



# Warehouse Vendor Compliance Policy

Schnuck Markets, Inc.

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# Introduction

## Our Vision

At Schnuck Markets, Inc. (“SMI” or “Schnucks”) we strive to nourish customers’ lives and provide an outstanding customer experience by being the friendliest stores in town. We rely heavily on our vendor partnerships to help optimize our supply chain, maintain excellent in-stock position and keep prices low with the goal to provide the best service possible to our communities. This Vendor Compliance Policy will allow us to perpetuate and improve our current vendor relationships. It is imperative that you read this document in its entirety and adhere to all outlined policies.

## Our Mission

It is the mission of Schnucks to utilize our brand promise and COMET values (directly below) to improve the customer experience by nourishing their lives.

## Our Values

**Customer First:** We are a customer-centric organization which works to maintain 1:1 customer relationships.

**One Team of Merchants:** We are one team of merchants who support each other in working towards a common goal.

**Midwest Family Values:** We are a company who places a strong emphasis on corporate citizenship and ethics.

**Execute to Win:** We set high expectations for ourselves because we value the impact we make on our communities.

**Try New Things:** We are constantly challenging ourselves to step outside our comfort zones and embrace change as a competitive advantage.

## Scope

This policy applies to the following warehouse facilities: Bridgeton Dry, North Park Dry, North Park Fresh, and Vinita Park Coldstor. It does not apply to direct store deliveries. Procurement teams may impose additional specifications on orders. Schnuck Markets reserves the right to maintain separate policies, rules and regulations for direct store deliveries.

# Shipment and Routing

## LTL shipments

Less than truckload (LTL) PO's should ship 2-3 days prior to the SMI due date to ensure on-time delivery. To ensure orders ship complete, use methods such as bundling and banding when necessary. Mark each pallet with the vendor name and PO number. All BOL's must contain the purchase order as well as the Schnucks warehouse location.

## Dry LTL preferred carrier program

All DRY (ambient temperature) orders shipped as LTL must use Old Dominion Freight Lines, regardless of prepaid or collect. Exceptions to this policy will be made for: product that must be shipped on temperature-controlled trailers year-round, parcel shipments (shipped as less than one vendor pallet and under 100 lbs.), full truckload orders (over 15,000 lbs. or greater than 15 vendor pallets) and vendors using their own fleet. Contact [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) with any questions or concerns. Requests for exceptions for LTL shipping variations, other than those outlined above, must be submitted to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) for approval prior to the order being shipped. Vendors that fail to use SMI's preferred dry LTL carrier will be charged a fee of three-hundred dollars (\$300.00) for each non-compliant PO. Old Dominion may be reached at, Old Dominion Freight Line, [candy.hessling@odfl.com](mailto:candy.hessling@odfl.com) or 636-724-0607.

## Parcel Shipments

Parcel shipments will be accepted *only* if the entire SMI purchase order can arrive in a single shipment. Parcel shipments are accepted if they are shipped as less than one pallet and under 100 lbs. SMI may assess a three-hundred dollar (\$300.00) fee for instances where a single PO delivers to an SMI facility over multiple days or for a shipment that exceeds the SMI parcel shipment limit. Each master case must have an individual PO. Additionally, the PO number must be included on the BOL. Mark each box with the vendor name and PO number. Shippers must send an email containing the PO numbers shipping, the ship to location and the date of delivery to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) prior to making a parcel shipment. SMI may assess a three-hundred dollar (\$300.00) fee for a vendor's failure to notify SMI of a parcel shipment prior to shipping. Shippers must ship with the exact destination address, as stated in Appendix A3, to provide SMI the ability to track the shipment through the parcel carrier.

## Collect Shipments

Shippers must contact [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) for any collect shipment, regardless of size, before arranging transportation.

## Cross-dock Shipments

Vendor is responsible for receiving and processing the cross dock orders from the SMI system and shipping the product to the appropriate warehouse. When shipping to a warehouse, the pallet must be securely wrapped and each pallet MUST have a sticker that is clearly marked and legible with the destination store number. For any pallets containing single cases for multiple stores, the shipper must clearly label each case for the destination store. Vendor code numbers

or reference numbers will not be accepted as labeling on the pallets or cases. The driver must have a manifest with the total number of cases/pallets per store when delivering the cross dock pallets. Any pallets or cases that are not clearly marked with a store number as specified in this paragraph may be refused by the warehouse. SMI or the 3PL will not be responsible for any product that is not marked clearly or separated correctly by the driver at time of delivery. Cross-dock delivery drivers are subject to all unloading requirements contained in this policy.

### **Ocean Containers**

Ocean containers must be packed as follows:

- Cargo must be evenly distributed inside the container.
- Floor load to ceiling unless arrangements are made with vendor's merchandising contact at SMI.
- Ensure the proper blocking and bracing of cargo at the time of loading to prevent any shifting or uneven distribution of cargo while in transit.

Delivery appointments for ocean container shipments should be made according to the appointment procedures set forth in the next section of this policy. Appointments should be made according to the following timelines:

- Full containers – appointments should be made once container arrives in port and clears customs
- Consolidated loads – appointments should be made once the consolidator warehouse confirms all items have arrived and ready to ship

Any additional questions regarding unloading allowances, drop-container capability, etc. should be sent to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) and resolved before any delivery appointment is scheduled.

### **Shipments subject to regulatory hold**

In the event that a vendor PO and/ or shipment is subject to a regulatory hold (i.e., FDA, USDA or other), prior to shipping, the vendor must contact [foodsafety@schnucks.com](mailto:foodsafety@schnucks.com) and [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) for all destinations, as well as [northpark.recallteam@penske.com](mailto:northpark.recallteam@penske.com) in cases where the shipment destination is SLNP Dry or SLNP Fresh, and [Coldstor-Inbound@trilogy3pl.com](mailto:Coldstor-Inbound@trilogy3pl.com) in cases where the shipment destination is Coldstor.

## **Delivery Requirements**

### **Delivery**

Vendors may not ship products to any SMI facility via carriers that will not adhere to SMI's warehouse policies. All deliveries to an SMI facility must be accompanied by a Bill of Lading (BOL) that provides line item details for each and every item delivered from a Purchase Order (PO). Any order that is shipped without the correct Schnucks PO number or warehouse address on the BOL may be assessed a two-hundred dollar (\$200.00) fee for each missing Schnucks PO number or incorrect warehouse shipping address. Drivers must check-in at the guard house or receiving office, as applicable, to inform the clerk of the shipment information and complete all

required paperwork. Product samples of any kind sent to SMI must be freight prepaid and must include the name of the sample recipient. Samples shipped freight collect will be refused by SMI. All products for delivery at an SMI facility must be loaded and accessible from the rear of the trailer and unobstructed by other parties' products. If the product is not accessible without moving another party's product, SMI or its 3PL partners will reject/refuse the shipment until the SMI products can be unloaded without obstruction. In the event SMI or its 3PL partner refuses a shipment pursuant to this section, SMI will not be liable for any redelivery fees and may charge the vendor a three-hundred dollar (\$300.00) fee for such noncompliance.

### **Trailer Cleanout**

SMI or its 3PL partners will not be responsible for cleaning debris from a trailer after unloading. Any driver that chooses to clean debris from their trailer outside of the secured lot at an SMI or its 3PL partner's property must remove all debris from the property. The vendor is liable for the actions of the hired carrier and may be charged any cleanup fees incurred by SMI or its 3PL partners due to carrier negligence.

### **Rejection/Refusal of Delivery**

SMI reserves the right to reject or refuse any delivery that does not comply with safety, quality or packaging requirements, which includes issues related to the temperature of the shipment and the shelf life requirements as determined by SMI. If the delivery imposes safety or quality concerns, or the possibility of damaging other goods, it may be refused. Examples of this include goods not being properly secured to pallets, the floor of the vehicle not being able to withstand a pallet jack completely laden or product arriving out of the SMI Food Safety Departments acceptable temperature range. Product that is damaged upon arrival may be refused for quality purposes. SMI assumes no liability in regards to goods that cannot be safely unloaded. If a delivery is refused due to a quality or temperature issue, safety of trailer for unloading, or packaging or loading noncompliance, SMI will not be liable for any redelivery fees and may charge the vendor a three-hundred dollar (\$300.00) fee for such noncompliance.

## **Reservation Scheduling & On time Requirements**

### **Reservation Scheduling**

**Reservations are REQUIRED for deliveries into any SMI/3PL facility.** Carriers arriving without an approved reservation may be refused. If an unscheduled shipment is accepted, each unscheduled PO on the shipment will be assessed a fee of two-hundred dollars (\$200.00). It is the responsibility of the carrier or shipper to amend a reservation to provide accurate information of which PO's will be delivered on a single reservation. Any PO that is added to an existing reservation at the time of arrival or receipt will be accepted as an unplanned arrival and assessed a fee of two-hundred dollars (\$200). All customer pick-up (CPU) shipments are excluded from this fee and are subject to the customer pick-up section set forth on page 16 of this policy, which may be superseded by a customer pick-up agreement between the vendor and SMI. Addresses, hours of operation, and contact information for the warehouses are listed in the chart on page 8. Reservations can be scheduled at any time up to the day prior to delivery. Reservation requests less than 24 hours prior to delivery are not granted at any

facility, with the exception of cover orders that are placed by an SMI buyer for same day or next day delivery. Reservation requests are granted on a first-come basis so it is best to secure a reservation as soon as possible. A request may be denied if there are no appointment times available on the date requested. The SMI appointment calendar shows prospective reservation dates and times up to ten (10) days in the future from the then-current date. Existing cross-dock vendor shipments are excluded from the scheduling requirement. Vendors requesting a new cross-dock shipment into an SMI facility must contact [C3.inbound@schnucks.com](mailto:C3.inbound@schnucks.com).

All carriers delivering to a Schnucks facility must schedule a reservation at least 24 hours prior to the delivery date. The reservations are scheduled by the carrier with a username that is assigned by SMI specifically for the Schnucks C3 Reservation site. The carrier should request a username by sending the following information to [C3.inbound@schnucks.com](mailto:C3.inbound@schnucks.com). The required information should include the carrier name, Standard Carrier Alpha Code (SCAC) (if available), name of a carrier contact, office address and the email address for the carrier contact.

Reservations are scheduled online only at [C3.inbound@schnucks.com](mailto:C3.inbound@schnucks.com). All PO's delivering on the same trailer, for a single warehouse, must be scheduled together on one reservation. This includes all LTL shipments. Any changes to delivery reservations must be made by the shipper/carrier through the web-based scheduling system. Bills of lading for deliveries can be attached by the carrier to the reservation at the time of scheduling.

### **On Time Requirements**

Carriers must arrive at the facility on the planned arrival date by the scheduled reservation time. SMI requires a minimum of twenty-four (24) hours' notice prior to an existing reservation for canceling or rescheduling an existing reservation. Failure to arrive within thirty (30) minutes after the reservation date and time may result in a delivery refusal or carrier unloading delay. Failure to arrive within thirty (30) minutes after the reservation date and time will result in a two-hundred dollar (\$200.00) fee for each PO that is late. Failure to arrive for a scheduled reservation will be considered a no show and a three-hundred dollar (\$300.00) non-compliance fee will be assessed per PO. Any PO's that are scheduled on a separate reservation from the delivering carrier's reservation will be considered a no show for the scheduled reservation. Any carrier that arrives at an SMI warehouse, and the driver chooses to leave the facility and not arrive back before the driver is called for the product to be unloaded and received, will be considered a no-show for the scheduled reservation. SMI will not be liable for any redelivery fees due to a carrier leaving a facility before a scheduled order can be unloaded. Any no-show reservation will be canceled and the carrier will be required to schedule a new reservation for delivery. A two-hundred dollar (\$200.00) fee will be assessed for reservations that are not scheduled at least 24 hours prior to the existing reservation time. Any customer pick-up shipments are excluded from this fee and are subject to the customer pick-up section set forth on page 16 of this policy, which may be superseded by a customer pick-up agreement between the vendor and SMI. For purposes of these requirements, a load is considered to be arrived at the time the carrier presents the appropriate paperwork to and checks in with the guard houses or the receiving office, as applicable, regardless of the actual time of arrival. Drivers may not drop trailers in the staging area outside of the guard house and leave the property for any reason.

## Facility Info

Facility	Hours of Receiving
<p><u>SLNP Fresh Warehouse</u>            8500 Scudder Road            Kinloch, MO 63140            Email: <a href="mailto:slnp-inbound@penske.com">slnp-inbound@penske.com</a></p> <p><b>For scheduling questions or to report delays            email: <a href="mailto:C3.inbound@schnucks.com">C3.inbound@schnucks.com</a></b></p>	<p>Monday through Sunday            2:00 AM-09:00 AM (CST)</p>
<p><u>SLNP Dry Warehouse</u>            8500 Scudder Road            Kinloch, MO 63140            Email: <a href="mailto:slnp-inbound@penske.com">slnp-inbound@penske.com</a></p> <p><b>For scheduling questions or to report delays            email: <a href="mailto:C3.inbound@schnucks.com">C3.inbound@schnucks.com</a></b></p>	<p>Monday through Saturday            2:00 AM-09:00 AM(CST)</p>
<p><u>Bridgeton Dry Warehouse</u>            12921 Enterprise Way            Bridgeton, MO 63044</p> <p><b>For scheduling questions or to report delays            email: <a href="mailto:C3.inbound@schnucks.com">C3.inbound@schnucks.com</a></b></p>	<p>Mon/Tues/Thurs/Fri            05:00 AM-12:00 PM (CST)</p>
<p><u>Coldstor Frozen Warehouse</u>            8525 Page Ave            Vinita Park, MO 63114            Email: <a href="mailto:Coldstor-Inbound@trilogy3pl.com">Coldstor-Inbound@trilogy3pl.com</a></p> <p><b>For scheduling questions or to report delays            email: <a href="mailto:C3.inbound@schnucks.com">C3.inbound@schnucks.com</a></b></p>	<p>Monday through Friday            5:00 AM-12:00 PM (CST)</p>

# Palletization Requirements

## Specifications

Shipments should be palletized to any specifications and requirements of SMI set forth on a PO. Purchase orders must be sorted properly within the truck with only one purchase order per pallet. Purchase orders should be easily identifiable and organized to streamline receiving. If multiple items are stacked on the same pallet, they must be stacked in such a way to allow quick breakdown by items. **Multiple tiers of the same item on a single pallet must be stacked together without any tiers of different item(s) between them.** Freight or merchandise must be on a pallet, skid, or other base which can be easily moved with a forklift or other piece of material handling equipment and have four-way access to move the pallet. The pallet must be clean, dry, and free of contaminants, insects, insect larvae, and mold. The base size should be the standard pallet size of 48in x 40in (122x102cm). Pallets must be GMA Standard B Grade or higher, and any pallet intended for retail display of product must be GMA Grade A.

## Packaging

Shipments must be packed in a way that will enable them to withstand both inbound and outbound transportation to SMI stores, as well as handling and storage at the warehouse. Cases must have tops or wrapping to secure the product in place. Products must be able to support stacked weight. Products must be shrink-wrapped so that they are secured in place on the pallet with no overhang.

## Product or Pallet Damage

Damaged and shifted freight can impose safety concerns and additional handling needs. This is most often caused by a lack of care when wrapping, loading, as well as poor packaging (unsecured carton flaps, tape, and crushed packaging). Vendors should attend to products and pallets with care during the wrapping and preparation process in order to securely pack them. It is the responsibility of the vendor to handle any damages and associated costs emerging from lack of care toward product packaging. In the event a damaged case is identified on a pallet prior to receiving by SMI or a pallet is deemed unsafe or non-compliant with SMI's pallet specifications, SMI or its unloading service will restack the pallet to remove the damaged case and will assess a restacking fee of ten dollars (\$10.00).

## Pallet Exchange

SMI does not offer Pallet Exchange Programs that assume responsibility for the total inventory of pallets as a result of documented pallet exchange transactions.

# Documentation

## Delivery

The Bill of Lading and other required documentation must be with the driver throughout product transport and upon delivery for receipt by the distribution facility.

### **Contents**

Each Bill of Lading or freight receipt must include the following:

- Driver Name
- Carrier Name
- Trailer Number
- SMI PO number
- SMI Due Date
- Delivery Address (including the 3-digit warehouse code associated with the PO)
- Total Shipped Quantity (Cases and Units)
- Total Shipped Weight
- Item-Level Product Details, including SMI Item Code, Case Count and total item weight when applicable (i.e., a random-weighted item).
- Temperature of Product at Loading (fresh and frozen goods only)
- RF Monitor Serial Number (if required)

### **Import Compliance**

All Bills of Lading must be accompanied by any additional documentation that is required for the goods that are being shipped, as specified by the government. This can include documentation related to customs declarations and clearance.

## **Hazardous Materials**

### **Compliance**

United States Department of Transportation regulations must be followed for all shipments that contain hazardous materials, specifically those set forth by the Federal Hazardous Substances Act (FHSA). No shipment may contain any product that is categorized as a banned hazardous material under the FHSA.

## **Backorders**

### **Backorders**

SMI does not accept any backordered product from a PO that has already shipped. When the vendor does not ship an order in full, the vendor must request a new PO from the SMI Merchandising team before shipping the balance of the original PO. All backordered products that are shipped from a previous PO that has already been received at a warehouse will be rejected at the time of delivery. Any order that is shipped as a backorder under a previously shipped PO number may be assessed a two-hundred dollar (\$200.00) fee per PO.

# Temperature Controlled Freight

## Temperature

All suppliers of temperature-controlled freight to our St. Louis North Park (SLNP) distribution center as well as our Vinita Park Coldstor freezer warehouse are required to use a Sensitech TempTale RF monitor or a Sensitech TempTale GEO monitor. Use of these monitors helps SMI suppliers to comply with the Food Safety Modernization Act's (FSMA) Sanitary Transportation Rule for Human and Animal Food, as well as expedite the receiving process by automation of data collection and retrieval. Should any problems arise regarding the temperature of goods, we will be able to quickly share all related data and insights with vendors. The monitor must be placed on the load by the shipper, not the carrier.

## Record Keeping

Monitors should be identified by brand and alpha-numeric serial number on the Bill of Lading. Peel off the "Red Tab" alpha-numeric serial number sticker on the top edge of the monitor and place it on the shipping paperwork. In addition, order "Orange" circle stickers to place next to the "Red Tab" monitor sticker on paperwork.

## Compliance

Any temperature-controlled freight load that is not equipped with a Sensitech TempTale RF monitor or a Sensitech TempTale GEO monitor or any load with any evidence of trailer or product temperatures outside the required storage conditions are subject to rejection. Any temperature-controlled freight load that is not equipped with a Sensitech TempTale RF monitor or a Sensitech TempTale GEO monitor is subject to a two-hundred dollar (\$200.00) fee per PO on the non-compliant load.

## Additional Information

For additional information about ordering the Sensitech TempTale RF monitor or the Sensitech TempTale GEO monitor, or the placement of the monitor, required specific product category temperatures and contact information, please reference the attachment in Appendix A.5.

# Shelf Life Requirements

## Shelf Life Requirements

All products must be shipped with sufficient shelf life to adhere to SMI shelf life requirements so that we maintain our promise to our customers of being the *Best in Fresh*. The SMI procurement team will inform vendors of any shelf life requirements. SMI reserves the right to refuse any product that does not meet the required amount of shelf life days at the time of receipt at the warehouse facility. This will result in refusal of product, disposition and possible disposal. Shelf life dates shipped by the vendor must be compliant with FIFO practices vs. prior shipments. In the event of a shipment that does not comply with SMI's shelf-life requirements,

SMI reserves the right to refuse cases, pallets or the entire shipment and will assess the vendor a three-hundred dollar (\$300.00) fee for each non-compliant item/ SKU.

### **Case Labeling**

Shelf life labeling should be clear and legible to receiving personnel on each case. It should be facing outward whenever possible so that it can be read and recorded in the most efficient manner.

### **Product Disposition**

Vendors will be notified of all refusals with an accompanying request for disposition. A response to the request must include a return authorization number. All products must be picked up by the supplier within seven (7) calendar days or they will be subject to disposal by Schnucks or its third party logistics provider (3PL). The options for disposition, which are outlined in detail in the Claims Processing section of this manual (page 15), include the aforementioned vendor pickup, authorized disposal, or authorized donation.

## **Country of Origin Labeling Requirements**

### **Compliance**

All shipments must adhere to requirements articulated in the Country of Origin Labeling regulations (COOL) set forth by the United States Department of Agriculture. For additional information on the regulations, please visit the following link: <https://www.ams.usda.gov/rules-regulations/cool>

For a review of the most frequently asked questions, please visit the following link: <https://www.ams.usda.gov/sites/default/files/media/COOL%20FAQs%20Final.pdf>

### **Package Labeling**

In accordance with these regulations, all shipments must clearly and distinctly declare the Country of Origin on the master case, as well as on any interior packages that will be for individual retail sale.

### **Bill of Lading**

All inbound Bills of Lading are required to list, by line item, the Country of Origin. If possible, vendors should list Country of Origin information on the invoice as well.

## **Unloading**

### **Responsibility**

The vendor is responsible for the unloading cost of all prepaid shipments unless both the SMI buyer and the SMI vendor compliance department expressly approve an exception in writing. SMI has contracted with professional unloading services to unload collect freight shipments and LTL carriers under contract with SMI, and the driver will not be charged for these unloading services. Items will be sorted and segregated to warehouse requirements, including the

warehouse Tix Hi. SMI utilizes the same unloading policy fee schedule for all facilities. The unloading fees will be charged to the vendor's carrier by SMI's third-party unloading service.

## **Insurance**

A driver may unload, sort and segregate his/her own load provided the carrier that he/she is employed by has current and appropriate insurance coverage (see below) with Schnuck Markets, Inc. as the certificate holder. If a carrier is not insured for their driver to unload, sort and segregate his/her own load, they must pay the unloading service to complete the process. If a driver chooses to not pay the unloading service and leaves the facility without delivering the product, the reservation will become a no-show and a three-hundred dollar (\$300.00) fee will be assessed for any carrier that is considered a no-show. SMI will not be liable for any redelivery fees incurred due to a carrier leaving the facility before scheduled delivery can be completed. Certificates of Insurance with the name of the insured carrier must be on file, receipt confirmed and insurance coverage approved by SMI's vendor compliance department at least fourteen (14) days prior to the date the driver arrives to unload. Certificates of insurance must be emailed to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com) for approval.

The carrier must meet the following insurance requirements:

### Certificate Holder:

Schnuck Markets, Inc.  
11420 Lackland Road  
St. Louis, MO 63146

1. Proof of Commercial General Liability Insurance, on an Occurrence Coverage Form

The requirements may be met by a combination of Primary and Excess Coverage. Such insurance shall name Schnuck Markets, Inc. as an additional insured. Minimum coverage limits are:

\$1 Million per Occurrence  
\$2 Million Annual Aggregate

2. Proof of Workers Compensation Insurance or Truckers Occupational Accident Insurance Coverage

Minimum coverage limits are:

Statutory workers compensation  
\$ 1 Million employers' liability insurance

3. Proof of Automobile Liability Insurance

Such insurance shall name Schnuck Markets, Inc. as an additional insured. Minimum coverage limits are:

\$ 1 Million Combined Single Limit

## Unloading Rules

If a carrier is insured and the driver chooses to not utilize the unloading service, the driver may unload but is subject to the following rules:

1. Insurance requirements set out in the “Insurance” section directly above must be met by the carrier.
2. The driver must check in with the unloading service upon arrival and prior to entering the unloading dock area.
3. All deliveries must be unloaded onto the dock in a safe and timely manner. A driver has a maximum of two (2) hours to unload, sort and segregate a load. After two (2) hours, the load must be turned over to the SMI unloading service for further unloading and payment of unloading fees.
4. Drivers only may unload or be on the unloading dock. Additional passengers or third party persons are not permitted on the dock at any time during unloading.
5. Drivers may not utilize SMI’s or its 3PL’s powered industrial equipment. Hand jacks are available for driver use.
6. Driver unloading on the dock must be performed within the area allocated to them by SMI or its 3PL partner. Drivers exceeding the assigned area will be asked to leave the dock and the load must be turned over to the SMI unloading service for completion and payment of unloading fees.
7. Items must be sorted and segregated to warehouse requirements. Product must be placed on an appropriate pallet type and must meet the warehouse Ti x Hi requirements for each item. The Ti x Hi requirements will be provided to the driver for each PO before the unloading process begins.
8. SMI, its warehouse operator or unloading service contractor will inspect products for damage, shelf life dates, quantities, etc. and disposition of such products will be determined in accordance with SMI’s OS&D (Overages, Shortages & Damages) policy directly below.
9. Final paperwork will note product totals, the SMI warehouse receiver’s name, and other pertinent information, including exceptions, with the load.

## Fees

For information on related unloading fees, please reference Appendix section A.2 on page 19.

# Overages, Shortages, and Damages (OS&D)

## Definitions

- Overage: any product SMI sells that was on the trailer but was not included on the BOL.
- Shortage: any product ordered by SMI and on the BOL but not included on the trailer

- **Damage:** product that would be unsalable if it were sent to a store. Any open packages, broken product seals, leaking product, or crushed cases are considered damaged.
- **Refused Product:** any product that was damaged (see definition above), product that SMI does not currently carry in inventory, product not ordered by SMI on a PO, products with quality issues, including not meeting shelf life requirements, or overages not approved by the SMI merchandising team. This could include product that was loaded on a trailer that was refused due to trailer conditions.

### Product Liability

- **Overage:** SMI will confirm the overage and SMI may buy the product or may initiate a return with refusal of the product.
- **Shortage:** In the event of a shortage, the vendor is expected to contact the SMI buyer to expedite a new PO, prior to shipment, for the shorted product and delivery of product at the vendor's expense.
- **Damage:** SMI or its third-party warehousing agents will dispose of any damaged product that cannot be salvaged, regardless of vendor delivery or SMI control.

### Action on Refusals

- **Vendor-Delivered Live Unloads:** Along with the signed BOL, the driver will be provided SMI's OS&D form with the discrepancy details listed by item. SMI will not be responsible for reporting OS&D information directly to the shipper on vendor-delivered loads.
  - **Refusals:** Refused product on vendor-delivered live unloads will be reloaded onto the delivering carrier's trailer.
- **Vendor-Delivered Drop Trailers:** The carrier will be contacted by email with the PO number and discrepancy details listed by item. SMI will not be responsible for reporting OS&D information directly to the shipper on vendor-delivered loads.
  - **Refusals:** Disposition of refused product on vendor-delivered drop trailers will be the responsibility of the vendor. A dropped trailer with refused product must be removed by the vendor from the premises within 48 hours of refusal notification, unless other arrangements have been agreed upon.
- **SMI-Controlled Freight:** For any load under SMI control from the ship point, SMI or its third party warehousing agents will report discrepancy details for each affected PO listed by item and within two business days of receipt. If vendor requirements based on CPU agreements differ from above, SMI will honor the agreed upon discrepancy reporting requirements.
  - **Refusals:** Disposition of refused product on SMI-controlled freight will be the responsibility of the vendor.

## Claim Processing

### Overview

For any product shipped in error; unauthorized shipment; early or late shipment; damaged goods or goods of unacceptable quality, including products stored or shipped at incorrect

temperatures or outside of acceptable temperature ranges; incorrect specifications; or goods with insufficient shelf life, Schnucks or its 3PL may reject/refuse the product at the time of delivery, may direct the carrier to retain possession, or may request a disposition recommendation from the vendor. A response with disposition and a return authorization must be provided within 24 hours of receipt of notification from Schnucks or its 3PL. In the event that a response is not received within 24 hours of notification, Schnucks has sole authority to determine product disposition. All claims are subject to cost recovery fees such as dumpster fees, labor fees, and freight expenses. Upon notification from Schnucks, vendor options are listed below.

### **Vendor Pickup**

A return authorization number must be provided in response to a request for disposition, and the product must be picked up by the vendor within seven (7) calendar days or it will be subject to disposal by Schnucks or its 3PL. The vendor is responsible for making pick-up arrangements and a fine to cover Schnucks' or its 3PL's costs of disposal may be imposed on the vendor.

### **Authorized Disposal**

Schnucks reserves the right to recoup the cost of disposal for large quantities of product or product that requires special handling and/or equipment or is recalled. In some cases, Schnucks may require the vendor to pick up in lieu of disposal.

### **Authorized Donation**

SMI may donate product to an organization/entity at Schnucks' discretion.

Any disputes of fees for non-compliance must be submitted no more than 90 days from date of delivery to a Schnucks facility. Vendors or carriers requesting a copy of a POD or BOL for a delivery to a Schnucks facility must be submitted within 30 days of delivery. Any disputes or requests beyond dates mentioned above may be denied.

## **Customer Pick-up**

### **Live Loads**

- Schnucks Markets expects all Customer Pickup (CPU) orders to be loaded within two (2) hours of the agreed upon appointment time, assuming SMI's or its carrier's driver arrives on schedule.
- Any delay that results in accumulated time of more than two (2) hours will result in charges assessed in *fifteen (15) minute increments at \$60 per hour*.

### **Drop/Hook**

- Schnuck Markets expects all CPU orders scheduled as Drop/Hook to be ready at the appointment time.
- Any delay that results in accumulated time of more than thirty (30) minutes will result in charges assessed in *fifteen (15) minute increments as \$60 per hour*.

### **Failure to Load**

- If a driver is delayed two (2) hours from the appointment time for a live load or for thirty (30) minutes from the appointment time for a drop/hook, Schnucks Markets reserves the right to instruct the driver to leave without the complete shipment. Under these circumstances, the vendor will be assessed all related costs, including the truck ordered not used (TONU) fee, as well as the cost for Schnucks Markets time, fuel and other related costs.

## Appendix

### A.1 Fees for Non-compliance

In order to incentivize compliance with this policy, SMI will charge its vendors fees for specific areas of non-compliance. These fees are in addition to and not exclusive of any other remedies available to Schnucks for non-compliance or unsatisfactory products or services. The table below lists each area of policy non-compliance subject to a fee, the fee charged for such non-compliance and the page in this policy where the specific compliance area is detailed. All questions concerning non-compliance fees should be submitted to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com).

<b>Area of Non-Compliance</b>	<b>Fee</b>	<b>Page in policy</b>
Failure to use Old Dominion Freight Line as Preferred LTL Dry Carrier	\$300.00 per non-compliant PO	4
Single parcel PO delivering to SMI facility over multiple days	\$300.00 per non-compliant PO	4
Failure to notify SMI via email of a parcel delivery prior to shipping parcel order	\$300.00 per non-compliant PO	4
Failure to include PO number or shipping address on BOL	\$200.00 per non-compliant PO	5
Failure to schedule a reservation for a shipment	\$200.00 per non-compliant PO	6
Delivery refused due to trailer/container conditions or loaded improperly	\$300.00 per non-compliant PO	6
Delivery refused due to quality issues of product, including temperature	\$300.00 per non-compliant PO	6
Product refused due to quality issues, including temperature	\$300.00 per non-compliant SKU	6
Carrier more than 30 minutes late to assigned reservation time	\$200.00 per non-compliant PO	7

Carrier fails to arrive for reservation on the scheduled delivery date	\$300.00 per non-compliant PO	7
Failure to cancel/reschedule reservation at least 24 hours in advance of original reservation	\$300.00 per non-compliant PO	7
Product shipped as a backorder using a previously shipped PO number	\$200.00 per non-compliant PO	10
Failure to use Sensitech TempTale RF temperature monitor on temperature-controlled freight	\$200.00 per non-compliant PO	11
Product refused due to non-compliance of shelf life requirements	\$300.00 per non-compliant SKU	11
Carrier leaves facility prior to completing the receiving process	\$300.00 per non-compliant PO	12

## CPU Fees

Reason for fee	Time allowed for delays	Fee Increments for delays	Rate per hour
Delay with loading a live trailer	Two (2) hours from appointment time for completion of loading	Fifteen (15) minute	\$60 per hour
Delay with loading a drop/hook trailer	Thirty (30) minutes from appointment time for completion of loading	Fifteen (15) minute	\$60 per hour
Failure to have product available for live load	Two (2) hours from appointment time	TONU fee and all related costs for SMI, including fuel and time	
Failure to have product loaded on a drop/hook trailer	Thirty (30) minutes from appointment time	TONU fee and all related costs for SMI, including fuel and time	

## A.2 Unloading & Sort/Seg Fees

### Current provider

SMI currently uses Capstone Logistics to provide unloading, sorting and segregation services at all of its warehouse sites. Requests for unloading receipts or unloading questions should be sent to the Capstone Site Manager at [40275smgr@capstonelogistics.com](mailto:40275smgr@capstonelogistics.com).

### Charges

Tiers (based on finished whse pallets)	Charge before any ancillary fees
Straight Roll Off ≤ 10	\$50.00
Straight Roll Off ≥ 11	\$70.00
Break Down ≤ 9	\$80.00
Break Down 10-15	\$100.00
Break Down 16-30	\$140.00
Break Down 31-45	\$205.00
Break Down 46-60	\$240.00
Break Down 61-90	\$290.00
Break Down 91+	\$360.00

### Ancillary Charges

\$10 per pallet restack for damage, bad wood, etc.

\$100 for container loads on the floor

**Total charge not to exceed \$400.00**

## A.3 Contact Information

### Overview

Should any questions arise regarding the content of this document, please direct all inquiries to [vendorcompliance@schnucks.com](mailto:vendorcompliance@schnucks.com). This policy can also be viewed on the Schnuck Markets website at [nourish.schnucks.com/suppliers](http://nourish.schnucks.com/suppliers).

**Additional** Reservation Scheduling Questions/Carrier Delays  
**Contacts** Email: [C3.inbound@schnucks.com](mailto:C3.inbound@schnucks.com)

Bridgeton Receiving Office  
12921 Enterprise Way, Bridgeton, MO 63044  
Email: [C3.inbound@schnucks.com](mailto:C3.inbound@schnucks.com)

Coldstor Receiving Office  
8525 Page Avenue, Vinita Park, MO 63114  
Email: [Coldstor-Inbound@trilogy3pl.com](mailto:Coldstor-Inbound@trilogy3pl.com)

SLNP Receiving Office (Dry)  
8500 Scudder Road, Kinloch, MO 63140  
Email: [slnp-inbound@penske.com](mailto:slnp-inbound@penske.com)

SLNP Receiving Office (Fresh)  
8500 Scudder Road, Kinloch, MO 63140  
Email: [slnp-inbound@penske.com](mailto:slnp-inbound@penske.com)

EDI Support & Questions  
Email: [edisupport@schnucks.com](mailto:edisupport@schnucks.com)

Vendor Setup & Questions  
Email: [vendorsetup@schnucks.com](mailto:vendorsetup@schnucks.com)

BOL/POD Requests  
Email: [accountspayable@schnucks.com](mailto:accountspayable@schnucks.com)

## A.4 Glossary

<b>BOL</b>	Bill of Lading
<b>COOL</b>	Country of Origin Labeling
<b>CPU</b>	Customer Pick-Up
<b>Damages</b>	Product that would be unsalable by SMI if it were sent to a retail location. Damages can include, but are not limited to, the following: any open packages, broken product seals, leaking product, crushed cases, infestations, etc.
<b>Drop Trailer</b>	Loaded trailer that is left onsite for unloading, unattended by the driver, with a scheduled appointment. <b><u>Only carriers that have been pre-approved by Schnucks, prior to delivery of the trailer, can drop a trailer at any Schnucks warehouse location.</u></b>
<b>FHSA</b>	Federal Hazardous Substances Act
<b>Live Unload</b>	The driver remains onsite while the trailer is unloaded
<b>LTL</b>	Less-than Truckload
<b>OS&amp;D</b>	Overages, Shortages, & Damages
<b>Overages</b>	Any product sold by SMI that was on the trailer but was not include on the BOL
<b>PO</b>	Purchase Order
<b>Reservation</b>	Appointment for delivery scheduled by carrier
<b>Roll Off</b>	Pallets unloaded from the truck that do not have to be broken down any further.
<b>Shortage</b>	Any products ordered by SMI, and on the BOL, but not included on the trailer.
<b>SLNP</b>	St. Louis North Park warehouse
<b>SMI</b>	Schnuck Markets, Inc.
<b>Whse</b>	Warehouse
<b>3PL</b>	Third-Party Logistics Provider

## A.5



### Temperature Monitoring Requirements for Frozen or Refrigerated Food

Schnuck Markets, Inc. has developed Temperature Monitoring requirements to assist with compliance to the Food Safety Modernization Act's (FSMA) Sanitary Transportation Rule for Human and Animal Food.

#### Requirement

Temperature sensitive loads are required to have a **Sensitech TempTale RF or TempTale GEO\* temperature monitor** on each load sent to Schnuck Markets, Inc. Any perishable load received without the authorized temperature recorder will be viewed as a willful failure to abide and may be subject to suspended future orders until compliance is reached. In addition, any load received with evidence of trailer and/or product temperatures outside of the required storage conditions (typically a cumulative of  $\geq 4$  hours) is subject to rejection.

Protecting the cold chain on our inbound perishable shipments is a high priority for Schnuck Markets, Inc., the *Sensitech* TempTale RF and TempTale GEO software technology on perishable loads allows us to:

- Review inbound perishable shipment temperatures to confirm that those in-transit temperatures were maintained during transportation.
- Expedite our receiving process with the speed and accuracy of wireless downloads to automate the data collected.
- Quickly share with vendors all temperature related data, graphs and temperature summary information, should there be a temperature issue.
- TempTale GEO monitors add an additional benefit of real-time temperature monitoring and location tracking throughout the trip.

\*In order for a TempTale GEO monitor to be considered in compliance, the vendor must enter the shipment information within [SensiWatch Tracks](#) (refer to page 5 for instructions). By correctly entering the shipment information, the monitor will automatically share real-time data throughout the trip and provide Schnucks a cold chain report upon arrival.

## Product Categories

Perishable product categories listed below are required to have the appropriate model sensor to be compliant.

### TempTale RF Models

Category	Spec. Range	Sensitech Model #
Produce/Floral	(33F degrees to 41F degrees)	RF Model # 7000-03-002
Produce/Bananas	(55F degrees to 62F degrees)	RF Model # 7000-04-002
Deli Products	(32F degrees to 41F degrees)	RF Model # 7000-03-002
Dairy Products	(32F degrees to 41F degrees)	RF Model # 7000-03-002
Fresh Meat/Poultry/Seafood	(28F degrees to 38F degrees)	RF Model # 7000-02-002
Frozen products	(-22F degrees to 10F degrees)	RF Model # 7000-02-434

### TempTale GEO Models\*

Category	Sensitech Model #
Fresh	TGLA01-02-003
Frozen	TGL01-02-003

\*Each has a 14-day run time. Reach out to Sensitech if additional time is needed.

## TempTale RF and TempTale GEO Ordering Information

To order TempTale RF or TempTale GEO monitor models and Green recorder location stickers, contact one of the Sensitech's Client Services Dept. Offices by email at [cs@sensitech.com](mailto:cs@sensitech.com) or phone:

**Beverly, MA. Office: 1-**

**800-843-8367 Fresno, CA.**

**Office: 1-800-344-7111**

**Upland, CA. Office: 1-800-**

**283-8033**

## Monitor Placement Information

Proper placement of the RF recorders, allow the receiver to quickly find the recorders upon arrival.

- Place the Green recorder location sticker on the side of one of the last two pallets, near the

rear truck doors at eye level.

- Place the monitor on the recorder location sticker and activate the monitor.



## Record Keeping

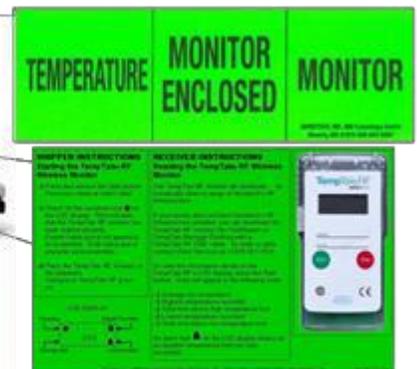
Identify each monitor on all shipments by brand and alpha-numeric serial number on the bill of lading. There is a “Red Tab” alpha-numeric serial number sticker on the top edge of each monitor with a barcode. Just peel off this sticker and place it on the shipping paperwork as a reference. Also, please order “Orange” TempTale onboard circle stickers to put on the shipping paperwork next to the monitor’s serial number sticker. Please refer to the Schnucks Cold Chain Monitoring Program Loading Checklist diagram below.

## Assistance

If you have any additional questions or concerns regarding TempTale Monitoring requirements, please contact the Schnucks Center of Excellence by email at [vendorsetup@schnucks.com](mailto:vendorsetup@schnucks.com) or by phone at (314)994-4420 (Option 2)

## Loading Checklist

TempTale Label Number:		PO #:		Response	
Carrier Name:	Trailer #:	Trailer Year:		Yes	No
<b>1. Cool Product To Ideal Temperature Prior To Loading</b>					
a) Is the product temperature at or near the ideal temperature?				<input type="checkbox"/>	<input type="checkbox"/>
b) Is the product temperature the same throughout the pallet (center <u>and</u> outside), and throughout the ~24 pallets on the shipment?				<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Prepare The Trailer Properly</b>					
a) Is the reefer set point correct, as defined in the SOP's?				<input type="checkbox"/>	<input type="checkbox"/>
b) If this is a chilled load (vs frozen) is the reefer unit in continuous mode?				<input type="checkbox"/>	<input type="checkbox"/>
c) Is the trailer pre-cooled at the set point for 30 to 60 minutes prior to loading?				<input type="checkbox"/>	<input type="checkbox"/>
d) Using a thermometer, check the wall temperature in the front, middle and back of the trailer. Are the wall temperatures at or near the set point?				<input type="checkbox"/>	<input type="checkbox"/>
e) Are the walls and ceiling free of holes?				<input type="checkbox"/>	<input type="checkbox"/>
f) Is the air chute free of damage?				<input type="checkbox"/>	<input type="checkbox"/>
g) Is the air chute properly attached to the front bulkhead and ceiling?				<input type="checkbox"/>	<input type="checkbox"/>
h) Is the floor clean and free of debris?				<input type="checkbox"/>	<input type="checkbox"/>
i) Are there drain caps (Kazoos) on the trailer floor drains?				<input type="checkbox"/>	<input type="checkbox"/>
k) Are the seals on all doors free of damage?				<input type="checkbox"/>	<input type="checkbox"/>
l) Is the trailer free of objectionable odors?				<input type="checkbox"/>	<input type="checkbox"/>
<b>3. Load The Trailer Properly</b>					
a) Are pallets loaded in a centerline pattern so that no pallets touch the walls?				<input type="checkbox"/>	<input type="checkbox"/>
b) Is pallet height below the red line, if present, or is product 12+ inches from the ceiling?				<input type="checkbox"/>	<input type="checkbox"/>
c) Are loads locks being used to secure the pallets?				<input type="checkbox"/>	<input type="checkbox"/>
<b>4. Verify The TempTale Is Started &amp; Placed Properly</b>					
a) Is the TempTale serial number documented on the bill of lading?				<input type="checkbox"/>	<input type="checkbox"/>
b) Is there an orange "TempTale on Board" label on the bill of lading?				<input type="checkbox"/>	<input type="checkbox"/>
c) Is the TempTale started? Is a sun icon visible in the top left corner of the LCD display?				<input type="checkbox"/>	<input type="checkbox"/>
d) Is the TempTale securely attached to the last pallet loaded, passenger side, at eye level?				<input type="checkbox"/>	<input type="checkbox"/>
e) Is there a green "Monitor Enclosed" label on the pallet with TempTale monitor?				<input type="checkbox"/>	<input type="checkbox"/>



Questions? Contact David Kamens



## Supplier Instructions

### Login

Click the link to launch SensiWatch Tracks:

<https://tracks.sensitechccv.com/>

Type your User Name and Password, click Login (1).

Click Create Shipment (2).



### Enter Shipment Attributes

Manually type information into a free form field (3) or click a down arrow (4) to view a list of choices.

- 3 - **\*Serial No.:** Type the serial number (10 alphanumeric characters).
- 4 - **\*Program:** Click the down arrow to view and select a program. The program is the company that requested the monitor.
- 5 - **\*Product:** Click the down arrow to view and select a product.
- 6 - **\*Origin:** Click the down arrow to view and select an origin.
- 7 - **\*Destination:** Click the down arrow to view and select a destination.
- 8 - **Schnucks PO #:** Type the Schnucks PO #.
- 9 - **Customer Ref #:** Optional field.
- 10 - **Planned Departure Time:** Optional field.
- 11 - **Planned Arrival Time:** Optional field.
- 12 - **Carrier:** Optional field.
- 13 - **Trailer ID:** Optional field.
- 14 - **Shipment Notes:** Optional field.
- 15 - **Save:** Click Save.
- 16 - **Exit:** Click the  icon to exit the Create Shipment view.



\* Indicates a required field.

### Logout

Click the Gear (17) icon, click logout.

sensitech.com



A Carrier Company

Questions? Contact David Kamens  
978-810-5068 or [dkamens@carrier.com](mailto:dkamens@carrier.com)



## Supplier Instructions

### Start The TempTale® GEO LTE

Press and **hold** the **green** Start (1) button until the Status LED (2) starts to blink rapidly. When the LED stops blinking the TempTale GEO LTE is ready to be placed.



**Note:** If the Error LED (3) is blinking DO NOT USE the monitor.

### Status Check

Press the **blue** Status (4) button to view the status of the TempTale GEO LTE.

**Note:** The Status button may be pressed at anytime to view the status of the TempTale GEO LTE.

LED EXPLANATION		
BLINK PATTERN	STATUS LED (2) GREEN	ERROR LED (3) RED
4 Blinks	Not Started	<b>DO NOT USE THE TEMPTALE GEO LTE</b>
2 Blinks	Started/Recording	
1 Blink	Stopped	

### Place The TempTale GEO LTE

Remove the protective paper from the adhesive strip on the back of the TempTale GEO LTE and place it on the TOP of the last pallet loaded on the passenger side of the trailer.

