

April 16, 2004

<<supplier name>>

<<address>>

<<citystatezip>>

**Re: Safeway Seafood Vendor Requirements**

Dear <<suppliername>>,

You recently received a letter from Safeway Inc. discussing your compliance with the upcoming Country of Origin Labeling regulations. As promised, we are following up with this letter describing the specific requirements mandated for all seafood vendors, suppliers and manufacturers conducting business with Safeway Inc. These standards will ensure Safeway's compliance with the Country of Origin Labeling [COOL] law and the USDA's proposed guidelines for method of production identification, consumer notification and the associated record keeping requirements.

The requirements set forth below may differ from or exceed those provided to you by other retailers. Your compliance with these requirements and the regulations, however, are a prerequisite to your continued status as a Safeway Inc. seafood vendor, supplier, or manufacturer. The following requirements apply to all vendors supplying a COOL covered commodity to Safeway retail stores, distribution centers or supply plants via all distribution methods (warehouse delivery, direct store delivery, warehouse cross-docks, and direct plant to store deliveries).

Vendor Requirements

The COOL regulations apply to: Wild and Farm-Raised Fish and Shellfish. *All fish and shellfish, whether chilled, frozen, raw, cooked, breaded, or canned. This includes fillets, steaks, nuggets, and other flesh from wild or farm-raised fish and shellfish.* Consequently, vendors, suppliers and manufacturers supplying covered items to Safeway must comply with the following:

1. Must include company name on the outer case/shipping unit.
2. Must include Safeway's PO number on the outer case/shipping unit for all warehouse delivered product. In addition, the vendor/supplier/manufacturer invoice number must appear on the outer case/shipping unit for all direct store delivery products.
3. Include COOL details\* per commodity on the outer case/shipping unit with indelible ink.
4. Do not commingle COOL details within a:
  - a) like production code identifier (lot number) / production run;
  - b) case/shipping unit;
  - c) single pallet of the same item.

---

\*COOL details = Country of origin, method of production inclusive of wild or farm-raised fish and the associated production steps whether hatched, raised, harvested, or processed. [State and regional labeling programs, such as "Alaskan Salmon" do not meet the Country of Origin Labeling (COOL) requirements.]

5. Include a minimum of one shipping document reflecting COOL details by line item, per commodity [i.e. Bill of lading, packing list, DSD invoice.\*\* See 'Appendix A' for example].
6. Maintain production records reflecting the location of the harvester and production facility for each COOL covered commodity.
7. Include COOL details on the saleable unit of each pre-packaged item.
8. Saleable units of covered commodities pre-packaged and pre-COOL labeled require a unique product identifier number (lot number) to facilitate tracking the origin of the product within the vendor/supplier/manufacturer's production and distribution channels. Additionally, each Safeway private label (a.k.a. Safeway corporate brands) product must reflect the Safeway assigned facility number for the vendor/supplier/manufacturer's production location on each saleable unit.
9. Maintain a minimum three years of records for all COOL covered commodities transaction records from the date of shipment to Safeway. (Your record retention is necessary to support the two-year record retention requirement beginning with the date the origin declaration is made at retail.)
10. No single purchase order may be delivered to a Safeway warehouse via multiple deliveries, including deliveries of an item pursuant to a single purchase.
11. Provide Safeway with return authorization and full credit value for non-COOL compliant product on-hand at our stores or warehouses or delivered after the Safeway required compliance date for your product type: [Frozen - June 1, 2004 / Fresh - July 1, 2004 / Canned-shelf stable - July 1, 2004].
12. Each case of random weight items requiring further in-store processing must include a minimum of two COOL details product placards for every five net weight pounds. See 'Appendix B' for example.

### Deadlines

All vendors, suppliers, and manufacturers supplying a COOL covered commodity must meet our compliance requirements as they apply to deliveries to our stores and warehouses, beginning:

Frozen products	-	June 1, 2004
Fresh products	-	July 1, 2004
Canned / shelf-stable products	-	July 1, 2004

For additional reference materials, please refer to our Safeway Inc. supplier web site for current information: <http://www.safeway.com/supplier/> or e-mail: [cool.support@safeway.com](mailto:cool.support@safeway.com).

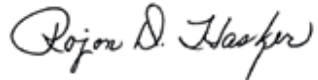
The aforementioned Safeway Inc. specific requirements are in addition to those already existing legal, contractual, shipping and billing requirements. Non-compliant products will be returned to vendors for full credit value, as of the defined transition date for your product type.

I would like to remind those of you who have yet to forward your signed and completed COOL compliance agreement and COOL contact information, to do so immediately. (Refer to my March 9, 2004 letter. Please note the April 15, 2004 letter of assurance deadline.) All executed forms should be faxed to Mike Looney at 925-467-2757.

<p>**DSD invoice numbers = Direct store delivery invoice numbers are limited to using a maximum of three alpha characters for your invoice number.</p>
--

We appreciate your efforts in complying with the law and assistance in helping Safeway Inc. comply with the Country of Origin Labeling regulations and fulfill our responsibilities to our customers. Of course, if the regulations or USDA guidelines are amended such that we require less information or otherwise require additional information, we will contact you accordingly. If you have any questions in the meantime, please contact Mike Looney at 925-467-2074 or Scott Chelf at 303-843-7584.

Sincerely,

A handwritten signature in cursive script that reads "Rojon D. Hasker".

Rojon Hasker  
Sr. Vice President, Marketing & Merchandising  
Safeway Inc.



Appendix B

Vendors/suppliers/manufacturers that provide random weight items for further in-store processing must include a minimum of two COOL details product placards in each case for every five net weight pounds of product. Items to be re-packaged into retail consumer trays and/or marketed in our full-service cases will require their COOL details to appear on the scale label. The scale label is Safeway's method to communicate consumer notification for COOL details. To ensure that our in-store employees accurately reflect the COOL details as stated by our seafood vendors/suppliers/manufacturers, your product placards should reflect the components outlined in the sample below. Placards must be enclosed in a separate, sanitary waterproof package inside each case/shipping unit. The placard should be made of waterproof durable card stock with information written in English using block letters and indelible ink. (Minimum size: 2.5"W x 3.0"L)

← 2.5 inches (US) →

↑ 3.0 inches (US) ↓

<b>SUPPLIER:</b>	<u>YOUR LOCAL SEAFOOD SUPPLIER</u>
<b>PRODUCT:</b>	<u>TROUT RAINBOW DRESSED FRESH</u>
	WILD <u>FARM-RAISED</u>
<b>PRODUCT OF:</b>	_____
<b>IMPORTED FROM:</b>	_____
<b>HATCHED:</b>	<u>MEXICO</u>
<b>RAISED:</b>	<u>MEXICO</u>
<b>HARVESTED:</b>	<u>USA</u>
<b>PROCESSED:</b>	<u>USA</u>
_____:	_____
<b>TRACKING NUMBER:</b>	<u>PO #872935</u> (OR INVOICE NBR)