



## Indemnity Agreement and Continuing Guaranty (IACG)

In consideration of the purchase by Grocery Outlet, Inc. or any of its affiliates (collectively “**Grocery Outlet**”) from time to time, of any products (“**Products**”) sold by the undersigned entity (“**Supplier**”) to Grocery Outlet, Supplier hereby enters into and agrees to this Indemnity Agreement and Continuing Guaranty (“**IACG**”), which applies to any Products provided or sold by Supplier to Grocery Outlet:

1. **Warranties:** Supplier represents and warrants to Grocery Outlet that (i) Supplier is the sole owner or title holder of the Products it will sell to Grocery Outlet, or is acting under authorization by the owners or title holders; (ii) the Products will be in accordance with the specifications communicated by Grocery Outlet from time to time; (iii) the Products will be free from material defects, be merchantable and be fit for their intended use including, if applicable, human consumption; (iv) Supplier and the Products (including, but not limited to, all packaging and labels) are in compliance with all applicable federal, state and local laws, rules, regulations and requirements including, without limitation, all laws regarding anti-bribery, anti-corruption, occupational health or safety issues, labor laws, product safety laws, export control, unfair competition, anti-discrimination, false advertising, and hazardous waste or toxic substances management, handling or disposal laws, the U.S. Federal Food, Drug and Cosmetic Act, as modified, including the Food Safety Modernization Act and the Foreign Supplier Verification Program (the “**Act**”) and applicable regulations issued thereunder and, as applicable, the regulations and other requirements of the Food and Drug Administration (“**FDA**”) and U.S. Department of Agriculture (“**USDA**”); (v) the Products will not be adulterated or misbranded within the meaning of the Act nor articles that are prohibited from introduction into interstate commerce under the Act, (vi) the Products will be manufactured, produced, stored and/or delivered in accordance with appropriate current good manufacturing practices; (vii) no Product contains any of the chemicals known to the State of California to cause cancer or reproductive toxicity unless a chemical is present at levels below the safe harbor levels established under California’s Safe Drinking Water and Toxic Enforcement Act of 1986 (“**Prop 65**”) and is not required to have any warning or other disclosure in accordance with Prop 65, as amended, unless approved in writing by Grocery Outlet and if Grocery Outlet does approve a Prop 65 warning on a Product, that the Prop 65 warning is on the Product in full compliance with Prop 65; and (viii) all Products, when delivered, will be free and clear of all liens and encumbrances.

2. **Indemnity:** Supplier shall defend, indemnify, and hold Grocery Outlet and its agents, employees, officers, directors, members and shareholders, harmless from and against all claims, actions, demands, proceedings, damages, losses, suits, expenses, costs and liabilities of any kind including reasonable attorneys’ fees and costs (collectively, “**Claims**”) to the extent that such Claims arise out of or relate to: (i) any negligent or willful acts or omissions of Supplier, its employees, agents or subcontractors; (ii) any recalls of the Products; (iii) any breach by Supplier of any representation, warranty or covenant under this IACG or the PL Agreement (as defined below), if any; (iv) any injury, illness and/or death caused by the Products; (v) any claim that the Products infringe the intellectual property rights of a third party; or (vi) any violation of any law, regulation or ordinance by Supplier. With respect to any indemnifiable Claims under this Section, Grocery Outlet shall be entitled (in its sole discretion) to control the defense and any settlement of Claims and to engage lawyers of its own choice for this purpose. In such case Supplier shall promptly reimburse Grocery Outlet for all reasonable costs, fees, expenses and damages incurred or paid by Grocery Outlet in connection with such defense, including in advance of the final disposition. Supplier shall (at its own cost) provide Grocery Outlet with all necessary information and documents, and provide adequate and reasonable support. To the extent Supplier controls the defense, Supplier shall give prompt written notice to Grocery Outlet of any proposed settlement of any Claim subject to indemnification hereunder. Supplier may not, without Grocery Outlet’s prior written consent, settle or compromise any Claim or consent to the entry of any judgment regarding which indemnification is being sought hereunder unless such settlement, compromise, or consent: (a) includes an unconditional release of Grocery Outlet from all liability arising out of such claim; (b) does not contain any admission or statement suggesting any wrongdoing or liability on behalf of Grocery Outlet; and (c) does not contain any equitable order, judgment or term (other than the fact of payment or the amount of such payment) that in any manner affects, restrains, or interferes with the business of Grocery Outlet.

3. **Insurance:** As long as Supplier provides Products to Grocery Outlet, Supplier shall obtain and keep in force at its own cost and expense: (i) comprehensive general liability insurance, including contractual liability and product liability, with a minimum combined single limit in the amount of not less than \$5,000,000 in the aggregate for bodily harm or personal injury

to, illness of, or death of persons, and damage to property occurring as a result of the Products to be produced and sold to Grocery Outlet, and (ii) product recall liability insurance with a limit of \$5,000,000 in the aggregate. Such insurance shall name Grocery Outlet as an additional insured and shall contain a waiver of subrogation. Upon Grocery Outlet's request, Supplier shall cause certificates evidencing the existence of any insurance required under this IACG to be delivered by the applicable insurer to Grocery Outlet. Supplier's comprehensive liability insurance shall not be canceled until at least 30 days' written notice has been given to Grocery Outlet. Supplier shall maintain the above-referenced insurance carrying a Best's rating of at least 'A-'. Supplier shall also maintain the statutory requirements for workers' compensation insurance.

4. **General Terms:** This IACG shall be effective as of the date last written in the signature block below, will apply to Products supplied by Supplier prior to that date, and will continue in effect with respect to all Products sold or provided by Supplier to Grocery Outlet until terminated by mutual written agreement. This IACG is governed and construed under the laws of the state of California without any application of conflicts of law rules, and any proceeding between the parties shall take place in the state or federal courts located in San Francisco, which shall be the exclusive venue for any such dispute. In any action at law or in equity to enforce any of the provisions of this IACG or an action based on a breach of this IACG, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this IACG. This IACG and, if the parties enter into a subsequent Private Label Purchase Agreement ("PL Agreement"), the PL Agreement, set forth the entire understanding of the parties with respect to the subject matter and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject. Any additional, contrary or different terms contained in any invoice, acknowledgement, or other request or communication by Supplier related to the Products, or any attempt to modify, supersede, supplement or otherwise alter this IACG, will not modify this IACG or be binding on the parties unless such terms have been fully approved in a signed writing by both parties. No amendment or waiver of any term or condition of this IACG will be valid unless in a writing signed by the party against which enforcement is sought. If any provision of this IACG is deemed invalid or unenforceable under applicable law, then it will be, to that extent, deemed omitted and the remaining provisions will continue in full force and effect.

The parties hereto have executed this IACG as of the date last written below.

**Grocery Outlet:**

**Supplier:**

Please fill out completely

Grocery Outlet, Inc.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address:  
Grocery Outlet, Inc.

Address:  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Attn: \_\_\_\_\_