



Sept. 14, 2023

VENDOR INBOUND ROUTING GUIDE & NON-COMPLIANCE FEE SCHEDULE

VITACOST E-COMMERCE OPERATIONS

<i>Version 2.2.2</i>

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Dear Vitacost Supplier,

Thank you for being part of the Vitacost experience. We appreciate all you do to provide products that align to our brand, core values and customer needs.

Continuous improvement is essential to the success of our partnership. To improve efficiency and execution of our inbound supply chain, please refer to the attached **Inbound Routing Guide** which defines our expectations for shipping your products to our fulfillment centers. The **Inbound Routing Guide** provides information on freight type and carrier selection based on shipment origin, shipment size and weight, product mix and destination lane. These instructions apply to shipments where Vitacost is responsible for freight charges (FOB Destination / Freight Collect). Adhering to this guide will greatly minimize a myriad of defects that cost our businesses unwarranted time and money. Inbound freight handling is an integral part of our business. The guide has been developed to provide clarity and set expectations.

We have also included our Fulfillment Center Policies for inbound shipments. These are to be followed regardless of who owns responsibility for the freight charges.

Please forward the **Vitacost Inbound Routing Guide** to those managing our account and coordinating preparation of products for shipping.

On behalf of the entire Vitacost team, we thank you for your continued partnership and support.

Sincerely,

Guy Burgstahler
President

Jeff Safran
Chief Operations &
Logistics Officer

Kathleen Reed
Chief Financial
Officer

Ilene Rothstein
Head of
Merchandising



Vitacost Fulfillment Center Locations & Contacts

Vitacost (East) NCFC

130-B Lexington Parkway
Lexington, North Carolina 27295-8524
VCNCReceiveOffice@kroger.com

(336) 956-0800, ext. 4456

General Manager: Jason Jackson (jason.jackson@kroger.com)
Inbound Operations: Chris Hook (christopher.hook@kroger.com)
Nick Travis (nicholas.travis@kroger.com)
Office Hours: Mon-Fri, 7:30a to 4:30p ET
Receiving Hours: Mon-Fri, 7:00a to 5:00p ET

Vitacost (Midwest) MZFC

251 East Mt. Zion Road
Independence, Kentucky 41051
VCMZReceiveOffice@kroger.com

(859) 817-6718

General Manager: Matt Durham (matt.durham@kroger.com)
Asst. General Manager: Adam Lounsberry (adam.lounsberry@kroger.com)
Inbound Operations: John McClain (john.mcclain@kroger.com)
Christian Benson (christian.benson@kroger.com)
Office Hours: Mon-Fri, 7:30a to 4:30p ET
Receiving Hours: Mon-Fri, 6:30a to 5:00p ET

Vitacost (West) NVFC

840 Pilot Road
Las Vegas, Nevada 89119
VCNVReceiveOffice@kroger.com

(800) 793-2601, ext. 3749

General Manager: Marlon Ramirez (marlon.ramirez@kroger.com)
Inbound Operations: Ann Bisbee (ann.bisbee@kroger.com)
Russ Clark (russ.clark@kroger.com)
Office Hours: Mon-Fri, 7:30a to 4:30p PT
Receiving Hours: Mon-Fri, 7:00a to 5:00p PT

Vitacost Inbound Shipments - Carrier Selection

1. Vitacost uses the following carriers by shipment type:
 - a. **Full Truckload (FTL):** TQL
 - b. **Less-Than-Full Truckload (LTL):** XPO Logistics, FedEx Freight
 - c. **Temp Controlled Shipments:** Roadtex
 - d. **Small Parcel Shipments:** FedEx Ground
2. These instructions are applicable to shipments where Vitacost is responsible for the freight charges (FOB Destination / Freight Collect)
3. If you have any specific questions, please contact your assigned Vitacost Buyer and/or Jim Reno at jim.reno@kroger.com or (513) 504-6167 (mobile).

Carrier Selection: Full Truckload (FTL)

1. Full Truckload (FTL) is to be used for all palletized shipments that meet one of the following criteria:
 - a. Shipment weight of 10,000 lbs or greater;
 - b. 16 linear feet or greater;
 - c. 600 cubic feet or greater;
 - d. 9 pallets or greater.
2. **TQL** is the designated carrier for all inbound shipments meeting the above-listed FTL criteria.
 - a. Please have your Vitacost Purchase Order (PO) number available, along with all of the following shipment details:
 - i. Total # Pallets
 - ii. Total Shipping Weight
 - iii. Number of Pieces Shipping
 - iv. Pallet Size
 - v. Commodity Type(s)
 - b. Please include the following information in coordinating the pickup by TQL at your location:
 - i. Company Name
 - ii. Complete Pickup Address
 - iii. Contact Name

- iv. Contact Phone Number
 - v. Contact E-Mail & Fax Number (if applicable)
 - vi. Pickup Time Scheduled
 - vii. Facility Closing Time at Pickup Address
3. With the above information compiled, contact TQL at teamhunt@tql.com or call (515) 839-0666 for routing instructions and completing the scheduling of the pickup time.
4. TQL will e-mail a Bill of Lading (BOL) with complete shipping instructions. **Vendors are only to use the BOL as provided by TQL.**
5. Vendors (shippers) are required to complete the BOL with accurate commodity descriptions, weights and pallet counts.
6. Each pallet should be clearly and legibly labeled with supporting documentation listing the following information per pallet:
 - a. Vitacost PO Number(s)
 - b. Item quantity per PO Number
 - c. Total units per pallet
 - d. Total weight per pallet

Carrier Selection: Less-Than-Full Truckload (LTL)

1. Less-Than-Full Truckload (LTL) is to be used for all palletized shipments that meet one of the following criteria:
 - a. Single-piece shipments greater than 150 lbs;
 - b. Multi-piece shipments weighing up to 10,000 lbs;
 - c. Less than 16 linear feet;
 - d. Less than 600 cubic feet;
 - e. 8 pallets or less.
2. **XPO Logistics** is the primary designated carrier for all inbound shipments meeting the above-mentioned LTL criteria.
 - a. Please have your Vitacost Purchase Order (PO) number available, along with all of the following shipment details:
 - i. Total # Pallets
 - ii. Total Shipping Weight
 - iii. Number of Pieces Shipping

- iv. Pallet Size
 - v. Commodity Type(s)
3. XPO Logistics encourages registration for XPO LTL online access to assist with your shipping needs. Online web access provides tools to create bills of lading (BOL's), schedule pickups, track shipments, retrieve documents and view shipping history.
 4. For LTL shipping with XPO Logistics, please use one of the following options below:
 - a. [Create an LTL.XPO.com Account](#) (to use their online tools to create a BOL and submit a pickup request ... click link to visit and create your user account);
 - b. Use the XPO Logistics [Service Center Locator](#) to locate the nearest service center and contact directly to schedule pickup;
 - c. Call XPO Logistics at (800) 755-2728 or email LTLCCG@xpo.com identifying 'Vitacost (Kroger)' in the subject line (for example, "Pickup Vitacost (Kroger) Collect");
 - d. If you are having difficulty scheduling a pickup, or with online access, please e-mail LTL.Kroger@xpo.com for assistance.
 5. A completed bill of lading will be required at time of pickup identifying the shipper, consignee, freight terms, pieces, commodity description, freight class, and weight. The following links are resources to use to help you with this:
 - a. [XPO Bill of Lading Template](#)
 - b. [Directions for completing XPO BOL form](#)
 - i. Specify "**COLLECT**" billing as Vitacost is responsible for the freight charges;
 - ii. **The Vitacost PO number must be provided in the PO field on the BOL;**
 - iii. **The Vitacost PO number must also be included on each piece (pallet) of the shipment, clearly visible in large font on all sides.**
 6. For urgent, Vitacost-approved LTL shipments, XPO Logistics offers "Instant Guaranteed Service" (IGS). This express feature provides priority handling and enhanced network visibility and guarantees your freight will deliver within the posted number of transit days established in transit times.

- a. Transit times and eligibility to Instant Guaranteed Service can be found on the XPO LTL website by following this link: [Transit Time Calculator and Instant Guaranteed Service Eligibility](#);
 - b. As stated above, this express feature must be approved in writing by your assigned Vitacost Buyer as it adds incremental cost. Shipments made with IGS that have not-been pre-approved will have the upcharge deducted from the invoice as well as a fee for non-compliance with our terms (see 'EXHIBIT D' at the end of this document) also deducted from the invoice;
 - c. Please note that you must identify the shipment as either "Instant Guaranteed" or "Guaranteed" **boldly** on the BOL and notify the driver when picking up shipment.
7. If you need assistance or have additional questions, please contact XPO Logistics directly at (800) 755-2728 or LTLCCG@xpo.com.
8. Vitacost provides a secondary option for LTL shipments if in the event our primary provider is unable to handle the shipment. **FedEx Freight** is the secondary designated carrier for all inbound shipments meeting the above-mentioned LTL criteria (see section 1 above) with the following exception:
 - a. 6 pallets or less.
9. For LTL shipping with FedEx Freight, please use one of the following options below to manage your shipments:
 - a. www.fedex.com;
 - b. customersolutions@fedex.com;
 - c. Call 1-800-GoFedEx ((800) 463-3339), say "Representative";
10. A completed BOL will be required at the time of pickup identifying the shipper, consignee, freight terms, pieces, commodity description, freight class, and weight. Use the links below to complete the BOL when shipping LTL with FedEx Freight:



[bol.pdf](#)

- a. [How to Ship Freight: Step-by-Step Freight Shipping Guide | FedEx](#)

- i. Get step-by-step instructions to make sending freight shipments easy (<https://www.fedex.com/en-us/shipping/freight/how-to-ship.html> - 2021-05-15);
- b. [What is a Bill of Lading \(BOL\)? | FedEx](#)
 - i. Learn about Bills of Lading, create a Bill of Lading online, download a blank BOL and get other forms you might need for freight shipping (<https://www.fedex.com/en-us/shipping/freight/bill-of-lading.html> - 2021-05-15).

Carrier Selection: Temperature Controlled Shipments

1. Temperature Controlled Shipments are only to be used when the product being delivered to our Fulfillment Centers (FC's) requires monitored & validated temperature control.
2. **Roadtex** is the designated carrier for all temperature-controlled inbound shipments regardless of shipment size.
3. Please have your Vitacost Purchase Order (PO) number available, along with all of the following shipment details:
 - i. NMFC #
 - ii. Total # Pallets
 - iii. Total Shipping Weight
 - iv. Number of Pieces Shipping
 - v. Pallet Size
 - vi. Commodity Type(s)
4. Please include the following information in coordinating this LTL pickup by Roadtex at your location:
 - i. Company Name
 - ii. Complete Pickup Address
 - iii. Contact Name
 - iv. Contact Phone Number
 - v. Contact E-Mail & Fax Number (if applicable)
 - vi. Pickup Time Scheduled
 - vii. Facility Closing Time at Pickup Address

5. With the above information compiled, contact Roadtex at vitacost@roadtex.com or call (800) 394-7389 for routing instructions and completing the scheduling of the pickup time.
6. Roadtex will complete & e-mail a Bill of Lading (BOL) with complete shipping instructions. **Vendors are only to use the BOL as provided by Roadtex.**

Carrier Selection: Small Parcel Shipments

1. Small Parcel shipments are only to be used for all non-palletized boxes that meet one of the following criteria:
 - a. Individual parcel weights between 1-50 lbs, and not to exceed 50 lbs;
 - b. Multi-piece (parcel) shipments weighing 300 lbs or less, with no single piece (parcel) weighing 50 lbs or greater.
2. **FedEx Ground** is the only designated carrier for all inbound shipments meeting the above-listed small parcel criteria. Any small parcel shipments sent to our fulfillment centers using any other small parcel carrier (i.e., UPS, USPS, DHL, regional carriers such as LaserShip, OnTrac or the like) will be a violation of our terms and conditions and will be subject to non-compliance fees per Exhibit D below.
3. Please ensure that each parcel being shipped meets the following informational criteria:
 - a. **Vitacost PO Number must be provided on the ‘Reference’ field on the shipping label;**
 - b. **Vitacost PO Number must also be clearly identified on two of four sides of each parcel being shipped via small parcel delivery.**
4. All small parcel shipments must be executed ‘**FREIGHT COLLECT**’, as Vitacost is responsible for the freight charges.
5. For urgent, Vitacost-approved small parcel shipments, FedEx offers “2-Day Air” service. **FedEx 2-Day Air** is an express service providing delivery to any of our fulfillment centers in 2 days via air transit, and should only be used if **both** of the following criteria are met:
 - a. Your assigned Vitacost Buyer has provided written approval to use this ship method, and;



- b. The time-in-transit (TNT) rating for this shipment is greater than 2 days when using FedEx Ground;
 - c. Small parcel shipments with FedEx 2-Day Air that have not-been pre-approved will have the upcharge deducted from the invoice as well as a fee for non-compliance with our terms (see 'EXHIBIT D' at the end of this document) also deducted from the invoice;
6. For additional support in using FedEx for small parcel shipments, parcel shipping information is available 24/7 at **fedex.com** or you can call FedEx Customer Service at 1-800-GoFedEx (1-800-463-3339) for assistance at any time.

Vitacost (Kroger) reserves the right to bill back freight charges that do not comply with these routing instructions. Please see Exhibit D below for details.

Thank you once again for your cooperation and support.

Vitacost Fulfillment Center Policies

The below Fulfillment Center (Supply Chain) policies will help streamline, eliminate and/or reduce the inefficient storage of products received that are either damaged, have product overages, or are not ordered at all. Violations of these guidelines will be subject to non-compliance fees as noted in ‘Exhibit D’ below.

Shipments to the Fulfillment Centers

- All products must be packaged to prevent damage while in transit to our fulfillment locations. The following are acceptable “void fills” & protective measures:
 - Bubble wrap;
 - Corrugated dividers;
 - Comparable packaging materials, prefer paper fill.
- The following packaging materials are not acceptable for product protective measures, and will be subject to non-compliance fees per ‘Exhibit D’ below:
 - Styrofoam ‘peanuts’ or similar, loose-filled items;
 - No food items such as real peanuts, real popcorn, or any other food items;
 - No starch-based peanuts.
- Each carton must only contain one like item. Please do not mix different items in the same case. Cases received with mixed items will be subject to non-compliance fees per ‘Exhibit D’ below.
- All individual carton shipments require a packing slip which includes the Vitacost PO number and UPC #'s. Each carton shall contain product only applied to one PO number. Combining various purchase orders in the same case is unacceptable. Cases received without a packing slip and the required PO number & UPC contents will be subject to non-compliance fees per ‘Exhibit D’ below.
- All individual boxes must be clearly labeled on two external sides with the Vitacost PO number when shipped small parcel via FedEx or other small parcel carrier (for situations when the vendor is responsible for the freight charges).

- All individual cartons shipped must be made from corrugated cardboard and must meet or exceed an ECT (Edge Crush Test) value of 32 lbs or greater.
- No single carton can exceed 50 lbs.
- Multiple purchase orders must be clearly separated when more than one PO is on a pallet and each box must be labeled with the PO number on two external sides if there are multiple POs on one pallet. If the pallet is just one PO, clearly state the PO# on the pallet.
- Floor loaded shipments will not be accepted.
- All pallets should be the standard block wooden pallet of 40x48. We will not return pallets.
- All pallets must be fully shrink-wrapped. Double-stacking of pallets is acceptable if the total height is no higher than 52 inches. The heaviest items should be on the bottom for pallet stability.
- All wood pallets shall be sprayed for vermin (wood beetles) using materials approved for use with food products and the pallet so marked or heat-treated.
- Broken pallets are not acceptable. Receipt of broken pallets will be subject to non-compliance fees per 'Exhibit D' below.
- Cartons may not overhang the pallet by more than one (1) inch on each side.
- All deliveries require an appointment at the Fulfillment Center. Any deliveries requested on Saturday or Sunday must require approval in writing from your assigned Vitacost Buyer and presented when scheduling a weekend delivery appointment with the Fulfillment Center. Unapproved weekend deliveries attempted will be turned away.
- To schedule an appointment for delivery – email the respective Fulfillment Center (see contact info below) and include the PO number(s), the number of pallets per PO and the date of requested delivery.
 - NC - VCNCRReceiveOffice@kroger.com
 - NV - VCNVReceiveOffice@kroger.com
 - MZ - VCMZReceiveOffice@kroger.com

Product Returns

- Products that **CANNOT** be received into our Fulfillment Center locations will be returned to the vendor at the vendor's expense. An RMA must be issued and pickup scheduled within 10 days of RMA issue. Examples of eligible product returns include, but are not limited to, the following:
 - Damaged items
 - Overages
 - Incorrect item(s) / SKU(s)
 - Expired items
- Extra care & protection should be given to liquids to assure no leakage in transit.
- Vitacost will not accept any products without the correct UPC barcode present, visible & legible on the product.
- Vitacost will not accept any products that expire within ninety (90) days of receipt, except certain (i.e. Food) items with prior written approval from your assigned Vitacost Buyer. Under no circumstances will product be received with an expiration date less than sixty (60) days from date of receipt.



EXHIBIT D

STANDARD VENDOR AGREEMENT NON-COMPLIANCE FEE SCHEDULE FOR ROUTING GUIDE VIOLATIONS

Base Fee		
\$100.00	Per Incident (Note: The Base Fee is waived when Flat Fees are charged)	
Hourly Fee		
\$50.00	Per Labor Hour (Note: The Hourly Fee is assessed incremental to the Base Fee or the Flat Fee for applicable non-compliance situations)	
Flat Fee*		
\$25.00	Per Case (Parcel)	Case Labeling Errors
\$100.00	Per Shipment	Failure to schedule or a missed, scheduled delivery appointment
\$50.00	Per Parcel	Failure to properly label pieces sent Small Parcel with Vitacost PO number per Routing Guide
\$50.00	Per Pallet	Failure to properly label pallets with Bills of Lading & Vitacost PO Number PER Routing Guide
\$250.00	Per Shipment, plus extra charges incurred	Not following Routing Guide for carrier selection without proper approvals
\$250.00	Per Shipment	Packing list (invoice) errors / no packing list (invoice) included with shipment
\$25.00	Per Pallet in Discrepancy	Pallet QTY delivered does not match appointment QTY
\$50.00	Per Item	Vendor returns due to vendor error (i.e. PO shipped to incorrect FC)
\$500.00	Per Piece + Labor	Receipt of infested FTL / LTL Pallets / Cases
\$50.00	Per Pallet	Pallet height exceeding 6' unless double stacked at 5'
\$250.00	Per Shipment + Labor	Receipt of floor loaded trailer
\$250.00	Per Shipment + Labor	Deliveries of product requiring a dock in a non-dock compliant vehicle
\$25.00	Per Pallet	Delivery on non-compliant pallets (40" x 48" is standard)