



STARBUCKS DISTRIBUTOR GUIDELINES

(Beer and Wine)

Welcome to the Starbucks Evenings Program! We are excited to have you as a partner.

These Starbucks Distributor Guidelines represent the minimum requirements that Distributors for the Starbucks Evenings Program must comply with to ensure safety, security, and streamlined operations. These Guidelines are subject to change periodically, so please make sure that you and your employees are knowledgeable about the following and most current version of these Guidelines which can be found at www.starbucks.com/suppliers.

All of Starbucks U.S. retail operations are supported out of the Seattle-based Starbucks Support Center (“SSC”) headquarter office. In order to ensure successful Starbucks Evenings Program scale up and sustainment, it is essential that we leverage our existing operational support systems and teams to ensure continuity. The Starbucks Evenings Program is managed 100% by the SSC and our retail Stores have no local autonomy. The Starbucks Logistics Service Representative (“LSR”) team based at the SSC fields all calls from our retail Stores across the U.S.

Storage space at Starbucks retail Stores is exceptionally limited. Additionally, foot traffic is very high in our Stores and we do not have traditional Bar Managers as typically found in many on premise locations. Starbucks needs Distributor cooperation to minimize store operation disruptions in order to focus on our valued customers and their store experience. Below are the minimum requirements for Distributors.

Starbucks Store Delivery

Safety and Security:

1. Starbucks Store Partners and the delivery driver's safety and security will always be the first priority. Distributor will ensure that its entire staff knows and understands all safety and security procedures prior to the first delivery.
2. All drivers will wear uniforms with a company logo and whenever possible be equipped with a picture ID badge.
3. Distributor trucks shall display the name/logo of the Distributor whenever possible.
4. All drivers will respect the personal privacy of Starbucks Store Partners.
5. Distributor shall obey all posted rules and regulations by the Starbucks Stores' landlords and/or city.
6. Distributor will not drop any promotional items or samples at the Stores.
7. Provision of promotional items or samples by Distributor must comply with applicable Alcoholic Beverage Law and can only be dropped at the SSC with prior written approval.

General Delivery Requirements:

1. Attended deliveries during local Stores hours only. No deliveries can be made between 6:00 am to 10:00am. Deliveries must occur at least 30 minutes prior to Store close.
2. Distributor will proactively call to inform the Starbucks LSR team of emergency situations, extended stock out issues (2 weeks or more), or in the event of any delivery delay issues. Starbucks LSR will communicate directly with the applicable Store. Distributor may not contact the Store directly without the prior express permission of the Starbucks LSR.
3. Issues that arise due to an error or mistake in delivery will be responded to and resolved within the specified timeframe (see following page).
4. Distributor will be responsible for delivering the correct Product in the correct quantity to the correct Starbucks Store location. Distributor's driver will not leave the delivery unattended and must wait until a Starbucks employee is available to verify/count the delivery prior to departure.
5. Distributor will place all Products in the designated delivery location assigned in each Store. For wine and beer products, this location is the back room of the Store. Delivery location is subject to change based on

restrictions by local union labor laws. Different Products may have different locations within the Store as determined by Starbucks.

Starbucks Order Process and Issue Tracking/Resolution

All current Starbucks suppliers utilize the Order Delivery Sheet (“ODS”) to communicate with the SSC operations. The Starbucks LSR team utilizes the Customer Relationship Management “CRM” software tool to log and track issue resolution for our retail Stores. When issues are logged, they have a severity level assigned to them (Level 1 or 2) with associated requested response time from all suppliers/distributors. Starbucks will provide training and access to Distributors as part of onboarding, and Distributors will be required to use the CRM software tool and communicate status of issues back to the Starbucks LSR team.

Order and Delivery Process:

1. Distributor will communicate to SSC an initial Order and Delivery Schedule (ODS) for each Store. Once the receipt of the ODS is confirmed, Distributor will deliver to each Store in accordance with the ODS. Any proposed changes to a previously submitted ODS must be submitted 4 week prior to support change.
2. Distributor agrees to all Minimum Order Quantities (MOQs) to be on a case quantity basis only (E.g. one case, instead of \$100).
3. Distributor agrees to deliver product when MOQ is not hit due to distributor product stock out.
4. Distributor will proactively inform the Starbucks LSR team of any changes to the ODS for all Stores (at least 4 weeks’ notice is required) or product stock outs or issues (at least 2 weeks’ notice is required).
5. Stores typically have 4 hour delivery window. The actual open hours for each Store may change throughout the year. Starbucks will notify Distributor of changes to the delivery window with at least two weeks’ notice.

LSR and CRM Examples of issues, severity levels and response times are below:

Service Level Issue	Severity Level	Response time needed
Critical delivery execution failures that jeopardize Store operations, examples include: <ul style="list-style-type: none"> • Cross delivery (i.e., an order is delivered to another location). • Delivery is late or missing and has not been reported by Distributor – an ETA is needed 	1	1 hour
Store is shorted by 50% or more of order	1	1 hour (if recovery is needed) 24 hours (if no recovery is needed)
Store/customer’s property is damaged or security procedures are not followed by a Distributor’s personnel.	1	24 hours
Store partner or receiver is not treated with respect and dignity by Distributor’s personnel.	1	24 hours
All other issues	2	24 hours

Examples of responses needed from the Distributor around the service levels above:

1. Initial response time according to above
2. Responses should include:
 - o Acknowledgement of receipt of issue
 - o Request for any additional information needed
 - o What steps Distributor has taken/intends to take to resolve issue
 - o Estimated timeframe of resolution

Invoicing and Payments:

Starbucks has outsourced invoicing and electronic payment processing to a third party payment processor. Distributor will enroll with third party payment processor in support of the Starbucks Evenings program unless otherwise arranged with Starbucks.

Pricing:

Frequent price changes are difficult for Starbucks to operationally manage due to volume of products and suppliers across our global network. Distributor will work with Starbucks to provide best solution.

Account Management:

For communication efficiency, Distributor will assign one key point of contact and escalation point contact for Starbucks account management.