



Dear Dealer,

At Nestlé USA, Inc. dba Nestlé Professional North America and Vitality Foodservice, Inc. dba Nestlé Professional Beverages (collectively, “Nestlé Professional”), we are committed to you—the dealer partners that help our company provide quality products which consumers count on for great taste, consistency, and convenience. To protect the Nestlé Professional Coffee mate and Nescafé Dolce Gusto brands and the integrity of our authorized distribution channels, Nestlé Professional is announcing and implementing an Authorized Dealer Program for its Nestlé Professional Coffee mate and Nescafé Dolce Gusto products (the “Products”), effective April 15, 2020.

Among other benefits, our Authorized Dealer Program will ensure that all sellers of the Products understand and take the steps necessary to ensure product quality and provide the excellent customer service that is integral to the reputation of the Nestlé Professional Coffee mate and Nescafé Dolce Gusto brands. In addition, our Authorized Dealer Program will assist us in identifying and taking action against unauthorized sellers that are harming you and consumers through the sale of diverted, repackaged, and otherwise poor-quality products.

Your obligations under our new Authorized Dealer Program are outlined in the attached **Nestlé Professional Authorized Dealer Policy**, and the key features are noted below:

- **Registration Requirement:** In order to become and remain an Authorized Dealer, you are required to register with Nestlé Professional through the Authorized Dealer Registration Form found at www.nestleprofessional.us/authorizeddealerregistry. Please complete the registration as soon as possible, but in no event later than April 15, 2020.
- **Where and to Whom You May Sell the Products:** The Authorized Dealer Policy requires that you sell Products solely to end users and not to persons or entities who intend to resell the Products. You also may not market for sale or ship the Products outside of the United States without Nestlé Professional’s prior written consent.
- **Restrictions on Online Sales:** Subject to the terms of the Authorized Dealer Policy, including our Online Sales Guidelines, you are permitted to sell the Products solely through your own proprietary websites which have been disclosed to Nestlé Professional via the Authorized Dealer Registration Form. **Sales on online marketplaces, including but not limited to, Amazon, eBay, Jet, or Walmart Marketplace are prohibited.** Our rules regarding online sales will be strictly enforced.
- **Ensuring Product Quality and Customer Satisfaction:** To ensure that the customers who purchase the Products have the best experience possible, the Authorized Dealer Policy outlines our expectations for the service you will provide to your customers. The Authorized Dealer Policy also describes certain steps you must take to maintain the quality of the Products until they reach your customers.

If you have any questions regarding the Authorized Dealer Program, please reference the attached **Authorized Dealer Policy Frequently Asked Questions** or contact Nestlé Professional’s Authorized Dealer Program Coordinator at adpcoordinator@us.nestle.com.

Thank you for your careful attention to the attached documents and for your continued support of Nestlé Professional and its Coffee mate and Nescafé Dolce Gusto brands.

Sincerely,

Nestlé Professional



NESTLÉ PROFESSIONAL AUTHORIZED DEALER POLICY
Effective Date: April 15, 2020

This Nestlé Professional Authorized Dealer Policy (“Dealer Policy”) is issued by Nestlé USA, Inc. dba Nestlé Professional North America and Vitality Foodservice, Inc. dba Nestlé Professional Beverages (collectively, “Nestlé Professional”) and applies to Authorized Dealers of its Coffee mate and Nescafé Dolce Gusto products (“Product(s)”) in the United States of America. By purchasing Products from an Authorized Nestlé Professional Distributor for retail sale and registering with Nestlé Professional using the Authorized Dealer Registration Form at www.nestleprofessional.us/authorizeddealerregistry or by purchasing Products from Nestlé Professional for retail sale, you (“Dealer”) agree to adhere to the following terms. This Dealer Policy supplements any then-current Dealer agreement between you and Nestlé Professional. Until such status is otherwise revoked by Nestlé Professional, in Nestlé Professional’s sole and absolute discretion, Dealer shall be considered an “Authorized Dealer” hereunder. Nestlé Professional may review Dealer’s activities for compliance with this Dealer Policy, and Dealer agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Dealer’s facilities and records related to the sale of the Products.

1. **Authorized Customers.** Dealer is only authorized to sell Products purchased from Nestlé Professional or an Authorized Nestlé Professional Distributor to “End Users.” An “End User” is a purchaser of the Products who uses the products in the course of business or for personal use and who, in either case, does not intend to resell the Products to any third party. Dealer shall not sell or transfer Products to any person or entity Dealer knows or has reason to know intends to resell the Products. Other than to business End Users, Dealer shall not sell or transfer to any individual a quantity of the Products greater than that typically purchased for personal use. Dealer shall not sell, ship, invoice, or promote the Products outside the United States of America without Nestlé Professional’s prior written consent. Dealer shall also not sell products intended solely for resale outside the United States of America in the United States of America.

2. **Online Sales.** Dealer is authorized to advertise and sell Products through Permissible Public Websites in accordance with the terms herein. A “Permissible Public Website” is a website or mobile application that:

- (i) is operated by Dealer in Dealer’s legal name or registered fictitious name;
- (ii) conspicuously states Dealer’s legal name, mailing address, telephone number, and email address;
- (iii) does not give the appearance that it is operated by Nestlé Professional or any third party; and
- (iv) is operated in compliance with the terms and conditions set forth in the Nestlé Professional Online Sales Guidelines, attached hereto as Exhibit A, as Nestlé Professional may amend from time to time.

Dealer shall not sell Products on or through any website, online marketplace (including, but not limited to, Amazon, eBay, Jet, or Walmart Marketplace), mobile application, or other online forum other than a Permissible Public Website without the prior written consent of Nestlé Professional, which consent may be sought through submission of the Nestlé Professional Authorized Online Seller Application. Nestlé Professional reserves the right to terminate, at any time and in its sole discretion, its approval for Dealer to market and sell Products on any or all Permissible Public Websites, and Dealer must cease all such marketing and sales on the Permissible Public Websites immediately upon notice of such termination. The terms of this Dealer Policy supersede any prior agreement between Nestlé Professional and Dealer regarding the sale of the Products online.

3. **Sales Practices.** Dealer shall conduct its business in a reasonable and ethical manner at all times and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time. Dealer shall not make any warranties or representations concerning the Products except as expressly authorized by Nestlé Professional. Dealer shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products. Dealer shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of Nestlé Professional or the Products.

4. **Product Care, Customer Service, and Other Quality Controls.**

(a) Dealer shall comply with all instructions provided by Nestlé Professional regarding the storage, handling, shipping, disposal, and other aspects of the Products, including instructions provided on Product labels. Dealer shall store Products out of direct sunlight and off the floor in a clean, dry, and well-ventilated location free of foreign odors that is suitable for food storage and is subject to pest/rodent control measures. Dealer shall ship and store Products in temperatures between 50 and 80 degrees Fahrenheit. Dealer shall not more than double stack palletized Products.

(b) Dealer shall sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted. Dealer shall not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Dealer shall not tamper with, deface, or otherwise alter any serial number, UPC code, batch or lot code, “use by” date, or other identifying information on Products or their packaging. Dealer shall not alter Products.

(c) Dealer shall not sell any Product that has been returned opened or repackaged.

(d) Dealer shall utilize a “first in first out” method of inventory management for the Products.

(e) Promptly upon receipt of the Products, Dealer shall inspect the Products and their packaging for damage, defect, broken seals, evidence of tampering, or other non-conformance with standards provided by Nestlé from time to time (a “Defect”). If any Defect is identified, Dealer must not offer the Product for sale and must promptly report the Defect to Nestlé Professional at 1-800-288-8682.

(f) Dealer shall inspect its inventory regularly for Products past or within two (2) months of their “use by” date (“Out-of-Date Products”) and shall remove those Products from its inventory. Dealer shall not sell any Out-of-Date Products. Dealer shall destroy or dispose of Out-of-Date Products in accordance with instructions provided by Nestlé Professional.

(g) Dealer shall be familiar with the special features of all Products marketed for sale and must obtain sufficient Product knowledge to advise customers on the selection and safe use of the Products, as well as any applicable guarantee or return policy. Dealer must be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly.

(h) Dealer shall cooperate with Nestlé Professional with respect to any Product tracking systems that may be implemented from time to time.

(i) Dealer shall cooperate with Nestlé Professional with respect to any Product recall or other consumer safety information dissemination efforts.

(j) Dealer shall report to Nestlé Professional any customer complaint or adverse claim regarding the Products of which it becomes aware. Dealer shall assist Nestlé Professional in investigating any such complaints or adverse claims.

(k) Dealer shall cooperate with Nestlé Professional in the investigation and resolution of any quality or customer service issues related to Dealer’s sale of the Products, including disclosing information regarding Product sources, shipment, and handling.

5. **Intellectual Property.** Dealer will not use, authorize, or permit the use of any trademarks or trade names owned by or licensed to Nestlé Professional or of its affiliate (collectively, the “Nestlé Marks”) now or in the future without the prior written consent of Nestlé Professional; provided, however, that Dealer may use the Nestlé Marks in accordance with Nestlé Professional’s then current trademark usage guidelines, on Dealer price lists, and on standard promotional flyers without Nestlé Professional’s prior written consent and for purposes of marketing or selling the Products as set forth herein. All use of the Nestlé Marks by Dealer shall inure to the benefit of Nestlé Professional and its affiliates.

6. **Termination.** If Dealer violates this Dealer Policy, Nestlé Professional reserves the right to terminate Dealer's status as an Authorized Dealer with written or electronic notice. Upon termination of a Dealer's status as an Authorized Dealer, Dealer shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Dealer is an Authorized Dealer of Nestlé Professional Products or has any affiliation whatsoever with Nestlé Professional; and (iii) using all Nestlé Marks.

7. **Modification.** Nestlé Professional reserves the right to update, amend, or modify this Dealer Policy at any time. Unless otherwise provided, such amendments will take effect immediately and Dealer's continued use, advertising, offering for sale, or sale of the Products, use of the Nestlé Marks, or use of any other information or materials provided by Nestlé Professional to Dealer following notice of the amendments will be deemed Dealer's acceptance of the amendments.

8. **Confidentiality.** This Dealer Policy, and its attachments, if any, constitute confidential, proprietary information of Nestlé Professional and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of Nestlé Professional.

EXHIBIT A
NESTLÉ PROFESSIONAL ONLINE SALES GUIDELINES

Dealer's approval to sell the Products on Permissible Public Websites is conditioned on adherence to the following terms and conditions:

1. The Permissible Public Websites must not give the appearance that they are operated by Nestlé Professional or any third party.
2. The Permissible Public Websites must not include in their domain names (including any top-level domain names or subdomains) any Product name or trademark, nor a misspelling or confusingly similar variation of any Product name or trademark.
3. Anonymous sales are prohibited. Dealer's full legal name or registered fictitious name, mailing address, email address, and telephone contact must be stated conspicuously on the Permissible Public Websites and must be included with any shipment of Products from the Permissible Public Websites or an order confirmation email sent at the time of purchase.
4. At Nestlé Professional's request, Dealer will reasonably cooperate in demonstrating and/or providing access to, and copies of, all web pages that comprise the Permissible Public Websites.
5. The Permissible Public Websites shall have a mechanism for receiving customer feedback and Dealer shall use reasonable efforts to address all customer feedback and inquiries received in a timely manner. Dealer agrees to provide copies of any information related to customer feedback (including any responses to customers) to Nestlé Professional for review upon request. Dealer agrees to cooperate with Nestlé Professional in the investigation of any negative online review associated with Dealer's sale of the Products and to use reasonable efforts to resolve any such reviews. Dealer shall maintain all records related to customer feedback for a period of one year following the creation or submission of such a record, to the extent legally permitted.
6. The Permissible Public Websites shall be in compliance with all applicable privacy, accessibility, and data security laws, regulations, and industry standards.
7. Unless separately authorized in writing by Nestlé Professional, Dealer shall be responsible for all fulfillment to its customers who order Products through Permissible Public Websites. Dealer shall be responsible for any applicable taxes associated with such purchases of Products, and any returns of Products.
8. Unless separately authorized by Nestlé Professional in writing, Dealer shall not use any third-party fulfillment service to store Product inventory. Dealer shall not fulfill orders in any way that results in the shipped Product coming from stock other than Dealer's, unless separately authorized by Nestlé Professional in writing.
9. In marketing the Products on the Permissible Public Websites, Dealer shall only use images of Products either supplied by or authorized by Nestlé Professional or accessed through the GSI platform and shall keep all Product images and descriptions up to date. Dealer shall not advertise Products not carried in Dealer's inventory.

NESTLÉ PROFESSIONAL AUTHORIZED DEALER PROGRAM AUTHORIZED DEALER POLICY FREQUENTLY ASKED QUESTIONS

Q1. Why is Nestlé Professional implementing the Authorized Dealer Program?

A1. The Authorized Dealer Program is designed to protect the long-term integrity of Nestlé Professional's Coffee mate and Nescafé Dolce Gusto brands and to support our relationships with our valued distribution channel partners, both in brick-and-mortar channels and online. The Program also aims to ensure that consumers receive the high-quality products and customer service they have come to expect from Nestlé Professional's brands.

Q2. How will the Authorized Dealer Program benefit me?

A2. Among other benefits, the Authorized Dealer Program will assist Nestlé Professional in identifying and taking action against unauthorized sellers who harm channel partners, like you, and consumers by selling diverted, repackaged, or otherwise poor-quality products. The Authorized Dealer Program is critical to positioning the Nestlé Professional Coffee mate and Nescafé Dolce Gusto brands for long-term success in today's evolving, increasingly e-commerce driven retail environment.

Q3. What is covered by the Authorized Dealer Policy?

A3. The Authorized Dealer Policy describes our rules regarding where and to whom you may sell Nestlé Professional Coffee mate and Nescafé Dolce Gusto products. The policy also explains our expectations for dealers related to product quality and customer service. These requirements are designed to ensure that consumers receive the quality and service that they have come to expect from these Nestlé Professional brands.

Q4. Does the Authorized Dealer Program apply to all Nestlé Professional products?

Q4. No. The Authorized Dealer Program only applies to Nescafé Dolce Gusto products and Coffee mate products distributed by Nestlé Professional.

Q5. What do I have to do to be "Authorized" to sell Nestlé Professional Coffee mate and Nescafé Dolce Gusto products?

A5. For dealers purchasing Nestlé Professional Coffee mate and Nescafé Dolce Gusto products through a distributor, to become and remain an "Authorized Dealer," you are required to abide by the Authorized Dealer Policy and register with Nestlé Professional through the Authorized Dealer Registration Form found at www.nestleprofessional.us/authorizeddealerregistry.

For dealers that purchase directly from Nestlé Professional, you are required to abide by the Authorized Dealer Policy.

Q6. From whom may I purchase Nestlé Professional Coffee mate and Nescafé Dolce Gusto products?

Q6. You may only purchase Nestlé Professional Coffee mate and Nescafé Dolce Gusto products either directly from Nestlé Professional or from an Authorized Nestlé Professional Distributor. If you are unsure whether a distributor is an Authorized Distributor, please contact your sales representative or Nestlé Professional's Authorized Dealer Program Coordinator at adpcoordinator@us.nestle.com.

Q7. Am I permitted to sell Nestlé Professional Coffee mate and Nescafé Dolce Gusto products online?

A7. Authorized Dealers may sell Nestlé Professional Coffee mate and Nescafé Dolce Gusto products on “Permissible Public Websites,” which are websites that are operated in the Authorized Dealer’s legal name (or registered fictitious name/DBA) in compliance with the Nestlé Professional Online Sales Guidelines, which are attached to the Authorized Dealer Policy. The URLs for Permissible Public Websites operated by Dealers purchasing through distribution must be disclosed to Nestlé Professional through the Authorized Dealer Registration Form.

*Permissible Public Websites **do not** include storefronts on online marketplaces, such as Amazon, eBay, and Walmart Marketplace. Sales of Coffee mate and Nescafé Dolce Gusto products on these platforms are strictly prohibited.*

Q8. I operate a storefront on Amazon / eBay / Walmart Marketplace / Jet and have been selling Nestlé Professional Coffee mate and Nescafé Dolce Gusto products there. Will I be grandfathered / permitted to continue selling there?

A8. No. As of the effective date of the Authorized Dealer Policy, your sales of Nestlé Professional Coffee mate and Nescafé Dolce Gusto products on all online marketplaces will not be permitted. Nestlé Professional is not currently considering requests for authorization to sell on online marketplaces. You are welcome to continue selling Nestlé Professional Coffee mate and Nescafé Dolce Gusto products in your brick-and-mortar retail locations and through your Permissible Public Website(s) in accordance with the Authorized Dealer Policy.

Q9. What will happen if I violate the Authorized Dealer Policy?

A9. Nestlé Professional reserves the right to terminate a Dealer’s “Authorized Dealer” status and instruct Distributors to no longer sell to the Dealer if the Authorized Dealer Policy is not followed. If you have any questions regarding whether particular conduct violates the Authorized Dealer Policy, please contact your sales representative or Nestlé Professional’s Authorized Dealer Program Coordinator at adpcoordinator@us.nestle.com.

Q10. When is the Authorized Dealer Policy effective?

A10. The Authorized Dealer Policy is effective as of April 15, 2020. Following that date, Authorized Dealers are expected to abide by the terms of the Authorized Dealer Policy.

Please direct other questions regarding the Authorized Dealer Program to your sales representative or Nestlé Professional’s Authorized Dealer Program Coordinator at adpcoordinator@us.nestle.com.