Product Recall & Withdrawal Policy

For Suppliers of UNFI

April 2019

STATEMENT OF POLICY & PURPOSE

At UNFI, the health and safety of our customers is a top priority and we are committed to distributing safe, high quality products that fully meet safety, regulatory standards. UNFI knows you are equally committed to these goals. We recognize that situations may arise requiring immediate action in order to contain a problem and avoid potentially harmful products from entering or remaining in commerce. Our Product Recall & Withdrawal Policy for Suppliers (Recall Policy) helps us prepare for these incidents and provide guidance when actions are necessary.

The Recall Policy outlines our expectations and provides a list of contacts for suppliers to use in case of a recall or withdrawal. It is imperative that all potential participants in a contingency situation become familiar with their responsibilities. Timely and effective communication will guide the decision-making processes so that the necessary actions are taken with the urgency required to protect consumers. Prompt identification, location, and retrieval of impacted products may also avoid enforcement actions by regulatory agencies and unwanted media attention.

The Recall Policy is also an important piece of UNFI's internal recall plan so that the urgency and level of information flow is fully understood by suppliers. The adequate and timely flow of information from suppliers to the appropriate staff at UNFI will determine the effective execution of a product recall or withdrawal. This Recall Policy will be reviewed on an annual basis and updated as needed. See Appendix A for definitions of terms used in this Recall Policy.

SUPPLIER COMMUNICATION EXPECTATIONS

Supplier must provide, in writing, their most current recalls and withdrawals contact information to their UNFI Supplier Manager and must promptly update UNFI of any changes to this information.

Furthermore, suppliers must immediately notify UNFI and all of the National Recall Team members (recalls@unfi.com) of each and every recall and withdrawal and must provide all of the pertinent information regarding the recall or withdrawal. Suppliers must supply factual information in writing via email (first) and may supplement with a phone call and must include the following on a **dated official company letterhead**:

- Product description with all relevant information:
    - Lot or series number
    - PO number
    - Production date
    - Sell date
    - How was product found?
- Date and quantity shipped
- When and where product was grown or manufactured
- Recall classification (if assigned)

- What hazard, health, or otherwise, does the product pose to the public?
- Reportable Food Registry Report Number (if applicable)

- If a health hazard:
    - Has anyone been hospitalized?
    - Has anyone died?
    - What pathogen is involved?
    - Were there any injuries that did not require hospitalization?
    - What was the nature of the contamination-tampering?
- Has the supplier contacted the appropriate regulatory agency?
    - If so, when did the supplier make contact, and what agency was notified?
- What steps has/will the supplier take to communicate the recall to the media?

Supplier should continue to contact UNFI until such time that they receive written confirmation that the recall and withdrawal information has been confirmed, received, and adequate.

Suppliers should immediately update UNFI of any change in recall and withdrawal status and to the same people, by phone and written via email, with the same detailed information as stated above.

Suppliers may **not** send recall or withdrawal notifications via paper mail. Failure to follow notification policy may result in additional fees, cost, and liabilities.

FEES ASSOCIATED WITH A RECALL OR WITHDRAWAL

<table>
<tr><th rowspan="2">Category or Class</th><th colspan="2">Quantity of Customers Potentially Receiving Affected Product</th><th rowspan="2">Charge per Distribution Center Affected</th><th rowspan="2">Disposal Fees</th></tr>
<tr><th>0-100</th><th>101+</th></tr>
<tr><td>DC Withdrawal or Recall</td><td colspan="2">$3000 flat fee</td><td rowspan="3">See UNFI Disposal Fees*</td></tr>
<tr><td>Market Withdrawal or Recall</td><td>$2500</td><td>$5000</td><td>$500</td></tr>
<tr><td>Expansion of Market Withdrawal or Recall</td><td>Additional 50% of the above fee</td><td>Additional 50% of the above fee</td><td>$250 per DC; $500 for additional DCs</td></tr>
</table>

- Supplier must provide instructions regarding disposition within 48 hours of Recall or Withdrawal notice; otherwise, UNFI will determine the disposition e.g., destruction, return to vendor (RTV), donate, etc.
- Costs, fines, and/or administrative fees assessed by UNFI's customers may be charged back to supplier.
- Product reimbursements will also be charged back as stated in the supplier agreement and/ or prevailing terms and conditions as applicable.
- Without delaying necessary notifications to protect public health, supplier shall provide prompt, adequate information prior to UNFI customers or are otherwise subject to a $1000 fee.
- A Recall or Market Withdrawal notification must reach UNFI within 6 hours; notifications that reach UNFI more than 24 hours are subject to a $1000 fee.
- UNFI reserves the right to recover additional costs and fees in circumstances in which the actual costs that it incurs in connection with any recall/withdrawal exceeds the designated fees otherwise indicated through out this policy.
- UNFI may review total fees with Supplier per Recall or Withdrawal on a case by case basis.

UNFI DISPOSAL FEES

A minimum charge of $200.00 per each DC will be applied to any product that is disposed of by UNFI weighing less than one ton plus the below charges:

- $50.00 admin fee
- $35.00 per hour per each UNFI employee to dispose of product, minimum one hour

Any product weighing one ton or more will have the minimum charge of $270.00 per each DC applied plus the below charges:

- $50.00 admin fee
- $100.00 charge for dumpster pick up
- $70.00 per added ton
- $35.00 per hour per each UNFI employee to dispose of product, minimum one hour

UNFI NOTICE OF DISPOSAL

1. UNFI reserves the right to deny disposal of any products in any amount that may have a potential risk to leak out of our dumpsters e.g., liquid, dry, or chemical.

2. In the event that UNFI cannot dispose of a product and notice has been given to a vendor, a storage charge of $25.00 per day will be applied to a credit for product that has not been picked up after 14 business days.

Furthermore, if UNFI does not agree with the nature of the disposal requested by the supplier, UNFI may determine the appropriate disposal method and assess costs to the supplier associated with the selected disposal method.

UNFI RECALL & WITHDRAWAL CONTACT NAMES AND NUMBERS

For all recalls and withdrawals, contact recalls@unfi.com.

RECALL & WITHDRAWAL TEAM MEMBERS	
Recall InfoLink Customer Support: customersupport@recallinfolink.com	**UNFI Recall Email:** recalls@unfi.com

ADVISORIES

When an advisory notice is issued by the FDA or CDC, the advisory notification is a request for the supply chain and consumers to voluntarily take the recommended actions to help ensure that the item(s) or product(s) identified from the advisory are contained to mitigate the identified risk.

Complying with the advisory's suggested actions helps ensure public safety and reduces the risk of further illness or injury. When an advisory is issued by the FDA or CDC, all affected product will be placed on hold at the DC and the recommended actions of the advisory will be taken.

For purpose of this policy, where UNFI follows advisory instructions, such advisory shall be treated as if it were a "recall" for purposes of all fees, costs, disposal activities and other provisions of the policy.

APPENDIX A: RECALL & WITHDRAWL DEFINITIONS

Recall means the removal or correction of a marketed product that the Food and Drug Administration (FDA), United States Department of Agriculture (USDA), and/or responsible Supplier considers to be in violation of the laws FDA or USDA administers and against which either agency would initiate legal action e.g., seizure related to such product. Recalls do not include a Market Withdrawal, DC Withdrawal, or a Stock Recovery. Under a Recall, the product presents a threat or potential threat to consumer health or safety, involves adulteration, or is materially misleading in its claims or nature. Recall is also an "advisory" under this policy that UNFI has elected to follow related to products.

Recall classification means the numerical designation i.e., I, II, III, as assigned by the FDA to a particular product recall. It indicates the relative degree of health hazard presented by the product being recalled.

Class I Recall is a situation in which there is a reasonable probability that the use of, or exposure to, a product violation will cause serious adverse health consequences or death.

Class II Recall is a situation in which the use of, or exposure to, a product violation may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote.

Class III Recall is a situation in which the use of, or exposure to, a product violation is not likely to cause adverse health consequences.

Withdrawal means a Supplier removal or correction of a distributed product which involves a minor violation that would not be subject to legal action by the FDA or which involves no violation e.g., normal stock rotation practices, routine equipment adjustments and repairs, etc.

Stock Recovery means a Supplier's removal or correction of a product that has not been marketed or that has not left the direct control of the Supplier. A Stock Recovery may be used regardless of the magnitude of the deviation, provided that no product has been released for commercial distribution to trade. For example, the product is located on premises owned by, or under the control of, the Supplier and no portion of the lot has been released for sale or use.

Consignee means anyone who received, purchased, or used the product being recalled or withdrawn.

Correction means repair, modification, adjustment, relabeling, destruction, or inspection of a product without its physical removal to some other location.

Recall Strategy means a planned specific course of action to be taken in conducting a specific recall, which addresses the depth of recall, need for public warnings, and extent of the effectiveness checks for the recall.