

VENDOR INSTRUCTIONS
NOTICE OF PROMOTION ALLOWANCE (NOPA)

In order to maintain efficient collaboration with our trading partners and eliminate paper-based manual processes, Safeway will only accept our Notices of Promotion Allowances (NOPA), through our Edeals internet portal. The web address to access Edeals is <https://mydt.demandtec.com/>. For trading partners that do not have internet access, they can submit NOPAs by accessing the internet at third-party locations, such as public libraries or copy stores. In the initial Edeals login screen, new suppliers should click on the “create vendor account” link and go through the self-registration process. If you have questions, please contact Edeals customer service at (925) 460-9120 or e-mail customerservice@demandtec.com

When completing a NOPA form, ALL of the information at the top or header level applies to all of the items listed beneath it. A NOPA must be submitted for each Division to which the allowances are intended to apply. Any single NOPA should contain (i) only items that are to be provided by the same ship-from/ship-to vendor, or (ii) only items that are provided by the same DSD distributor with identical deal amounts for each cost area covered by the NOPA. A single NOPA should include only items that would be on the same warehouse purchase order.

Each NOPA submitted for a Safeway Division will be deemed an offer to provide the promotional allowances described therein to all warehouse distribution centers for that Division. As long as the vendor’s product line is identical exactly the same across all distribution centers for that Division, a single NOPA shall be sufficient to cover all distribution centers in that Division.

To accommodate product transportation, a NOPA that includes case allowances for the Seattle Division with respect to product for the Alaska Distribution Center will apply to deliveries on and after the date seven days before the date noted on the NOPA.

The NOPA shall not be binding on either party until it has been executed by an authorized representative of that party (which, in the case of Safeway, shall be its Manager of National Categories (“MNC”) or his or her designee), at which time it shall become the binding agreement of that party. Verbal agreements and form documents (other than the NOPA) that reflect additional requirements or other terms with respect to allowances contrary to the NOPA shall be given no effect. The subject matter of each NOPA shall be allowances and predicate performance only; any language added to the NOPA with respect to other subject matter, or that would contravene or limit Safeway’s discretion in determining retail pricing, event details, retail execution, or supply chain practices, or would condition any allowance, rebate, or other compensation thereon, shall be deemed superfluous and shall be given no effect. The NOPA sets forth terms under which Safeway may earn certain allowances; nothing in the NOPA or herein shall be deemed to be an undertaking on the part of Safeway to perform or to forbear any action whatsoever. The NOPA form may not be modified in any manner without the written consent of authorized representatives of both Vendor and Safeway. Any changes, including vendor list cost changes must be submitted on the appropriate Safeway change form. As used herein, the term “Safeway” shall be understood to refer to Safeway Inc. and/or any of its affiliates or subsidiaries, as appropriate.

HEADER INFORMATION:

1. NOPA Status - *Required*. New, Revised, or Cancel. Check one box only. Revisions should call out clearly, in the comment field, which fields or values are being changed. Make certain that the revised NOPA is identical to the original with only the revised fields being changed. All other information should be completed exactly as the original. The content of the changed and the date should be called out in the Comment Field (28).
2. Overlapping Offer Number – If this offer will be overlapping at any time with another offer, this field must be completed. Please list the offer number associated with the other allowance.
3. Division Name – *Required*. Indicate the Safeway Division for which this allowance is being offered. Valid values are Canada, Denver, Dominick’s, Eastern, Genuardi’s, Norcal, Phoenix, Portland, Seattle, Texas, Vons, CPS, and CPS East. Each Division must have a separate NOPA.
4. Deal Dates – *Required unless noted below*. You may choose only one set of dates; Order, Ship, or Arrival. Safeway’s systems will calculate the other two sets of dates based on information you have

provided and transit time. Seasonal programs only may have a last order date in addition to a set of ship or arrival dates. If an offer is presented for a new item not yet listed at Safeway and the order, ship, or arrival dates are not fixed for the trade, the duration of the offer must be communicated in the Comment section (field #28) and the deal dates left blank. If an allowance is in support of item discontinuance, the dates should be left blank for that allowance and the notation “disc item” noted in the “Specific Performance Name” field. The following describes how Safeway calculates the multiple dates based on the single value you provide:

- a. **If Order Dates Entered** - Ship dates will be calculated as order date plus lead time minus transit time, and arrival dates will be calculated as order dates plus lead-time.
- b. **If Ship Dates Entered** – Order dates will be calculated as ship date plus transit time minus lead-time, and arrival dates will be calculated as ship dates plus transit time.
- c. **If Arrival Dates Entered** – Order dates will be calculated as arrival date minus lead-time, ship date will be calculated as arrival date minus transit time.
- d. **DSD (Direct Store Delivery)** - All order, ship, and arrival dates will be set to be equal. Vendor should set store arrival dates.

Orders submitted to Vendor in accordance with the dates so calculated shall be eligible for allowances Described in the NOPA

Note: If the offer includes case allowances for the Seattle Division, the offer dates for the Alaska Distribution Center will be deemed to be the dates seven days prior to the dates noted in the NOPA, to accommodate product transportation.

- 5. Offer Number – *Required, Maximum length 8 numbers and/or characters.* This number is the Vendor’s deal identifier; it helps associate the written contract with the systematic execution at Safeway, and facilitates communication between Safeway and its vendors. This number must to be unique within each Division to each manufacturer/vendor. An offer presented by a single vendor for the same performance and time frames may use the same offer number in each Division. **Any notice of revision or cancellation of a NOPA must include the original offer number.**
- 6. Performance Date Range OR Specified Performance Name - This is an “either/or” selection. If you select “Performance Date Range”, this indicates that the allowance is conditioned upon performance commencing within that range within that range of dates. If you indicate “Specific Performance Name”, the allowance is conditioned upon use of the named performance vehicle and is subject to the establishment and/or modification of that vehicle’s dates by Safeway. If Safeway modifies the duration of the “Specified Performance” event, a new NOPA must be prepared and signed. If the offer contains a case allowance and the offer dates need to be changed to accommodate the vehicle date changes, a new NOPA must be prepared and signed. A couple examples follow: (1) If you are requiring performance in the first quarter, you would fill in: 1/1/XX to 3/31/XX. (2) If you were requiring a specific vehicle, say cycle “March B” or ‘Week 8’, you would fill in either of those identifiers and leave the data range blank. Safeway would then set the performance time frame for the particular vehicle. If you fill in both fields, the NOPA will be returned to you for revision. For discontinued items item support allowances, please indicate “Disc Item” in the Specified Performance Name field. Do not enter any specific dates.
- 7. Flat Allowance Amount – The lump sum dollar amount being offered in exchange for the minimum performance noted under “Flat Performance Code”.
- 8. Flat Performance Code – This is the performance code, found on the back of the NOPA, which describes the performance required to earn the lump sum dollar amount listed in the “Flat allowance Amount” field. By filling a code number in both spaces, separated by the “Or”, you can express variable performance minimums. The codes in the following table are the various performance descriptors available for use:

<u>Performance Codes</u>	<u>Definitions</u>
01 Purchasing Allowance	Requires listing and purchase of product.
02 Truckload	The allowance will be based on truckload purchase quantities
03 Contract Payment	Contract allowance payment; (as defined in Comment Field (28))
04 Placement	New item placement allowance
05 Scan	Payment calculation method. The allowance will be based on the

	product(s) scanned at the stores for the total duration of the price reduction in the performance window.
06 Ship	Payment calculation method. The allowance will be based on the qty product(s) shipped to the stores.
08 Logistics Efficiency Allowance	Allowance based on meeting requirements of efficient logistics processing
10* Print	Required print media on product(s) offered.
20* Paper Coupon	Requires Printed Paper Coupon on product(s) offered.
30 Lifestyle Grand Opening	Payment calculated on electronic discount transactions for LSGO stores only
32 POS-Advertising Expense	Participation fee for Special Events (does not include redemption)
38 Electronic Discount	Payment calculated on electronic discount transactions (used at MNC direction only)
60* Reduced Price	Requires a price reduction for product(s) offered.
85* In-store Electronic Media	In-store Satellite Network, In-store television, or Point of Sale broadcast on product(s) offered.
88* Ad or Display or Red Price	Requires ad, display, or reduced price for product(s) offered.
67* EDLP-Continuous Price Red	Requires long term continuous price reduction
92 Special Events	Final reconciliation for multi-vendor/ category events
A4* In-store Electronic Media	In-store Satellite Network, In-store Television, or Point of Sale broadcast on product(s) offered. Specify required media in comment field.
B1* EDLP-Continuous Price Red	Requires long-term continuous retail price reduction.

*These codes are part of the UCS standard

Backup material is available for review upon request.

Note: Placement allowances, coded 04, are funds to offset cost incurred to setup item in retailers systems and ship to retail stores, but Safeway makes no commitment hereunder with respect to such setup and/or placement, including any expressed or implied guarantee of duration.

9. UPC System # - *Required*. The UPC system number that appears on the consumer product represented on this NOPA. For example, if the consumer product bears a national drug code in its UPC, the system number on the package is probably "3". If the product is Meat random weight, use "2". If Produce random weight, use "RW".
10. UPC Manufacturer # - *Required*. The five digits that represent the manufacturer portion of the UPC on the consumer product listed on the NOPA. If product is Meat or Produce random weight, leave blank.
11. Billing Name - *Required*. This is the name of the entity to which this allowance will be billed, and which is responsible for payment thereof. This may differ from the name of the company on the purchase order. For example, with Corporate Branded product, if a co-packer is offering the allowance, the co-packer's name should appear in this field. **IMPORTANT: This *is not* a broker name and address, unless the broker owns the product and we pay the broker for its regular purchase.**
12. Billing Address - *Required*. The complete address of the entity to which this allowance will be billed and which is responsible for payment of the allowance, not the broker's address.
13. Contact Representative - The name of the individual who offered this allowance to Safeway.
14. Telephone - The telephone number, including area code, of the contact representative.
15. Contact Email Address - Contact's email address for correspondence.
16. Contact Fax - Contact's fax number

ITEM DETAIL INFORMATION:

17. Safeway Corporate Item Code - *Required*. Called a "CIC", this is the eight-digit number that identifies a specific item to Safeway for a specific distribution channel. This number may be identical across the Safeway enterprise, but can also be different for one of the following reasons:
 - a. Distribution is mixed between warehouse and DSD.
 - b. The item has a different vendor order code identifier in different parts of the country.
 - c. The pack and/or size are different in varying parts of the country.
 - d. Our warehouse-to-store shipping quantities differ in some regions.

The only instance where a CIC requirement on the NOPA can be waived is if the NOPA is submitted to Safeway with the new item form for that UPC. The word "NEW" should then be entered into the

Safeway Corporate Item Code column for that UPC. A current list of items with associated CIC's is available by contacting your Safeway category management or buying representative.

18. UPC Case – Required. This is the five-digit number that identifies a case of the product to the manufacturer. It is a numeric field only. It may or may not be the same as the consumer UPC. For Meat or Produce random weight, use supplier's identifier number.
19. UPC Consumer – Required. This is the five-digit number that identifies the consumer product to this manufacturer. It is a numeric field only. For Meat random weight, enter the system 2 scale UPC number. For Produce random weight, enter the industry PLU number.
20. Vendor Pack/Size – Required. The pack/size field represents the number of consumer units and the size of each consumer unit in a master case, as purchased from the manufacturer or distributor. For example 12/12 oz, or 12/12 fz. Might describe a case of 12 consumer units of product, which are 12 ounces or 12 fluid ounces each. If a master case has an inner pack, it might read 4/3/12 oz. This would indicate that a case has 4 inner packs, each containing 3 consumer units that are 12 ounces each. If we buy "eaches" from a distributor at the store backdoor, the pack/size might read 1/12 oz. It is important to understand that the same pack/size must be used on this form with the allowance type and amount to define the allowance per consumer unit. The following are definitions and examples to help clarify this confusing topic:

Using hash marks to separate the fields, Safeway breaks goods down from purchased quantity to quantity sold to a consumer in the following manner.

Conversion / Pack / Consumer Unit Size

Conversion factor (CF) is the number of warehouse shipping units in a vendor master unit. A CF is not noted, and the first hash mark is removed, if the CF is one. Pack is the number of consumer units in a warehouse shipping unit or store receiving unit. Consumer unit size represents the size and quantity of each unit the consumer may buy.

A 12 pack case of 12 ounce cans of green beans would be represented: 12/12 oz

A 4 pack case of 6 pack cans of soda would be represented: 4/6-12 FZ

A case of 24 tubes of toothpaste with 2 inner packs of 12 would be represented: 2/12/6 oz

21. Brand & Product Description – Required. The description is the Brand name, product, and flavor, as written on the consumer product's label.

The following fields, numbers 22 through 25, may reflect up to four entries for an individual item. This allows for multiple allowances based upon specific requirements.

22. Allowance Type – Required. The allowance type is used to quantify the "unit" on which the allowance amount will be paid. It is important that the allowance type and amount be reflected in the same units or over/under billings may occur. Vendor shall be responsible to Safeway for all allowances described in the NOPA and/or for Safeway's out-of-pocket expenses arising from Safeway's reliance upon allowances so described, even if the NOPA includes errors in these two fields or is otherwise erroneous. The following table of allowance types is also noted on the back of the NOPA:

C	Paid per Case
T	Per Transaction (can be paid on ship or scan)
A	Flat Amount
F	Free Goods

23. Allowance Amount – Required The amount of the allowance, expressed in dollars and cents, that will be earned by meeting the requirements set forth in the Performance Code column. It is important that the allowance amount indicated be appropriate to the allowance type indicator and representative of the correct ratio of money to units. For example, on a case of 12 cans of product, a scan allowance represented as a "T" allowance type combined with the intended full case scan allowance amount of \$1.20 will result in the \$1.20 being collected on each consumer product scanned, not \$1.20 for 12

units in a case. The proper way to indicate the allowance relationship in this case would be a “T” allowance type and an allowance amount of \$.10. Vendor shall be responsible to Safeway for all allowances described in the NOPA and/or for Safeway’s out-of-pocket expenses arising from Safeway’s reliance upon allowances so described, even if the NOPA includes errors in this field or is otherwise erroneous. Allowances on random weight items, when per pound allowances are offered, should be listed on the NOPA as a “T” allowance type with the allowance amount reflecting the dollar amount followed by “per lb”. For example “T .50 per lb” would be interpreted as 50 cents per pound. Safeway will convert the allowance to a per case allowance based on the actual weight of cases purchased.

24. OI or D – *Required*. Off Invoice or Deduct. Valid values are “OI” for allowances that will be paid off invoice at the point of purchase, either with warehouse receiving or direct store delivery to the backdoor receiving system. “D” signifies deduct allowances, which will be calculated post receiving or performance, based on the type of allowance, and deducted with allowance billing invoice creation. This process may be either automated or manual, at Safeway’s discretion. It is critical that the vendor represents this indicator based on how the vendor system will actually pay the allowance. If an allowance is represented as deduct/billback and it is paid off-invoice, Safeway will accept the off-invoice allowance AND bill back the allowance as represented on the NOPA in order to keep its audit records intact. A misstated allowance payment indicator requires manual handling of every invoice at the buyer and accounting level, causing significant increased cost to handle, both for Safeway and for the vendor.
25. Performance Code – *Required*. This is the performance code, found on the back of the NOPA, which signifies the performance required to earn the allowances noted for a particular item. One should pay particular care when placing the performance codes in the space provided. A numeric value placed on each side of the “or” will signify optional requirements. For example, “10 or 60” would signify to the Manager of National Categories that either print or reduced price performance would earn the allowance. Placement allowances must be placed at the item level, not the header level of the NOPA. Scan and electronic discount allowances will be billed for the price effective dates in-store, not the vehicle or print dates.

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26. Free Goods – If free goods are offered as an allowance, to qualify for a performance, this field allows the vendor to indicate the multiples of the free offering. For example, if a free good allowance were offered at a level of one free case with every four cases purchased, this field would be filled out as “1 with 4”. An offer of a specific number of cases free should be noted as “A \$.01” in the item allowances fields, with explanation in the Comment Section. It should be clarified if the free goods will be billed back as a lump sum or if it will be given off invoice. Free goods will be calculated as cases free multiplied by vendor list cost.
27. DSD Only, Cost Areas – Required if DSD. If this allowance offering is from a direct delivery distributor, the representative must indicate all of the cost areas to which this offer applies. A current list of cost areas for a particular distributor may be obtained by contacting your DSD buying representative.
28. Comments - Comments should be used sparingly to clarify requirements. They should not include ‘wish lists’ nor should they stipulate performance retail prices. Any comment regarding retail price will be deemed informational and not part of the agreement or contract. The comment field is to clarify things that cannot be easily described in the upper portion of the form. For example, if an offer is for a limited set of stores, the store numbers should be listed in the comment field. If an offer is a standing offer for an event in a Division, such as a grand opening or remodel, the comment should include the event that qualifies the offer and the performance dates in the header would indicate the potential duration of the offer. If the offer is good for a specified number of purchases, it should be so noted in the comment.
29. Date Offer Signed – Required The date the offer is signed should be filled into this position. If the NOPA is a revision, it should represent the date the revision was signed.
30. Manufacturer Representative Signature – Required. The signature of the agent representing the manufacturer for this offer. This must be an actual signature. Any NOPA presented electronically via email must have a fully typed name in this field. Additionally, the email sender must be recognizable to the MNC, the NOPA must be attached as a file name including the offer number, and a sentence including the Manufacturer Billing Name must be included in the body of the email text.
31. MNC # - Manager of National Categories number.
32. MNC Signature – Required. The signature of the MNC upon reviewing the NOPA for completeness, and acknowledgement that the NOPA represents the intent of the agreement between Safeway and the Vendor.