KWIK TRIP

Food Safety and Quality Assurance

Kwik Trip, Inc. Supplier Requirements and Expectations Manual

Table of Contents

Introduction:

Kwik Trip, Inc.'s mission statement is: ***"To serve our customers and community more effectively than anyone else by treating our customers, co-workers and suppliers as we, personally, would like to be treated, and to make a difference in someone's life."***

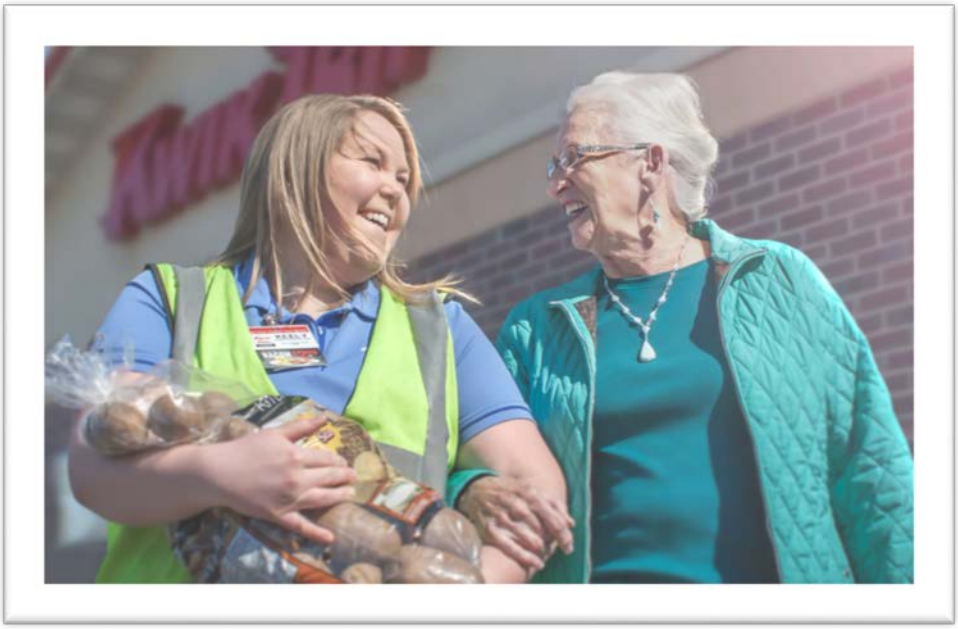
As part of Kwik Trip, Inc.'s food supply chain, food safety is a key component of our culture and a critical piece of our success. As a supplier to Kwik Trip, Inc., you play an important role in the delivery of consistent, safe, and high quality products to our customers.

This *Kwik Trip, Inc. Supplier Requirements and Expectations Manual* document is an essential tool for current and prospective suppliers in the management of their food safety and quality systems. This document is intended to identify Kwik Trip, Inc.'s minimum requirements and expectations with respect to our suppliers' food safety management systems. Kwik Trip, Inc. reserves the right to periodically update these expectations.

Suppliers shall be in compliance with all applicable Federal, State, Local and International laws and regulations relative to food products where they are produced and/or delivered.

This document is not intended to replace or supersede any terms and conditions of any contract or confidentiality agreement ("Agreement") previously entered into between Kwik Trip, Inc. and its respective suppliers. Accordingly, to the extent of any of the expectations identified in this document contradict or conflict with the terms and conditions of prior Agreement(s), the terms and conditions of those Agreements shall supersede and control. Compliance with these requirements and expectations does not guarantee approved supplier status or any business relationship with Kwik Trip, Inc.

Thank you for your ongoing support and commitment to Kwik Trip, Inc.



1. Kwik Trip, Inc.'s Supplier Requirements

1.1 Supplier Guarantee and Indemnification Agreement

As part of the Kwik Trip Inc. initial supplier approval process and at five year intervals thereafter, all suppliers shall sign and submit the Kwik Trip, Inc. Supplier Guarantee and Indemnification Agreement and in doing so agree to its terms as written.

1.2 Third Party Audits

The supplier shall undergo an annual third-party GMP/Food Safety/Sanitation/Warehouse audit conducted by an accredited auditing body for all locations that manufacture or store products and materials supplied to Kwik Trip, Inc. A copy of the audit with corrective actions shall be provided to Kwik Trip, Inc.

New suppliers must submit a full audit report that has been conducted within the previous twelve (12) months. All existing suppliers must submit the full audit report within sixty (60) days of the date of the audit.

All suppliers for Kwik Trip, Inc. shall pursue Global Food Safety Initiative (GFSI) certification. Once certification is granted, a copy of the GFSI audit and certificate shall be provided to Kwik Trip, Inc.

A variation of the audit requirements may apply to Direct Store Deliveries (DSD) and Brokers as approved by Kwik Trip, Inc.'s Director of Food Safety and Quality Assurance.

1.3 Notification of Significant Events

The supplier shall notify a Kwik Trip, Inc. Category Management representative promptly if any, but not limited to, the following events occur that could impact products and/or materials supplied to Kwik Trip, Inc.:

- Recall or Withdrawal as a result of a process control deviation or product quality defect.
- All changes to ingredients, manufacturing processes, packaging, raw materials, recipes and formulations, specifications, labels, and/or manufacturing locations, including subcontracting.
- Discovery of potentially adulterated or defective ingredients or packaging material associated with a product that is in distribution.
- Inadvertent release from hold of any material produced for Kwik Trip, Inc.
- The tampering or threat of tampering.
- Identification of an unlabeled allergen.
- Inability to deliver materials that meet Kwik Trip, Inc. specifications.
- Loss of GFSI Certification for any site that manufactures materials supplied to Kwik Trip, Inc.

1.4 Food Supply Chain Assessments

To support the increased reliance on GFSI Certification and to promote the open communication needed to develop and maintain a close and transparent relationship with our suppliers, Kwik Trip, Inc. may conduct an on-site Food Supply Chain Assessment (FSCA). The supplier must permit Kwik Trip, Inc. representatives to enter the facility to conduct the FSCA. The FSCA visits are determined based on several risk factors that include, but are not limited to, microbial sensitivity of the product, type of manufacturing process, package type, co-packer branding, susceptibility of allergen cross contact, and our experience with the supplier. Every attempt will be made to schedule the FSCA at a mutually agreeable time.

1.5 Manufacturing/Shipping Locations

The supplier shall identify in writing all products supplied to Kwik Trip, Inc., all corresponding manufacturing locations and alternate shipping locations from where the products are stored and shipped.

1.6 Product Specifications

The supplier will provide complete product specification for all products and materials supplied to Kwik Trip, Inc. Refer to *Appendix A – Product Specification Request*.

2. Management Responsibility and Commitment

2.1 Management Responsibility

Supplier senior management shall create an organizational structure which defines the roles, relationships, and responsibilities of all employees whose activities affect food safety. Management shall effectively communicate to all employees their responsibilities, as well as the importance of meeting company and Kwik Trip, Inc.'s requirements.

2.2 Management Commitment

Supplier senior management shall provide evidence of their commitment to implement and maintain a food safety and quality system. This commitment shall include how management will determine and provide all the necessary resources (including employee training) to implement and maintain an effective food safety and quality system.

2.3 Management Review

Supplier senior management shall review the quality management system at planned intervals to ensure continuing suitability and effectiveness. This review shall be performed at least annually and shall include information on audits, customer feedback, preventative and corrective actions, and changes that could affect the quality management system. Management shall provide evidence of review sessions that include, but are not limited to, meeting notes and documented decisions and actions related to the quality management system.

3. Food Safety and Quality System

3.1 Overview

Suppliers shall establish and maintain a quality management system including food safety, and shall be able to demonstrate the effectiveness of the entire system.

3.2 Food Safety and Quality Manual

Suppliers shall maintain a manual for their food safety and quality system that includes food safety and quality policies, procedures, and continuous improvement methods. The manual shall include a scope of business activities and a list of people responsible for approving changes to the quality manual.

3.3 Food Safety and Quality Policy

Suppliers shall have a documented food safety and quality policy outlining the company's commitment to supplying safe, quality food and establishing food safety and quality objectives. The policy shall include methods used to comply with customer and regulatory requirements and continually improve the quality management system.

3.4 Document Control

Suppliers shall maintain a master list of program documents and forms used at each production location. All documents shall be current and available for review by Kwik Trip, Inc. or regulatory officials. Procedures shall be in place to define the controls needed to review, update, and ensure the current version is used.

3.5 Control of Records

Records shall remain legible, identifiable, and retrievable and shall be safeguarded from accidental loss or destruction. If not utilizing electronic records, the supplier must maintain all records in ink, and errors must be properly corrected so that the incorrect information remains legible. All records shall be maintained according to regulatory, corporate, and customer guidelines, and all obsolete programs, documents, and forms shall be replaced or destroyed according to the company's records retention policy. Any record that has been identified in any type of legal proceeding must not be destroyed without written authorization from the supplier's designated legal authority.

4. Quality System(s)

4.1 Food Safety Team

A cross-functional food safety team that is knowledgeable in Hazard Analysis Critical Control Point (HACCP) principles shall be established and meet on a routine basis. The team should consist of personnel from various areas of the facility (e.g., Production, Food Safety and Quality Assurance, Maintenance, Shipping and Receiving). The team shall develop, implement, and evaluate food safety systems (including HACCP, SSOP, GMP, pest control, food defense, traceability, and other prerequisite programs). A list of team members and records of meeting minutes shall be maintained.

4.2 HACCP and/or HARPC

Suppliers shall establish and maintain a Hazard Analysis Critical Control Point (HACCP) or Hazard Analysis and Risk-Based Preventive Controls (HARPC) program based on the applicable principles of that system. The program shall be current, validated, signed and dated by a facility official. Appropriate verification procedures shall be established, all deviations shall be recorded and corrective action procedures shall be in place. An annual review of all food safety programs and associated food safety-related prerequisite programs must be completed and records maintained. A reassessment shall also be performed whenever there is a process change, an increased risk from an identified hazard, an unforeseen hazard, or any component of the plan that is ineffective.

4.3 Traceability

Suppliers shall have documented policies and procedures to ensure that all ingredients, packaging (inner and outer), and finished products can be traced back from production to distribution. Suppliers must be able to perform a trace of one up (first external customer) and one back (Supplier) throughout the supply chain. A detailed description of how reworked lots and sub-lots are coded and tracked, within the supplier's supply chain, is critical to the traceability program.

4.4 Recall Program

A detailed, formal recall program shall be on file and revised as necessary. The program shall include a recall team and define each team member's position and responsibilities. A list of key contacts, with their current contact information, shall be maintained. Distribution records shall be maintained to identify the receipt, inventory, and shipment of all products to a minimum of a single date-code lot; this includes damaged, condemned, reworked, relabeled and donated product. As part of the recall program, a mock recall shall be performed and documented by the recall team at least annually.

4.5 Crisis Management and Business Continuity Plan

The supplier shall have a documented contingency plan to manage emergency incidents (such as fires, natural disasters, malicious contaminations, etc.).

Procedures shall include identification of key team members comprising the incident-management team with clearly defined roles; a list of internal and external emergency contacts; a communication plan specific to customers, consumers, and regulatory officials; and corrective actions.

The contingency plan shall be tested at planned intervals for all products the company supplies and include provisions for product recall or withdrawal as required.

4.6 Food Defense

Suppliers shall have facilities and procedures in place to control the risk of intentional chemical, physical, or biological contamination of product.

Suppliers shall have a documented food defense plan that includes security countermeasures designed to prevent product tampering and monitoring procedures for implemented countermeasures. The food defense plan shall be reviewed and reassessed at least annually by the food safety team to ensure it remains relevant to the operation. A documented risk assessment shall be performed by the supplier to address potential food safety risks and be included in the food defense plan.

The facility grounds must be secured or monitored to prevent entry by unauthorized persons. Suppliers shall have procedures for controlling access of visitors, contractors, salespeople, drivers, and other non-facility people (positive identification, sign in/sign out, escorting, etc.). Access to storage facilities shall be restricted, and trailers on the premises shall remain under lock and/or seal when not being loaded or unloaded.

4.7 Allergens

Each facility management team must consider allergens in its HACCP plan. Allergens must be addressed in the ingredient hazard analysis and at the point in the process where ingredients are added to the product. If allergens are not a CCP; this decision must be justified.

Suppliers shall establish an allergen control program, listing all the allergens utilized in the facility. The program shall include a Standard Operating Procedures (SOP) document for preventing undeclared allergens from being incorporated into Kwik Trip, Inc. products.

An allergen control system shall be in place to ensure product compatibility prior to scheduling. If the system demonstrates incompatibility, a thorough allergen cleanup of contaminated equipment and the production area shall be completed, validated, and documented.

Ingredients containing allergens shall be identified and segregated in storage areas. Allergenic ingredients shall be handled properly while batching. Training of all relevant employees in the handling and storage of allergens must be documented. Any rework containing an allergenic ingredient can only be mixed with products containing the same allergen.

4.8 Foreign Material

The supplier shall have implemented a written program to prevent, detect, and control the contamination of product by foreign material.

4.9 Product Labeling

A label verification program shall be in place for the verification of correct labeling prior to shipping. All incorrect materials must be placed on FSQA hold until an investigation is complete and a disposition is determined. The verifiable attributes include, but are not limited to, product description, manufacturer's address, marks of inspection, handling instructions, ingredient statement, net weight declaration, claims, nutritional facts, allergen statement, and UPC. All label inspections must be documented.

Co-branded product labels must be reviewed and approved by Kwik Trip, Inc. before initial use or upon revision.

4.10 Supplier Approval Program

The supplier shall have programs in place for supplier approval and continual assessment, based on risk assessments. The supplier approval program shall include all ingredient, packaging, and chemical suppliers. There shall be a defined process for the selection, approval, and monitoring of suppliers. The program shall also include instructions for handling product received from unapproved suppliers, including how exceptions are to be handled. Once approved, suppliers shall be reassessed on a set frequency based on the continual assessment program and supplier risk. The continual assessment program shall include metrics such as complaints, quality of product, customer service, etc.

5. Fundamentals

5.1 Nonconforming Goods

Kwik Trip, Inc. will have the right to inspect the products and reject any nonconforming products within sixty (60) days of delivery. This right of inspection, whether exercised or not, will not affect the supplier's right to revoke acceptance or pursue other remedies if defects or nonconformities are discovered at a later date, notwithstanding that any defect or nonconformity could have been discovered upon inspection.

Supplier must allow for a minimum of two-thirds of a products shelf life remaining upon receipt.

5.2 Shipping and Receiving

The supplier must ensure all products requiring specific temperature controls for safety and quality are communicated to the carrier in writing.

Suppliers shall have a documented policy to ensure they are shipping the correct product, pack size, UPC, etc., as ordered by Kwik Trip, Inc.

All trailers used for transporting goods or storing products shall be inspected prior to loading and unloading. Designated employees shall inspect the trailer walls, ceiling, and door seals and ensure the trailer is free from any excessive odor and extraneous material (wood, metal, dirt, corrugate, grease, insects, pests, etc.). All incoming/outgoing carrier vehicles shall be checked for proper refrigeration temperatures. A policy shall be in place outlining proper procedures in the event of any non-compliance.

Suppliers shall have a trailer-seal policy in place that covers all fully-loaded and Less Than Truckload (LTL) carriers of both incoming ingredients, and outgoing Work in Progress (WIP), or finished products. The policy, at a minimum, shall require that all trailer doors shall be sealed (full loads) or locked (LTL) at the time of delivery, all seal serial numbers shall be documented on the Bill of Lading (BOL), seals shall not be broken until the trailer reaches its final destination and can be verified; and multiple drop loads shall contain an adequate number of seals necessary to reseal the load following each scheduled drop. Management shall conduct an investigation and document findings in the event of any non-compliance.

All shipping and receiving areas, including coolers and freezers, shall be clean, organized, and free of excessive ice/frost, dust, debris, grease, etc. All transportation equipment shall be maintained in a manner to prevent adulteration of products being transported. All verification and inspection activities shall be documented. The temperature-monitoring devices shall be calibrated per the manufacturer's requirements.

5.3 Sanitation

Suppliers shall maintain a documented master schedule of the sanitation cleaning schedule that lists all areas to be cleaned, responsibility for cleaning, and the required frequency. All processing and non-processing areas (Dry Storage, Maintenance, Shipping/Receiving, Freezers/Coolers, Employee Welfare Areas, etc.) shall be included. The master schedule shall be verified on a regular basis.

Sanitation SOPs shall be documented and implemented; they shall include frequency of cleaning, provide for individual accountability, and should define procedures for each task. Sanitation practices or conditions shall be in place to prevent any product contamination.

A written environmental monitoring program shall be in place to verify the effectiveness of cleaning and/or sanitizing. Corrective actions and preventative measures shall be documented.

5.4 Employee Hygiene

A GMP and personal hygiene policy shall be documented and translated in all applicable languages. The policy shall provide procedures for employees, visitors, and contractors on traffic control, dress code, personal hygiene, facilities equipment, medical screening, and processes. The personal hygiene policy shall mention disease control, hand washing, food handling, use of metal-detectable bandages, prohibited jewelry and practices, segregation of operations, false fingernails and eyelashes, and the use of excessive perfume or cologne.

All team members shall wear clean and suitable clothing for work being performed. Pockets and buttons shall not be present; garments shall be color coded (if applicable); smocks shall not be worn in break areas, restrooms, maintenance areas or outside; and smocks shall not be used for any other purpose than listed in the policy.

There shall be signs posted in all applicable areas describing or depicting proper hand washing and change-over procedures. There shall be an adequate number of hand-washing stations for employees at each entrance and exit of the production areas, and each hand-washing station shall include warm water, soap dispensers, sanitizers, individual towels or air dryers, and trash receptacles.

GMP training shall be established to ensure all employees are aware of company policies and procedures. This training shall include proper hand washing, use of bathroom facilities, personal hygiene, food safety, garment policy, and allergen training. Internal audits shall be performed at least on a monthly basis, and shall include an inspection of the facility and employee practices. Any deficiencies shall be noted and corrective actions documented.

5.5 Pest Controls

Suppliers shall have a pest control program that includes a current map of all pest control devices in place, a current and complete list of pesticides used at the facility, and copies of current Safety Data Sheets (SDS) for each pesticide used at the facility. This information shall be made available for review.

The program shall outline what, how, when and where pesticides will be provided by the Pest Control Operator (PCO). The PCO must be licensed, insured, and certified. PCO service reports shall be current, legible, and include pest activity, pesticide usage, trend reports, and corrective action reports if necessary.

Pest control devices shall be adequate in number, located in such a manner as not to contaminate product or supplies, and shall be checked at least bimonthly. If UV traps are utilized, they must be emptied on a regular basis and listed in the pest control program. A verification of pest control devices and their locations shall be performed on a regular basis.

Buildings shall be maintained in good repair. Holes and other potential access points for pests shall be sealed. External doors, windows, or ventilation openings shall be designed to minimize the potential for entry of pests.

5.6 Facility Construction and Exterior Grounds

Facilities shall be suitable for the intended purpose and must be designed, constructed, and maintained, both the interior and exterior, to control the risk of product contamination.

The walls, floors, and ceilings of process areas shall be smooth and readily cleanable, as appropriate for the process and product hazard. Surfaces shall be clean and free of condensation, rust, and flaking paint. Air ventilation throughout the facility shall be adequate. The facility shall have backflow devices installed to prevent potential contamination of the water source and facility.

Break areas, locker rooms, restrooms and wash stations shall be well-lit, clean, and free of loose trash, mold, spillage, standing water, and offensive odors. Locker rooms and restrooms should not lead directly into production areas.

Storage facilities shall provide protection from dust, condensation, drains, waste, and other sources of contamination. Storage areas shall be designed to allow segregation of raw materials and finished product. All materials and products shall be stored off the floor and with sufficient space between the material and the walls to allow inspections to be carried out. Loading docks shall be clear of debris and in good repair.

Outside premises shall be free of discarded equipment, trash, standing water, weeds, pallets, and other clutter that may provide harborage or breeding places for pests. Landscaping surrounding the facility shall be maintained. Dumpsters shall be properly covered and kept away from the building. Where outside storage is necessary, items should be protected from contamination and deterioration.

5.7 Equipment

All equipment and utensils in product zones shall be designed for their intended purpose and shall be smooth, corrosion resistant, and free of cracks, pits, crevices, or other openings that could allow product build-up.

Equipment must be clean and in good repair to ensure that production of product meets food safety and quality requirements. Equipment placement shall be conducive to thorough sanitation (i.e. accessible by sanitation employees).

5.8 Maintenance

Suppliers shall have a system of planned maintenance in place covering all items of equipment critical to food safety and quality. The system shall outline the frequency of equipment evaluation and all scheduled maintenance work. Corrective maintenance shall be carried out in such a manner that production on adjoining lines or equipment is not at risk of contamination. Only food-grade lubricants shall be used in product and packaging-contact areas. Maintenance requests that affect product safety shall be given priority. There shall be a procedure in place for the release of equipment after maintenance repair that includes clean-up, sanitizing, and pre-use inspection.

Maintenance personnel shall accurately document and maintain a log of all repairs or general work that occurs on or near food-contact equipment. These logs shall designate the date, time, and maintenance employee, as well as parts added or parts removed.

Maintenance employees shall follow facility GMPs and shall clean their tools prior to entering the production area and after performing maintenance activities in product areas.

5.9 Training

A training system shall be in place to ensure all employees are adequately trained, instructed, and supervised in food safety and quality principles and practices. All new employees (including temporary workers) shall be trained, at a minimum, on GMPs, food defense/security, and food safety. The food safety team shall identify and outline the employees, by job title, that require further training beyond minimum requirements (allergens, sanitation, HACCP, CCP, etc.). Annual refresher training shall be provided to all employees. All training records shall be maintained and available for review.

5.10 Water Quality and Utilities

The quality of water (including steam and ice) that comes into contact with food must be regularly monitored and shall not present any risk to product safety. Potable water shall be used and monitored. The storage of water and the storage and handling of ice shall prevent contamination.

5.11 Waste Management

A waste management system shall be in place to ensure waste materials are identified, collected, removed at a set frequency, and disposed of in a sanitary manner. The system shall include provisions for the segregation, storage, and removal of waste materials. Containers for waste shall be clearly identified, located in designated areas, and cleanable.

5.12 Ingredient Storage

Product shall be stored in designated areas and handled under the proper conditions to minimize contamination or tampering. All stored items shall be clean, dry, intact, and properly covered or packaged to prevent contamination. Dry storage, cooler, and freezer areas shall be maintained in a clean and sanitary manner; there shall be no excessive build-up of garbage, dust, frost, or ice. All materials and products shall be stored off the floor and with sufficient space between the material and the walls to allow proper cleaning and pest inspections to be carried out.

5.13 Rework

When rework is used, a program shall be established to ensure there is no allergen cross-contamination, the rework is traceable, and the rework is prevented from being carried over into multiple lots. The rework program shall specify the acceptable quantity, type, and conditions of rework. The location in the process and method of addition shall be defined. Packaging materials from rework shall be removed and segregated to avoid mislabeling and contamination of the product with extraneous material.

5.14 Calibrations

All measuring and test instruments (scales, thermometers, pH meters, etc.) used at the facility shall be identified. There shall be calibration procedures for all instruments used within the process to verify conformance to specifications, process requirements, and CCPs. A standard reference, with its accuracy traceable to a nationally recognized standard (e.g., NIST), shall be used for the calibration and recertified annually. Field calibrations shall occur at scheduled intervals determined by the food safety team. All calibration records shall be maintained and available for review.

5.15 Internal Audit

Suppliers shall have an internal audit system in place that covers the scope of the quality management system, including the HACCP or HARPC plan. Internal audits shall be conducted at planned intervals, at least annually, and ensure the quality management system is in compliance with plant and regulatory requirements.

5.16 Complaint Handling

Suppliers shall establish, implement, and maintain an effective system for the management of complaints and complaint data. The food safety team shall review the complaints, trend the data, establish corrective actions, and identify improvement opportunities. All responses to customer complaints shall be handled in a timely manner. Records of all incidents and corrective actions shall be maintained and available for review.

Appendix A – Product Specification Request

Kwik Trip, Inc. requires our suppliers to comply with all relevant laws and regulations. If the supplier's Food Safety Plan identifies a hazard that requires a supply-chain preventive control, the supplier must provide a statement in writing to Kwik Trip, Inc. Vendor Risk (at Vendors@kwiktrip.com) declaring if the hazard was controlled or if the hazard was not controlled.

Suppliers shall develop and maintain a change management program to manage and notify Kwik Trip, Inc. of all changes to ingredients, manufacturing processes, packaging, raw materials, recipes and formulations, specifications, labels, and/or manufacturing locations, including subcontracting at least sixty (60) days prior to the change.

For the product we purchase from you, please provide the following specification information:

- Ingredient statement
- Nutrition Information based on a 100g sample
- Ingredient Percentage Ranges
- Spec Sheet (with quality attributes)
- Micro Limits (If you do not analyze the microbiological content you must provide scientific evidence that states why your material is exempt from microbiological analysis)
- Shelf Life unopened & temperature requirements for storage
- Shelf Life opened & temperature requirements for storage
- Explanation of lot/code
- SDS (if applicable)
- Allergen (if applicable)
- Organic Certification (if applicable)
- Country of Origin
- Shipping & Storage Temperature Requirements
- Manufacturing locations of the items we purchase from you
- Contact Person for questions

Packaging Suppliers Only:

- Certificate of conformance stating compliance with the FDA regulations
- BPA Statement
- Contact Person for questions

As part of our Food Defense Program, you must notify Kwik Trip, Inc. in writing if your company is involved in a recall.