umbrella, if any. This insurance, including insurance provided under the commercial umbrella, if any, shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to, or maintained by, Bashas'. Coverage provided by Vendor shall not be limited to the liability assumed under the indemnification provisions of this Contactor.

B. Workers Compensation Insurance

Vendor shall maintain workers compensation and employer's liability insurance if Vendor's employees work or visit for any purpose, Bashas' premises. The employer's liability, and if necessary commercial umbrella, limits shall not be less than \$500,000 each accident for bodily injury by accident or \$500,000 each employee for disease. The workers compensation policy shall contain a waiver of subrogation in favor of Bashas'.

C. Evidence of Insurance

Vendor shall furnish Bashas' with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, setting out compliance with the insurance requirements set forth above. All certificates shall provide for 30 days written notice to Bashas' prior to the cancellation or material change of any insurance referred to therein. Failure of Bashas' to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Bashas' to identify a deficiency from evidence that is provided shall not be construed as a waiver of Vendor's obligation to maintain such insurance. Each insurance policy required by the insurance provisions of this Agreement shall not be suspended, voided, or cancelled except after thirty (30) days prior written notice has been given to Bashas'. Such notice shall be sent directly to Bashas' representative.

D. Indemnification:

To the fullest extent permitted by law, both parties shall indemnify, hold harmless and defend each other and all of their officers, directors, agents and employees (the "Indemnitees") from and against all claims, damages, losses and expenses, including but not limited to attorneys fees, arising out of or resulting from bodily injury or death of any person, or property damage, including loss of use of property, arising or alleged to arise out of or in any way related to this Agreement. But only to the extent such loss is caused in whole or in part by negligent acts or omissions of the parties, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. The indemnity obligations survive the completion or termination of this Agreement.

- 9. Headings: Section headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.
- 10. Waiver: Waiver by one party hereto of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.
- 11. Assignment: The Vendor shall not assign any of Vendor’s rights under this Agreement, or delegate the performance of any of Vendor’s duties hereunder, without the prior written consent of Bashas’. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, if any, successors, and assigns. Bashas’ may assign this agreement in its sole discretion.
- 12. Notices: Any and all notices, demands, or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party if personally served, or if deposited in the United States Postal Service mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand or other communication is given by mail, such notice shall be conclusively deemed given five days after deposit thereof in the United States Postal Service mail, addressed to the party to whom such notice, demand or other communication is to be given as follows:

**If to the Vendor:**

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**If to Bashas’:**

Gregg J. Tucek  
Bashas’ Inc.  
P.O. Box 488  
Chandler, AZ 85244

Either party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

- 13. Modification or Amendment: No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties hereto.
- 14. Entire Understanding: This document and any exhibit attached constitute the entire understanding and agreement of the parties, and any and all prior agreements, understands, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.

15. Unenforceability of Provisions: If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.
16. Choice of Law: The laws of the State of Arizona Shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto. Any claim, cause of action or legal interpretation with regard this agreement shall be brought in the Federal or State Courts located in Maricopa, County Arizona.
17. Compliance with Laws – Vendor and its employees or representatives shall at all times comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes, standards, and restrictions, as amended, and all orders and decrees of bodies or tribunals having jurisdiction and authority, which may in any manner affect performance under the terms of this Agreement (collectively, “Laws”).
18. Foreign Supplier Verification Program- You agree to comply with the provisions of the Foreign Supplier Verification Program (FSVP) as an importer of “food” set forth below.  
For purposes of this provision, the term “food” means food as defined in section 201(f) of the Federal Food, Drug and Cosmetic Act (21 USC 321(f)) which includes, but is not limited to, food contact substances such as plates, cookware, food packaging and utensils. All food sales shall be made on a Delivered Duty Paid (DDP) basis unless otherwise specified in writing by Bashas’. Bashas’ shall not serve as the FSVP importer to 21 CFR section 1.500, nor shall it be declared as the FSVP importer in any entry documentation filed with U.S. Customs and Border Protection, the U.S. Food and Drug Administration, or any other governmental agency, under any circumstances, unless otherwise specified in writing by Bashas’. In regards to food originating from suppliers outside the U.S., this agreement shall not be executed until after such food has entered into customs territory of the U.S. For food originating outside of the U.S., a foreign owner or consignee of the food shall appoint an agent or representative in the U.S. to serve as the FSVP importer and be declared as the FSVP importer in the entry documentation. The foreign owner of the food shall notify Bashas’ of the FSVP importer and be declared as the FSVP importer in writing at least 15 days before the initial shipment of food and provide Bashas’ 30 days 30 days notice of any change to the status of the FSVP importer. This vendor agreement, along with the purchase order, constitutes the legal basis for Bashas’ purchase of products. A purchase order alone from Bashas’ is not and shall not represent a purchase agreement or an offer to execute a purchase agreement.

If you are a U.S. importer of “food” as defined herein, you further agree that you or another eligible third party (excluding Bashas’) shall be named as the FSVP importer on the entry documentation. Bashas’ shall be notified of the FSVP importer in writing at least 15 days before the initial shipment of food and be provided with 30 days notice of any change to the status of the FSVP importer. This vendor agreement, along with the purchase order, constitutes the legal basis for Bashas’ purchase of products. A purchase order alone from Bashas’ is not and shall not represent a purchase agreement of an offer to execute a purchase agreement.

19. Sanitary Food Transportation Act Vendor acknowledges Bashas’ shall reject any load of foods (including foods subject to the Perishable Agricultural Commodities Act (7 USC Chapter 20A)) for violations of the Sanitary Food Transportation Act (Section 416 of the FDCA) of which Bashas’ is aware of, including failure to maintain required records. Vendor assumes responsibility for ensuring loads of foods rejected by Bashas’ are not sold or distributed into interstate commerce UNLESS a qualified food safety individual as defined by the Sanitary Food Transportation Act determines the foods are not unsafe consistent with 21 CFR § 1.908 and fit for human consumption. Vendor acknowledges Bashas’ shall not serve as shipper,

carrier or loader as those terms are defined in 21 CFR § 1.904 unless otherwise agreed to in writing signed by the Senior Vice President, Logistics.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above. The parties hereto agree that facsimile signatures shall be as effective as if originals.

**For Vendor:**

**For Bashas' Inc.:**

Print:

Print:

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Date: \_\_\_\_\_



TO: ALL VENDORS

RE: UPDATED SPOILS, DAMAGED, EXPIRED GOODS POLICY

This policy addresses the reimbursement, handling and disposition of unsaleable product for retail stores through our reclamation facility in compliance with the invoicing parameters supported by the Joint Industry report (JIR) on the handling of reclamation product.

As in the past, the benefits of this policy to you include:

- Access to spoiled, damage, expired control information for your product.
- Access to spoiled, damage, expired information to assist in identifying unsaleable problems.
- Our continued adherence to joint industry report variables.

Unsaleable product is defined as spoiled, damaged, expired product that is returned from the retailer due to poor packaging and out of code items. (please note that product recalls and discontinued items fall under separate policy.)

Reimbursement for damaged or otherwise unsaleable product will be calculated based on each items LIST COST in addition to the costs that we incur in handling each item as it moves through the chain of distribution. These costs are partially dependent upon the disposition option chosen by the supplier. Higher costs are incurred when additional handling is required at the Reclamation Center.

THE INFORMATION BELOW DETAILS Bashas' updated billing policy based on the JIR study.

- DPC – Pre-damaged Direct Product Cost

These are the handling and storage cost occurred before damage is indentified as an item moves through retail distribution. They include cost incurred at the warehouse, during transportation to the store, and at the store itself. The DPC is based upon movement and cubic size of the item, therefore this variable is not constant and is calculated at the item level.

- PDC – Post Damage Handling Cost

These are the cost incurred after damage to the item in the store and before it arrives at the Reclamation Center.

- RCC – Reclamation Center Cost

These are the cost incurred as an item is processed through a reclamation center. This cost varies based on the handling requirements chosen by the supplier (Chute Option). The cost are determined using JIR cost standards.

Please complete the disposition form found on the following page. The Chute Options are the sum of DPC, PDC and RCC. If you do not have a preference and chose not to select an option, you will be billed at the SCAN AND CENTER OPTION rate (Chute Option #1). The Chute Option can be changed on written request. Based on the timing of the request, it may take up to thirty days to implement.

All product will be scanned at our Reclamation Center. If you should choose to view or pickup your product, we will continue to hold this product for 21 days from the date of invoice. If the disposition is not made within 30 days, the product will be removed from the facility.

We appreciate your timely response to this matter. If you have any questions or concerns please do not hesitate to contact Roberto Reyes at 480-895-5256 or Jesse Campos 480-940-2222.

Thank you for your cooperation,

For Bashas'



Michael Basha

Sr. V.P. of Logistics & Warehouse Operations

# PRODUCT DISPOSITION CHUTE OPTIONS

VENDOR NAME: \_\_\_\_\_

VENDOR NUMBER: \_\_\_\_\_ (to be completed by Bashas')

SEND PAPER WORK TO: \_\_\_\_\_  
\_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_  
(Please sign)

\_\_\_\_\_  
(Please print)

TELEPHONE NUMBER: \_\_\_\_\_

NAME OF THIRD PARTY: \_\_\_\_\_

Please mark the blank line pre-ceeding the chute option you would like us to implement for you.  
SELECT ONLY ONE OPTION. If you have a specific vendor policy that you would like us to consider, please send as an attachment to this form.

\_\_\_\_\_ **#1 SCAN AND CENTER OPTION – COST PLUS 5.080% PLUS \$0.2100 PER UNIT**  
Product will be scanned and disposed of appropriately. Frozen Food and perishable products will automatically be billed at this chute and packaging will be held only on request.

\_\_\_\_\_ **#2 SCAN AND DONATE – COST PLUS 5.080% PLUS \$0.2610 PER UNIT**  
Product will be scanned and boxed for immediate donation to the Food Bank. Non-usable product will be destroyed.

\_\_\_\_\_ **#3 SCAN AND HOLD FOR VENDOR REVIEW – COST PLUS 5.080% PLUS \$0.3110 PER UNIT**  
Product will be scanned, sorted by vendor and held for vendor review. Review must be by the date specified on the current month's invoice. The vendor is responsible to remove the product from the facility at the time of review.



## **PRODUCT DISPOSITION CHUTE OPTIONS (continued)**

### **#4 SCAN AND HOLD FOR THIRD PARTY REVIEW– COST PLUS 5.080% PLUS \$0.3610**

#### **PER UNIT**

Same process as Chute #3 party will review product. Experience shows that 3<sup>rd</sup> party review requires more of the Manager's time and uses more space for checking, therefore a higher charge is required.

Recalled items are billed at COST PLUS 5.080% PLUS \$0.4110 PER UNIT. Experience shows that recall product requires the highest level of review and diligence from all levels of the reverse supply chain time and resources therefore higher charge is required.

PLEASE SEND ALL COMPLETED DISPOSITION FORMS TO THE ATTENTION OF:

JESSE CAMPOS

BASHAS' DISTRIBUTION CENTER

200 SOUTH 56<sup>TH</sup> STREET

CHANDLER, ARIZONA 85226 (Or scan and email [JCampos@bashas.com](mailto:JCampos@bashas.com))