

Distribution Agreement Overview Articles 4-6-8

DISTRIBUTION AGREEMENT

This **DISTRIBUTION AGREEMENT** (“Agreement”) is made effective _____, 20__ (“Effective Date”) by and between _____ with its principal office at 255 Business Center Drive, Horsham, Pennsylvania 19044 (“**BAKERY**”) and _____ with its principal office at _____ (“**DISTRIBUTOR**”).

- Agreement is effective between BFBD (Bakery) and your business (Distributor)
- Agreement is the exclusive right to sell Products to Outlet in the Sales Area by Direct Store Delivery which does not include fulfillment centers and E-Commerce
- Effective date is the first day of the week (Sunday) after the closing

Schedule A

- Schedule A is the geographic boundaries of your Sales Area
- The Sales Area is the inside of every boundary line
- There are no additions or exceptions to the Sales Area unless noted on the document
- Location of Outlets is determined by its street address

SCHEDULE "A" SALES AREA DESCRIPTION

Depot: Anywhere, USA

Sales Area # 1234

Distributor: I LIKE TO SELL BREAD, INC.

Unless otherwise expressly indicated, only the inside (side facing the interior of the Sales Area) of every county line, state line, or other boundary line including, without limitation, roads and highways and natural boundaries such as rivers is included in the Sales Area. There are no additions and exceptions unless noted.

The location of any Outlet (including additions and exceptions) is determined by its street address. Any change in ownership or operation of an Outlet (i.e., change of "banner") is not considered a change in location. Any modification, expansion or other change to the Outlet structure or building is not considered a change of location. Any modification or change to the street address, including, without limitation, postal or emergency service address upgrades, is not considered a change of location.

BEGINNING AT A POINT where Burnt Hickory Rd NW intersects Barrett Pkwy NW
Then proceeding southwest on Barrett Pkwy NW to SR120
Then proceeding east on SR120 to John Ward Rd SW
Then proceeding south on John Ward Rd SW to Cheatham Hill Rd SW
Then proceeding southeast on Cheatham Hill Rd SW to SR360
Then proceeding northeast on SR360 to County Services Pkwy
Then proceeding south on County Services Pkwy to SR5
Then proceeding southwest on SR5 to East-West Connector SW
Then proceeding west on East-West Connector SW to Barrett Pkwy NW
Then proceeding north on Barrett Pkwy NW to Villa Rica Rd
Then proceeding southwest on Villa Rica Rd to W Sandtown Rd SW
Then proceeding northwest on W Sandtown Rd SW to Kennesaw View Dr SW
Then proceeding west on Kennesaw View Dr SW to SR120
Then proceeding northwest on SR120 to Due West Rd NW
Then proceeding north on Due West Rd NW to Burnt Hickory Rd NW
Then proceeding east on Burnt Hickory Rd NW to the POINT AND PLACE OF THE BEGINNING.

ADDITIONS:

This Sales Area also includes the following OUTLET(S) or area.

None

Schedule B

SCHEDULE "B"

Sales Center: Anywhere, USA

Sales Area: 1234

CONTRACTUAL DEFINITIONS

The following definitions apply for the purposes of this Distribution Agreement:

OUTLETS: "Outlets" means only those Outlets existing now or in the future identified below by a "check" indicating "yes," and defined herein, or as specifically included or excluded, but only to the extent the Outlet accepts delivery of Products from Distributor at the Outlet by Direct Store Delivery and the Product is either purchased or consumed by the ultimate consumer at that location.

Outlets shall not include bakery thrift stores established or operated by, or contracted with BFBD or its affiliates for the primary purpose of selling damaged, stale, off code products, although such bakery thrift stores may also sell any products, fresh or otherwise, which BFBD or its affiliates, in their sole discretion, deem appropriate to support that purpose.

PRODUCTS: "Products" means: all fresh baked breads, buns, rolls, cakes, muffins, tortillas, and similar fresh baked products intended to be sold as fresh, and sold under the following names and trademarks:

| | | | |
|---------------------|-----------------|---------------|------------|
| Arnold | Boboli | Sunbeam** | Bimbo FBG* |
| Ballpark | Colonial | Sara Lee FBG* | Bimbo SBG* |
| Entenmann's | Marinela SBG* | Thomas' | Bimbo DBG* |
| Dedicated Bread R&I | The Rustik Oven | | |

- Lists the Products your company has rights to distribute
- Lists the Channels (type of accounts) your company has rights to distribute your product rights
- The matrix lists which channels your company has rights to deliver your product rights

| Exhibit 1 OUTLETS | SMALL RETAIL | | RESTAURANT INSTITUTION | | RESTAURANT INDEPENDENT | | DRUG | | SMALL HISPANIC | | LARGE HISPANIC | | MASS MERCHANDISER | | GROCERY | | CLUB | |
|-------------------|--------------|----|------------------------|----|------------------------|----|------|----|----------------|----|----------------|----|-------------------|----|---------|----|------|----|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| Brands | | | | | | | | | | | | | | | | | | |
| Arnold | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Boboli | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Bimbo FBG | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Bimbo SBG | X | | X | | X | | X | | X | | X | | X | | X | | | X |
| Bimbo DBG | X | | X | | X | | X | | X | | X | | X | | X | | | X |
| Ballpark | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Barcel | X | | X | | X | | X | | X | | X | | X | | X | | | X |
| Colonial | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Entenmann's | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Eureka | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Marinela SBG | X | | X | | X | | X | | X | | X | | X | | X | | | X |
| Private Label | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Sara Lee FBG | X | | X | | X | | X | | X | | X | | | X | | X | | X |
| Thomas' | X | | X | | X | | X | | X | | X | | | X | | X | | X |

Article 4 – Sale of Product by Bakery to Distributor

4.1 **TITLE**. All Product is sold by Bakery to Distributor absolutely with title and risk of loss passing to Distributor at the time the Product is made available at the place of delivery for Distributor to pick up; Distributor need not take physical possession of Product for title of said Product to pass to Distributor. For the avoidance of doubt, title and risk of loss remain with Distributor even in the case of Product sold by Distributor to Outlets which purchase Product from Distributor via SBT or a similar method of sale/payment.

- Once product is purchased by your company from Bakery, the product is the property of your company
- Your company will bear all risk of the product henceforth

Article 4 – Sale of Product by Bakery to Distributor

4.2 **DELIVERY.** Subject to the provisions herein, Bakery agrees to sell and deliver to Distributor, or to arrange for such sale and delivery by affiliates, the Products Distributor orders. Distributor agrees to buy and accept delivery of ordered Products at such location as Bakery may from time to time reasonably designate or approve. Bakery agrees to use commercially reasonable efforts to fill Distributor's orders on the day the Product was ordered for. However, the actual delivery day for Product orders is not guaranteed by Bakery; so, Bakery may charge Distributor's account with Bakery for any Product for which title has passed to Distributor per Section 4.1 above provided such Product has a reasonable shelf life remaining at the time said title of Product passed to Distributor. In the case of ingredients or other shortages, Force Majeure events, and during holiday-related Product demand increases, Bakery reserves the right to adjust or fill Product orders as circumstances reasonably permit. BAKERY AND DISTRIBUTOR ACKNOWLEDGE I) THAT CERTAIN PRODUCT ORDERS CAN ONLY BE FILLED BY BAKERY IN FULL TRAYS, WHICH MAY CAUSE BAKERY TO ROUND A PRODUCT ORDER TO THE NEAREST FULL TRAY AND II) THAT ORDER CUTS AND PLUSES, AND ON OCCASIONS, CANCELLATIONS OF DELIVERIES, IN WHOLE OR IN PART, ARE AN UNAVOIDABLE ASPECT OF FRESH BAKERY PRODUCTION AND TRANSPORTATION. IN THE EVENT OF PLUSES, DISTRIBUTOR AGREES TO USE REASONABLE EFFORTS TO AFFECT THE SALE OF THE ADDITIONAL PRODUCT TO DISTRIBUTOR'S OUTLETS.

- Bakery will round orders from time to time to ensure the ability to bake all product
- Cuts and Pluses of product are a normal part of the business
- Bakery may charge IBP's account for any Product which title has passed to IBP and product has a reasonable shelf life remaining

Article 4 – Sale of Product by Bakery to Distributor

4.4 **DELIVERY PROCEDURES.** Distributor agrees to immediately review the quantities of Product delivered to it and to promptly advise Bakery of any difference in the quantities delivered as compared with the quantities indicated on the daily “load sheet” or “load invoice” (or similar document or its electronic equivalent). If Distributor does not notify Bakery of any difference within the time required by Bakery’s policy at the applicable Bakery sales center (and if no such policy exists, then prior to Distributor leaving the sales center with that day’s Product order), the load sheet or invoice prepared by or on behalf of Bakery will be presumed as conclusively accurate and Distributor will be charged and obligated to pay for all Product identified thereon. Bakery may from time to time implement and/or amend programs regarding Product deliveries and/or Product accountability, including sales center hours of operation, check-in procedures, and Product returns procedures and requirements. Distributor further acknowledges and agrees that if i) Distributor makes any material misrepresentation to Bakery regarding alleged differences between its Product orders and the actual Product deliveries it claims to have received or ii) Distributor takes possession of any product or Product not specifically presented to Distributor by Bakery as being Distributor’s Product, that Bakery may consider such act to be fraud and/or theft permitting Bakery to terminate this Agreement per Article 11.

- It is your company’s responsibility to notify Bakery of any discrepancies between product quantity delivered and product quantity on the daily load invoice
- If Bakery is not notified the daily load invoice will be presumed accurate and BBU will charge your company for all products purchased as listed.

Article 6 – Distributor’s Obligations

6.1 **PRODUCT SALES.** Every area of an Outlet where such Outlet or such Outlet’s corporate management has requested or otherwise approved Product to be merchandized for sale at, on, or in, which includes in-aisle and end-cap shelves as well as display tables, stands, hangers, and any platform or space designed to display retail items for sale, is individually referred to as a “Product Display Space” and collectively as “Product Display Spaces” herein.

Distributor retains exclusive control under this Agreement over the manner and method of operation of Distributor’s distribution business; however, Distributor, in addition to other obligations listed in this Agreement, agrees to:

- (a) Develop and maximize Product purchases from Bakery and sales of Products to the Outlets by all commercially reasonable means;
- (b) Except as provided in Section 6.4 below, sell Products to all Outlets in Distributor’s Sales Area that have requested to purchase Products via DSD and that otherwise qualify as an Outlet hereunder;
- (c) Maintain an adequate supply of non-Overcode Product in all Product Display Spaces of all Outlets;
- (d) Maintain all Product Display Spaces such that Overcode Product is not available for retail purchase in any Outlet;
- (e) Rotate Products such that more recently dated/coded Products are merchandized in Product Display Spaces behind all Product with an earlier date/code;
- (f) Cooperate with the Outlets, Outlets’ corporate management, Bakery, and Bakery’s affiliates by participating in Product pricing discounts, marketing, and other promotional programs at the Outlets, which such cooperation includes Distributor not selling in excessive amounts of Product immediately prior to a Product sale at an Outlet in order to lessen the amount of Product purchased and/or sold at the sale price;

- Distributor must maintain obligations under the Distribution Agreement
- Maintain adequate supply of non-overcode product in all outlets and in all product display spaces
- Cooperate with all Outlets corporate management and Outlets requirements with marketing and promotional requirements

Article 6 – Distributor’s Obligations

- (g) Merchandize Products within an Outlet in compliance with any predesigned layouts, sometimes known as MODs or plan-o-grams, designed, requested, or approved by an Outlet or an Outlet’s corporate management that designate precisely what Products must be merchandized in which specific sections of the Product Display Spaces of an Outlet;
 - (h) Utilize point-of-sale materials to display Products for sale in Outlets as requested or approved by such Outlet or such Outlet’s corporate management, or as required by Bakery as a condition of Product resale in instances where point-of-sale materials are designed specifically to merchandize and promote a specific Product or brand of Bakery or a Bakery Entity;
 - (i) Utilize Bakery recommended point-of-sale materials only to display the Product such materials were designed by Bakery or a Bakery Entity to be used with, as evidenced by the branding on such materials or by Bakery informing Distributor of same;
 - (j) Provide service to Outlets on a level consistent with all then-current good industry practices, which includes satisfying Outlet’s and Outlet’s corporate management’s requirements, guidelines and expectations on sales and service frequency requests (a.k.a. “days of fresh deliveries,” “days of service,” and “pull-ups”), service time-windows, store policies, promotions, merchandising, and reasonable store requirements regarding treatment and interaction with Outlet associates as well as other Outlet vendors and third parties, regardless of whether such requirements, guidelines, or expectations are conveyed i) to Distributor directly by an Outlet or an Outlet’s corporate management or ii) by Bakery to Distributor, if an Outlet or Outlet’s corporate management informs Bakery of such requirement, guideline, or expectation;
- Follow Outlets product modulars or plan-o-grams required by Outlets corporate management and/or Outlets
 - Use approved point of sale material either required by Outlets or Bakery
 - Adhere to requirements of delivery and service days based on Outlets corporate management and/or Outlets

Article 6 – Distributor’s Obligations

- (k) Perform accurate Product inventory counts in all SBT Outlets no later than Wednesday of each week, or other day that Bakery may designate if Bakery changes the starting and ending days of the Account Week;
- (l) Carry out the rights and obligations of this Agreement in a professional, honest, ethical and safe manner and ensure that all Distributor representatives do so as well;
- (m) Refrain from any act or omission that may reasonably damage the reputation or goodwill of Bakery, the Products, or the Product trademarks, trade names, or brands;
- (n) Sell and distribute “Private Label” Product, if applicable, solely to the Outlet which owns such private label; and
- (o) Cooperate with Bakery in the event of a Product recall, withdrawal, recovery or similar retrieval due to a Product quality or safety issue, including, promptly removing such Product from all Product Display Spaces of the Outlets if requested by Bakery or the Outlet.

Distributor agrees that Bakery has the right to review Distributor’s performance under this Agreement in order to enforce the terms and conditions herein, which includes without limitation Bakery’s right to inspect Product Display Spaces in Outlets and speak to Outlet management and an Outlet’s corporate management about Distributor’s activities at the Outlet.

- Accurate inventory counts weekly on first day of deliver in all scan-based trading Outlets
- Delivery of private label products can only be delivered solely to the approved Outlet (ex: Great Value only delivered to Walmart)
- Must cooperate with all product recalls

Article 6 – Distributor's Obligations

6.3 **NO SALES OUTSIDE SALES AREA.** Distributor agrees not to sell, offer to sell, or otherwise distribute Products outside the Sales Area. Distributor agrees not to sell, offer to sell, or otherwise distribute Products to anyone or any entity that Distributor knows or reasonably should know is likely to resell said Products outside of the Sales Area. Distributor agrees not sell Product over the Internet or via any similar media or mode of communication or data transfer existing now or in the future, including the use of virtual reality, except as authorized in writing by Bakery.

- Your company only has the right to distribute product to outlets inside your Sales Area geography as outlined by your Schedule A
- Your company only has the right to distribute products to certain channels as outlined by your Schedule B

Article 6 – Distributor's Obligations

6.7 OTHER ACTIVITIES AND CONFLICTS OF INTEREST.

(a) Distributor and Guarantor may engage in business and other activities, including selling other products, unless and except to the extent that i) such other activity is competitive with the Products, which includes selling other products that likely compete with any Products in an Outlet, ii) such other activity could contaminate the Products, or iii) such other activity presents a reasonable risk of harm to Bakery's business, brands, or reputation. Also, in order to be permitted hereunder, any such other activity of Distributor must be performed separate and distinct from Distributor's activities under this Agreement such that Bakery and Bakery Entity brands and reputation cannot reasonably be seen by the Outlet or the public as being tied to or associated with the brands and reputation of any such other activity of Distributor by reason of, without limitation, 1) Distributor selling or merchandize a non-Product product while wearing clothing or apparel, or delivering such non-Product product in a Vehicle, that contains a logo or Mark of Bakery or a Bakery Entity, or 2) by Distributor servicing an Outlet with both Product and non-Product products during what can reasonably be deemed substantially the same sales visit.

- Your company cannot distribute any competitive products or products that could contaminate product purchased from Bakery
- Reach out to your local leadership before any future outside endeavors to verify there will be no conflict with your BFBD Distribution Agreement

Article 8 – Bakery Obligations

8.1 **DELIVERY AND COOPERATION**: Bakery agrees to use commercially reasonable efforts to i) deliver to Distributor the Products ordered by Distributor as per Section 4.2 above, ii) inform Distributor of any potential new Outlets in Distributor's Sales Area that Bakery is aware of, iii) pursue the development of new product offerings, and iv) assist in pursuing Product promotions and sales opportunities in the Outlets.

- Bakery will make every reasonable effort to deliver to your company the Products you order on the correct sales date
- Bakery will work with your company to gain new Outlets within the Sales Areas where Distributor has product rights and customer channel rights, develop new products, and pursue promotional opportunities in your Outlets

Article 8 – Bakery Obligations

8.2 **SALES TO CHAINS – BAKERY AS REPRESENTATIVE:** Distributor and Bakery acknowledge and agree that substantial opportunities for sales of Products to Outlets in the Sales Area depend on satisfying the needs and purchasing requirements of Chains that desire to purchase Products for multiple Outlets, including Outlets within the Sales Area and Outlets outside of the Sales Area that may be served by other independent distributors of Bakery or by Bakery or a Bakery Entity. Both Distributor and Bakery acknowledge that many Chains, for their own convenience and efficiency, establish uniform prices and promotions and standard terms and conditions of sale across all of the Chain's outlets. In order to accommodate the purchasing needs and requests of Chains, and thereby maximize the opportunity for Distributor to sell Products to the Chain-related Outlets, Distributor hereby appoints Bakery and each Bakery Entity to act as Distributor's non-exclusive representative with Chains ("Representative") such that Bakery and Bakery Entities may engage in communications with Chains on behalf of Distributor and similarly situated independent distributors of Bakery to negotiate various terms and conditions with Chains that include Product prices and promotions, Product invoicing, the Chains' service requirements for its stores, standard terms and conditions of Product sales, centralized billing, and similar matters pertaining to the sale and delivery of Products to the Chains' stores. Bakery, Bakery's parent, and Bakery's affiliates, in acting in the capacity of Representative, may negotiate matters on behalf of Distributor that include commercially reasonable prices, promotions, terms, conditions, service requirements, merchandizing and plan-o-grams, and authorizations for the sale of Products to the Chains' stores. DISTRIBUTOR ACKNOWLEDGES AND AGREES THAT BAKERY MAY INFORM DISTRIBUTOR OF ALL CHAIN REQUIREMENTS APPLICABLE TO DISTRIBUTOR'S OUTLETS AND THAT BAKERY PASSING ALONG THIS INFORMATION TO DISTRIBUTOR IS NOT AN EFFORT BY BAKERY TO DIRECT DISTRIBUTOR'S BUSINESS OPERATIONS, BUT INSTEAD IS AN EFFORT TO ASSIST DISTRIBUTOR WITH UNDERSTANDING THE REQUIREMENTS OF ITS CUSTOMERS. DISTRIBUTOR RETAINS THE RIGHT TO NEGOTIATE PRICES AND TERMS DIRECTLY WITH A CHAIN AND TO SELL PRODUCTS TO THE CHAIN AT WHATEVER PRICES AND TERMS DISTRIBUTOR CAN NEGOTIATE. Distributor may revoke the designation of Bakery as Distributor's Representative at any time on thirty (30) days written notice. Nothing herein requires Bakery or Distributor to pay slotting allowances or other fees or charges imposed to obtain Product authorization in Chain Outlets.

- Bakery acts as your company's representative to negotiate chain customer promotions, prices, product authorizations, etc. on your company's behalf

Closing Comments Distribution Agreement

- Distributor should read all parts of Distribution Agreement
- Distributor to follow up with local leadership or Business Partner Relations Specialist for any point of clarity needed
- Distributor must adhere to all parts of the Distribution Agreement and as well the Bakery
- Distributor must operate as a corporation entity only