



Dear Sprouts Partner,

Welcome to the Sprouts Family. Below you will find two forms of our Vendor Agreement. One agreement corresponds to product vendors and another for service vendors. Please only sign and upload the one applicable to you, along with any other requested documentation.

Thank you and we look forward to our new business relationship.

Please reach out to [submissions@sprouts.com](mailto:submissions@sprouts.com) if you have any questions.

Warm Regards,

Sprouts Farmers Market

## PRODUCT VENDORS INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (“*Agreement*”) is entered into effective as of the date last written on the signature page hereto (the “*Effective Date*”), by and between **SFM, LLC d/b/a SPROUTS FARMERS MARKET**, a Delaware limited liability company with a place of business at 5455 E. High Street, Ste. 111, Phoenix, AZ 85054 (“*Sprouts*”), and \_\_\_\_\_ (“*Vendor*”).

### RECITALS

- A. Sprouts is a leading retailer of healthy and natural foods, nutritional supplements and related products.
- B. Vendor is a supplier of certain products to Sprouts, either for retail sale by Sprouts or to be used in furtherance of conducting its business.
- C. Vendor wishes to provide, and Sprouts wishes to obtain, certain indemnities to protect the health and safety of Sprouts customers and employees, and to protect Sprouts from certain third party claims, all under the terms of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sprouts and Vendor hereby agree as follows.

### AGREEMENT

1. **DEFINITIONS.** Capitalized terms used in this Agreement shall have the following meanings:

“*Claims*” shall have the meaning assigned to it in **SECTION 2 (“PRODUCTS”)**.

“*Effective Date*” shall have the meaning assigned to it in the first paragraph of this Agreement.

“*Indemnitees*” shall have the meaning assigned to it in **SECTION 2 (“PRODUCTS”)**.

“*IP Rights*” shall have the meaning assigned to it in **SECTION 2 (“PRODUCTS”)**.

“*On-Site Representatives*” shall have the meaning assigned to it in **SECTION 3 (“ON-SITE REPRESENTATIVES”)**.

“*Products*” shall mean any and all goods or products provided with or without consideration by Vendor directly or indirectly to Sprouts at any time.

2. **PRODUCTS.**

**2.1 Indemnification.** Vendor hereby agrees to indemnify, defend and hold harmless Sprouts, its direct and indirect subsidiaries, affiliates, officers, directors, members, shareholders, agents and customers (collectively, the “*Indemnitees*”) for, from and against any and all claims, demands, threats, suits, proceedings, judgements, liabilities, fines, fees, interest, awards, settlement amounts, damages, and expenses, including without limitation reasonable attorneys’ fees and ancillary costs of defense (“*Claims*”), brought by or on behalf of any third party arising out of, relating to or in connection with any (i) negligent act(s) or willful misconduct of Vendor; (ii) any contractual or other relationship between Vendor and any third party; (iii) any defamatory statements by Vendor, its vendors, subcontractors, or manufacturers relating to Sprouts, whether verbal, written or electronic in any format whatsoever; (iv) any breach by Vendor of this Agreement or the representations or warranties contained herein; (v) violation of law, regulation or rule by Vendor; (vi) allegation of infringement or unlawful

misappropriation of any third party's patent, copyright, trademark, or other intellectual property right (collectively, "**IP Rights**"); (vii) allegation of inaccuracy, deception, misbranding, misrepresentation or false advertising relating to or caused by Product information contained in any claims regarding the Products, including, without limitation, the information on the labels, packaging or other promotional materials for such Products, supplied by Vendor to Sprouts; or (viii) any recall, withdrawal, or safety notice regarding any Product initiated by Sprouts, Vendor, or government agency; (ix) termination by any certifying agent or authorization to use a certifying mark; or (X)allegation that any Product or action by an employee or agent of Vendor, directly or indirectly, in whole or in part: (a) has given rise to any illness or injury to or death of any person or animal, or any damage to property or reputation; (b) has violated any applicable federal, state, local or other law, rule or regulation, including, without limitation, any regulations of the Food and Drug Administration, California's Proposition 65, or the Consumer Product Safety Commission or other regulations enacted for the purposes of consumer protection; (c) is not merchantable or fit for its intended purpose; or (d) is in any way deficient in wholesomeness, quality, labeling, packaging or manufacture.

**2.2 Certification.** With respect to each Product, Vendor hereby covenants, represents and warrants that (i) the Products are not adulterated or misbranded; (ii) all nutritional and ingredient information, labels, packaging, and any statement, claim or other promotional materials for the Products supplied by or approved by Vendor are complete, accurate, not misleading in any respect, and in compliance with all applicable federal and state requirements; (iii) each Product shall be manufactured following current good manufacturing practice and in accordance with standards at least as high as current industry standards; (3) each Product shall be properly labeled with open code expiration date on the shipping unit and selling unit, (4) each Product's label will have directions for use that are necessary and appropriate in a way that is easily read and understood by consumers, and each as of the date hereof and as of the date of shipment of each Product to Sprouts or its designee. With respect to the statements and claims made on the Product labels and labeling, packaging or other promotional material, Vendor certifies that it has adequate substantiation to support such statements and claims. If applicable, Vendor further certifies that each Product shall be formulated consistent with the specification sheets provided to Sprouts in all material respects as of the date hereof and as of the date of shipment of each Product to Sprouts or its designee. Vendor further represents that it will, at all times, comply with Sprouts' vendor policies, located on its website, and as updated from time to time, including, without limitation, Sprouts' Vendor Code of Conduct.

**2.3 Indemnification Procedures.** Promptly after becoming aware thereof, Sprouts shall notify Vendor of any and all Claims subject to the foregoing indemnification provision. Sprouts acknowledges that Vendor, in its sole discretion, shall have the option of defending (using attorneys reasonably acceptable to Sprouts) any and all matters subject to the foregoing indemnification provision, and Vendor agrees that it shall not enter into any settlement or compromise of any action or claim for which Sprouts seeks indemnification hereunder except with the prior written consent of Sprouts. If Vendor exercises its right to defend any such action, Sprouts shall have the right to participate in such defense using attorneys of its own choosing, at Sprouts' sole cost and expense. In the event that any Product is held to infringe, or is reasonably believed by Sprouts to infringe an IP Right, Vendor shall also, at Sprouts' option and Vendor's expense, either: (i) modify the item to be non-infringing and without the loss of material features or functionality; (ii) obtain for Sprouts a license to continue using the item; (iii) replace the item with non-infringing items, while substantially complying without the loss of material features or functionality; or (iv) refund to Sprouts any fees, commissions, and expenses paid relating to applicable Products, and repurchase all inventory of the item in the possession or control of Sprouts.

### **3. ON-SITE REPRESENTATIVES.**

Vendor hereby agrees to indemnify, defend and hold the Indemnitees harmless from and against any Claims brought by any employee, contractor or agent of Vendor (each, a "**On-Site Representative**") arising from or in connection with any activity or presence of such On-Site Representative at any Sprouts facility in connection with Products or the demonstration of promotions of Products to customers, including without

limitation any: (i) injury to such On-Site Representative, family member or associate; and (ii) any losses or liabilities alleged by such On-Site Representative. In the event of any such Claim, Sprouts shall give notice thereof to Vendor and the procedures set forth in SECTION 2.3 above shall apply to such indemnification. The foregoing obligations stated in this SECTION 3 (“ON-SITE REPRESENTATIVES”) shall continue regardless of any expiration or termination of any agreement between Sprouts and Vendor, or any supply or failure to supply Products.

**4. INSURANCE.**

**4.1 Coverage.** During the term of this Agreement and for a period of one (1) year thereafter, Vendor will obtain and maintain, at its own expense, the following policies with at least the following associated coverage:

<b>Insurance Policy</b>	<b>Required Coverage (Occurrence/Aggregate)</b>
Commercial General Liability (including broad form contractual liability, product, personal and advertising injury and intellectual property liability coverage)	\$1,000,000 / \$2,000,000
Excess (Umbrella) Liability	\$5,000,000
Products Liability and Completed Operations	\$1,000,000 / \$2,000,000
Workers’ Compensation	Statutory Limit
Employers Liability (Stop-Gap Liability)	\$1,000,000 for: each accident / Injury by Disease / Injury by Disease each employee
Automobile Liability (including any auto, owned, non-owned, leased and hired autos)	\$1,000,000 per occurrence

Each such policy shall be underwritten by insurers with a minimum A.M. Best Financial Strength rating of “A- (Excellent)” and Financial Size rating of “VII” or equivalent ratings from other valid rating agencies and under forms of policies reasonably satisfactory to Sprouts. All policies must contain a waiver of subrogation in favor of SFM, LLC d/b/a Sprouts Farmers Market. If Vendor’s employees (including, without limitation, any On-Site Representative) enter any Sprouts premises, Sprouts may also require, in its sole discretion, Vendor to obtain and maintain, additional policies and/or coverage for Workers’ Compensation insurance, Employers’ Liability (Stop-Gap Liability) insurance, and/or Automobile Liability insurance. Vendor’s Commercial General Liability insurance must be written on a broad occurrence form (including, without limitation, premises-operations, broad form property damage, products/completed operations, personal injury, and advertising injury and liability assumed under an insured contract and contractual liability coverage). Vendor’s Excess (Umbrella) Liability insurance shall be provided on a per occurrence basis. Vendor’s Excess (Umbrella) insurance coverage shall provide excess limits for the General Liability, Products Liability, Employer’s Stop-Gap Liability and Automobile Liability policies and be a follow form or at least as broad as coverage to the underlying policies. Vendor shall require its agents, subcontractors, and independent contractors to comply with the insurance requirements of this Section 4.

**4.2 Additional Insured.** For all of the above listed policies, Vendor will provide Certificates of Insurance naming SFM, LLC d/b/a Sprouts Farmers Market as an “Additional Insured”, on a primary and non-contributory basis to any other insurance that may be available to Sprouts Farmers Market. Vendor shall also cause a Broad Form Vendor’s Endorsement (ISO Form CG2015) in favor of Sprouts to be attached to such policies. Vendor shall provide such Certificates of Insurance upon execution hereof, and shall provide updated Certificates of Insurance when coverage is renewed or materially changed and as may be requested from time to time by Sprouts. Furthermore, upon Sprouts’ request, Vendor shall provide certified copies of its insurance policies, including any and all endorsements.

**4.3 Policy Limits.** Each insurance policy required under this Agreement shall provide that its policy limits shall not be reduced, or its terms materially changed, or the policy itself canceled, without at least thirty (30) days' prior written notice to Sprouts. Vendor's insurance will be primary with respect to all obligations pursuant to this Agreement. It shall be the responsibility of the Vendor to ensure that all of its agents, representatives, subcontractors and independent contractors comply with the above insurance requirements. Insurance coverage and limits referred to above shall not in any way limit the liability of the Vendor. Any self-insured retention shall be identified on the Certificate of Insurance, with its endorsement attached. Sprouts reserves the right, in its sole discretion and upon notice to Vendor, to adjust, increase, and/or otherwise modify the insurance requirements herein.

## **5. RECALLS.**

**5.1 Process.** If any Product is the subject of a recall (or safety notice) initiated by Sprouts (in the interest of public safety), Vendor or a government or consumer protection agency, Vendor shall be responsible for all costs and expenses associated with such recall or notice, including without limitation any cost of recalled Products, costs or expenses incurred for recalling, publishing notices about, shipping or destroying affected Products, including refunds to customers. Notwithstanding the foregoing, Vendor may be required to pay a reasonable fee to Sprouts for administrative costs associated with completing a recall (or safety notice), as communicated from time to time by Sprouts to Vendor.

**5.2 Notices.** Upon learning or receiving notice of any defect in, or tampering with, any Products, Vendor shall promptly notify Sprouts and, if appropriate, contact law enforcement, the Food and Drug Administration and every other appropriate government agency, and shall immediately conduct at its expense sufficient analyses of such Products and shall report the results to Sprouts promptly and in writing.

**5.3 Cooperation.** The parties shall assist each other in all reasonable ways to resolve any claims involving Products subject to a recall or safety notice.

## **6. COMPLIANCE WITH LAW.**

**6.1 Warranty.** Vendor represents and warrants that: **(i)** it is a legal entity duly organized and in good standing under the laws of the state (or other political subdivision) of its organization, with full capacity to sue and to be sued; **(ii)** it is authorized to enter into and be bound by the terms of this Agreement; **(iii)** neither this Agreement nor Vendor's performance hereof shall be a violation of applicable law or the terms of any contract, instrument or agreement between Vendor and any third party; **(iv)** it shall comply with all applicable laws and local government regulations regarding labor, child labor, minimum wage, living conditions, overtime, human trafficking, working conditions and the environment; and **(v)** shall not use forced prison labor or the labor of children.

**6.2 Information.** Vendor agrees to provide such information as Sprouts may reasonably request to enable Sprouts to comply, and to facilitate Sprouts' compliance, with applicable federal, state, and local statutes, rules, regulations, ordinances, orders and other imperatives. Vendor warrants, now and as of the date of each shipment of Products hereunder, that such information as it shall provide to Sprouts shall be true, accurate and complete in all respects.

**6.3 California Notices.** Vendor agrees to notify Sprouts, in writing, of any Products that contain a chemical listed by the State of California pursuant to Proposition 65 that is not exempt from the warning requirement under Section 25249.10, and such notice shall include: the Product name; the listed chemical(s); and the warning statement that Vendor shall provide with such Products.

**6.4 Confidential Information.** Vendor acknowledges that, in the course of performing its obligations under this Agreement, it may have access to the Confidential Information (as defined below) of Sprouts or its affiliates. Vendor shall not transfer or otherwise disclose the Confidential Information to any third party. Vendor shall (i) give access to such Confidential Information solely to those employees with a

need to have access thereto for purposes of this agreement, and (ii) take the same security precautions to protect against disclosure or unauthorized use of such Confidential Information as Vendor takes with its own confidential information but, in no event, shall Vendor apply less than a reasonable standard of care to prevent such disclosure or unauthorized use. Vendor shall promptly return or destroy all Confidential Information upon the termination of this Agreement or as requested by Sprouts. For purposes of this Agreement, "Confidential Information" shall mean, without limitation, all information related to Sprouts, however received, that is observed or obtained by Vendor including, without limitation, the existence of this Agreement and the terms and conditions herein, designs, drawings, product specifications and documentation, business and product plans and data, and other confidential business information of Sprouts. Confidential Information shall not include information which: (a) is or becomes public knowledge without any action by, or involvement of, Vendor; or (b) is proven to be already known to Vendor at the time of disclosure without restriction of confidentiality, as evidenced in writing. Vendor agrees that money damages would not be a sufficient remedy for any breach of this Section 6.4 by Vendor, and that in addition to all other remedies Sprouts will be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. The confidentiality obligations of this Section 6.4 shall survive termination of this Agreement.

**6.5 Intellectual Property.** Each party shall retain all rights, title, and interest in all intellectual property that it owns or controls as of the Effective Date or that it develops or acquires thereafter. Vendor may not use Sprouts logo, trademarks, or tradenames without prior approval.

**7. Miscellaneous.**

**7.1 Payment Terms.** Unless otherwise agreed by the parties, in writing, all undisputed invoices are due Net 30 of the date of receipt of the invoice by Sprouts. All invoices shall be issued in a timely fashion, and in no event later than ten (10) days after the Product was delivered. Vendor acknowledges that timely billing and invoicing is a material consideration for Sprouts in entering into this Agreement. As such, any invoices not received by Sprouts within the time frames set forth below may be subject to a discount as follows:

Invoice Received	Discount Applied
31-45 days	15%
46-60 days	30%
61-75 days	50%
76-90 days	70%
more than 90 days	100% (no amount will be paid)

Vendor agrees to, upon Sprouts' request, exchange orders, payments, acknowledgements, invoices, remittance notices, and other records electronically ("EDI"), in place of tangible documents. All EDI shall be done in accordance with Sprouts' policies and procedures, and through Sprouts' designated EDI provider.

**7.2 Safety & Inspections.** Sprouts may inspect any of Vendor's facilities and subject Products to Sprouts' quality control program and testing to verify that the products are being appropriately warehoused in accordance with industry standard, applicable law, and the Agreement. Vendor shall also provide Sprouts access to its Hazard Analysis Critical Control Point (HACCP) or SOPs, third-party food safety audits (if applicable), sanitation audits for any Vendor facility that makes the Products, and documented results of any regulatory inspections related to the products or any Vendor facility. If applicable, Vendor shall submit food safety audits for each Vendor facility, annually. Vendor shall provide to Sprouts or any governmental entity any information concerning handling or storage processes which Sprouts or the governmental entity requests. Vendor shall promptly notify Sprouts of any such governmental requests, and provide Sprouts with copies of all correspondence between Vendor and any such governmental entity. Vendor shall require the same standards stated herein from all of its suppliers.

**7.3 General.** This Agreement shall continue on until either party provides notice of termination. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by email, by a nationally recognized private courier, or by United States mail, to the address listed below; provided, however that any notice of termination must be in a tangible writing, delivered by a nationally recognized private courier, or by United States mail. This Agreement is the entire agreement of the parties with respect to this subject matter, and supersedes all prior agreements, discussions and negotiations between the parties with respect thereto. If there is a conflict between this Agreement and any other agreement, purchase order, or document entered into by the parties hereafter (collectively, “Subsequent Agreements”), this Agreement will control unless the conflicting provision of the Subsequent Agreement specifically references the provision of this Agreement to be superseded. Notwithstanding the foregoing sentence, if the parties have entered into a Master Private Label Merchandise Agreement (an “MPLA”), the MPLA shall control. Any action related to this Agreement shall be governed by the substantive laws of the State of Arizona, without regard to conflicts of laws principles. The State and Federal courts located in Maricopa County, Arizona, shall have sole jurisdiction over any dispute arising hereunder, and the parties hereby consent to the personal jurisdiction of such courts. Neither this Agreement, nor any rights hereunder, may be assigned by operation of law or otherwise, in whole or in part, or be modified in any way, without the prior written permission of the other party; provided, however, that Sprouts may assign this agreement to any of its affiliates in its sole discretion without seeking consent. A waiver of any provision of this Agreement by a party will only apply only to the occurrence involved and will not be construed as a continuing waiver. Failure or delay by a party to enforce this Agreement will not be construed as a waiver. Any purported assignment or modification without such permission shall be void. Any affiliate of Sprouts shall be a third-party beneficiary of this Agreement and have the right to enforce any and all of Sprouts rights hereunder.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, each party has executed this Agreement as of the Effective Date

**AGREED TO:**

**SFM, LLC d/b/a SPROUTS FARMERS MARKET**

**BY:** BJL

**NAME: BRANDON LOMBARDI**

**TITLE: SECRETARY**

**DATE:** \_\_\_\_\_

**Address:**

5455 E. High St., Ste. 111,

Phoenix, AZ 85054

Attn: Legal Department

**VENDOR NAME:** \_\_\_\_\_  
*(Include full legal company name)*

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**ADDRESS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## SERVICE VENDORS INDEMNIFICATION AGREEMENT

**THIS INDEMNIFICATION AGREEMENT (“Agreement”)** is entered into effective as of the date last written on the signature page hereto (the “*Effective Date*”), by and between **SFM, LLC d/b/a SPROUTS FARMERS MARKET**, a Delaware limited liability company with a place of business at 5455 E. High Street., Suite 111, Phoenix, AZ 85054 (“*Sprouts*”), and \_\_\_\_\_ (“*Vendor*”).

### RECITALS

- A. Sprouts is a leading retailer of healthy and natural foods, nutritional supplements and related products.
- B. Vendor is a provider of certain services to Sprouts.
- C. Vendor wishes to provide, and Sprouts wishes to obtain, certain indemnities to protect the health and safety of Sprouts’ customers and employees, and/or to protect Sprouts from certain third party claims, all under the terms of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sprouts and Vendor hereby agree as follows.

### AGREEMENT

1. **DEFINITIONS.** Capitalized terms used in this Agreement shall have the following meanings:

“*Claims*” shall have the meaning assigned to it in **SECTION 2 (“SERVICES”)**.

“*Effective Date*” shall have the meaning assigned to it in the first paragraph of this Agreement.

“*Indemnitees*” shall have the meaning assigned to it in **SECTION 2 (“SERVICES”)**.

“*IP Rights*” shall have the meaning assigned to it in **SECTION 2 (“SERVICES”)**.

“*On-Site Representatives*” shall have the meaning assigned to it in **SECTION 3 (“ON-SITE REPRESENTATIVES”)**.

“*Services*” shall mean any and all services provided with or without consideration by Vendor directly or indirectly to Sprouts, including, without limitation, services provided to Sprouts’ customers and employees, at any time.

2. **SERVICES.**

**2.1 Indemnification.** Vendor hereby agrees to indemnify, defend and hold harmless Sprouts, its direct and indirect subsidiaries, affiliates, officers, directors, members, shareholders, agents and customers (collectively, the “*Indemnitees*”) for, from and against any and all claims, demands, threats, suits,

proceedings, judgments, liabilities, fines, fees, interest, awards, settlement amounts, damages, and expenses, including without limitation reasonable attorneys' fees and ancillary costs of defense ("**Claims**"), brought by or on behalf of any third party arising out of, relating to or in connection with any (i) negligent act(s) or willful misconduct of Vendor; (ii) any contractual or other relationship between Vendor and any third party; (iii) any defamatory statements by Vendor, its vendors, subcontractors, or agents relating to Sprouts, whether verbal, written or electronic in any format whatsoever; (iv) any breach by Vendor of this Agreement or the representations or warranties contained herein; (v) violation of law, regulation or rule by Vendor; (vi) allegation of infringement or unlawful misappropriation of any third party's patent, copyright, trademark, or other intellectual property right (collectively, "**IP Rights**"); (vii) allegation of inaccuracy, deception, misbranding, misrepresentation or false advertising relating to or caused by information contained in any claims regarding the Services, including, without limitation, the information on promotional materials for such Services, provided by Vendor to Sprouts; or (viii) allegation that any Service or action by an employee or agent of Vendor, directly or indirectly, in whole or in part: (a) has given rise to any illness or injury to or death of any person or animal, or any damage to property or reputation; (b) has violated any applicable federal, state, local or other law, rule or regulation, including without limitation, any regulations enacted for the purposes of consumer or employee safety and protection; (c) has not been performed in a diligent and professional manner; or (d) is in any way deficient with respect to the intended objective of the Service. Additionally, Vendor agrees to indemnify, defend and hold harmless the Indemnitees from any labor claims of Vendor employees or agents that may result in connection with the Services, including but not limited to workman's compensation and wage and hour claims.

**2.2 Indemnification Procedures.** Promptly after becoming aware thereof, Sprouts shall notify Vendor of any and all Claims subject to the foregoing indemnification provision. Sprouts acknowledges that Vendor, in its sole discretion, shall have the option of defending (using attorneys reasonably acceptable to Sprouts) any and all matters subject to the foregoing indemnification provision, and Vendor agrees that it shall not enter into any settlement or compromise of any action or claim for which Sprouts seeks indemnification hereunder except with the prior written consent of Sprouts. If Vendor exercises its right to defend any such action, Sprouts shall have the right to participate in such defense using attorneys of its own choosing, at Sprouts' sole cost and expense. In the event that any Service or product related to the provision of Services is held to infringe, or is reasonably believed by Sprouts to infringe an IP Right, Vendor shall also, at Sprouts' option and Vendor's expense, either: (i) modify the item to be non-infringing and without the loss of material features or functionality; (ii) obtain for Sprouts a license to continue using the item; (iii) replace the item with non-infringing items, while substantially complying without the loss of material features or functionality; or (iv) refund to Sprouts any fees, commissions, and expenses paid relating to applicable Services.

### **3. ON-SITE REPRESENTATIVES.**

Vendor hereby agrees to indemnify, defend and hold the Indemnitees harmless from and against any Claims brought by any employee, contractor or agent of Vendor (each, a "**On-Site Representative**") arising from or in connection with any activity or presence of such On-Site Representative at any Sprouts facility in connection with the Services or the provision or demonstration of promotions of Services or related products to customers, including without limitation any: (i) injury to such On-Site Representative, family member or associate; and (ii) any losses or liabilities alleged by such On-Site Representative. In the event of any such Claim, Sprouts shall give notice thereof to Vendor and the procedures set forth in **SECTION 2.2** above shall apply to such indemnification. The foregoing obligations stated in this **SECTION 3 ("ON-SITE REPRESENTATIVES")** shall continue regardless of any expiration or termination of any agreement between Sprouts and Vendor, or any provision or failure to provide Services.

**4. INSURANCE.**

**4.1 Coverage.** During the term of this Agreement and for a period of one (1) year thereafter, Vendor will obtain and maintain, at its own expense, the following policies with at least the following associated coverage:

<b>Insurance Policy</b>	<b>Required Coverage (Occurrence/Aggregate)</b>
Commercial General Liability (including broad form contractual liability, product, personal and advertising injury and intellectual property liability coverage)	\$1,000,000 / \$2,000,000
Excess (Umbrella) Liability	\$5,000,000
Workers' Compensation	Statutory Limit
Employers Liability (Stop-Gap Liability)	\$1,000,000 for: each accident / Injury by Disease / Injury by Disease each employee
Automobile Liability (including any auto, owned, non-owned, leased and hired autos)	\$1,000,000 per occurrence
Professional Liability*	\$1,000,000

Each such policy shall be underwritten by insurers with a minimum A.M. Best Financial Strength rating of "A- (Excellent)" and Financial Size rating of "VII" or equivalent ratings from other valid rating agencies and under forms of policies reasonably satisfactory to Sprouts. All policies must contain a waiver of subrogation in favor of SFM, LLC d/b/a Sprouts Farmers Market. If Vendor's employees (including, without limitation, any On-Site Representative) enter any Sprouts premises, Sprouts may also require, in its sole discretion, Vendor to obtain and maintain, additional policies and/or coverage for Workers' Compensation insurance, Employers' Liability (Stop-Gap Liability) insurance, and/or Automobile Liability insurance. Vendor's Commercial General Liability insurance must be written on a broad occurrence form (including, without limitation, premises-operations, broad form property damage, products/completed operations, personal injury, and advertising injury and liability assumed under an insured contract and contractual liability coverage). Vendor's Excess (Umbrella) Liability insurance shall be provided on a per occurrence basis. Vendor's Excess (Umbrella) Liability insurance coverage shall provide excess limits for the General Liability, Products Liability, Employer's Stop-Gap Liability and Automobile Liability policies and be a follow form or at least as broad as coverage to the underlying policies. Vendor shall require its agents, subcontractors, and independent contractors to comply with the insurance requirements of this Section 4.

*\* Notwithstanding anything to the contrary herein, Vendor shall only be required to obtain and maintain Professional Liability insurance if it is providing professional services to Buyer, and in such case Vendor must maintain said Professional Liability insurance during the term of this Agreement, and for a period of three (3) years thereafter.*

**4.2 Additional Insured.** For all of the above listed policies, Vendor will provide Certificates of Insurance naming SFM, LLC d/b/a Sprouts Farmers Market as an "Additional Insured", on a primary and non-contributory basis to any other insurance that may be available to Sprouts Farmers Market. Vendor shall also cause a Broad Form Vendor's Endorsement (ISO Form CG2015) in favor of Sprouts to be attached to such policies. Vendor shall provide such Certificates of Insurance upon execution hereof, and shall provide updated Certificates of Insurance when coverage is renewed or materially changed and as may

be requested from time to time by Sprouts. Furthermore, upon Sprouts' request, Vendor shall provide certified copies of its insurance policies, including any and all endorsements.

**4.3 Policy Limits.** Each insurance policy required under this Agreement shall provide that its policy limits shall not be reduced, or its terms materially changed, or the policy itself canceled, without at least thirty (30) days' prior written notice to Sprouts. Vendor's insurance will be primary with respect to all obligations pursuant to this Agreement. It shall be the responsibility of the Vendor to ensure that all of its agents, representatives, subcontractors and independent contractors comply with the above insurance requirements. Insurance coverage and limits referred to above shall not in any way limit the liability of the Vendor. Any self-insured retention shall be identified on the Certificate of Insurance, with its endorsement attached. Sprouts reserves the right, in its sole discretion and upon notice to Vendor, to adjust, increase, and/or otherwise modify the insurance requirements herein.

## **5. RECALLS.**

**5.1 Process.** If any product used in the provision of the Services is the subject of a recall (or safety notice) initiated by Sprouts (in the interest of public safety), Vendor or a government or consumer protection agency, Vendor shall be responsible for all costs and expenses associated with such recall or notice, including, without limitation, all cost of the product recalled, and any costs or expenses incurred for recalling, publishing notices about, shipping or destroying affected products, including refunds to customers. Notwithstanding the foregoing, Vendor may be required to pay a reasonable fee to Sprouts for administrative costs associated with completing a recall (or safety notice), as communicated from time to time by Sprouts to Vendor.

**5.2 Notices.** Upon learning or receiving notice of any defect in, or tampering with, any products used in the provision of Services, Vendor shall promptly notify Sprouts and, if appropriate, contact law enforcement, the Food and Drug Administration and every other appropriate government agency, and shall immediately conduct at its expense sufficient analyses of such products and shall report the results to Sprouts promptly and in writing.

**5.3 Cooperation.** The parties shall assist each other in all reasonable ways to resolve any claims involving products used in the provision of Services that are subject to a recall or safety notice.

## **6. COMPLIANCE WITH LAW.**

**6.1 Warranty.** Vendor represents and warrants that: **(i)** it is a legal entity duly organized and in good standing under the laws of the state (or other political subdivision) of its organization, with full capacity to sue and to be sued; **(ii)** it is authorized to enter into and be bound by the terms of this Agreement; **(iii)** neither this Agreement nor Vendor's performance hereof shall be a violation of applicable law or the terms of any contract, instrument or agreement between Vendor and any third party; **(iv)** it shall comply with all applicable laws and local government regulations regarding labor, child labor, minimum wage, living conditions, overtime, human trafficking, working conditions and the environment, and all Vendor personnel performing the Services are authorized to work in the United States; and **(v)** Vendor further represents that it will, at all times, comply with Sprouts' vendor policies, located on its website, and as updated from time to time, including, without limitation, Sprouts' Vendor Code of Conduct..

**6.2 Information.** Vendor agrees to provide such information as Sprouts may reasonably request to enable Sprouts to comply, and to facilitate Sprouts' compliance, with applicable federal, state, and local statutes, rules, regulations, ordinances, orders and other imperatives. Vendor warrants, now and as of the date of each provision of Services hereunder, that such information as it shall provide to Sprouts shall be true, accurate and complete in all respects.

**6.3 California Notices.** Vendor agrees to notify Sprouts, in writing, of any products related to the provision of Services that contain a chemical listed by the State of California pursuant to Proposition 65 that is not exempt from the warning requirement under Section 25249.10, and such notice shall include: the product name; the listed chemical(s); and the warning statement that Vendor shall provide with such products.

**6.4 Confidential Information.** Vendor acknowledges that, in the course of performing its obligations under this Agreement, it may have access to the Confidential Information (as defined below) of Sprouts or its affiliates. Vendor shall not transfer or otherwise disclose the Confidential Information to any third party. Vendor shall (i) give access to such Confidential Information solely to those employees with a need to have access thereto for purposes of this agreement, and (ii) take the same security precautions to protect against disclosure or unauthorized use of such Confidential Information as Vendor takes with its own confidential information but, in no event, shall Vendor apply less than a reasonable standard of care to prevent such disclosure or unauthorized use. Vendor shall promptly return or destroy all Confidential Information upon the termination of this Agreement or as requested by Sprouts. For purposes of this Agreement, "Confidential Information" shall mean, without limitation, all information related to Sprouts, however received, that is observed or obtained by Vendor including, without limitation, the existence of this Agreement and the terms and conditions herein, designs, drawings, product specifications and documentation, business and product plans and data, and other confidential business information of Sprouts. Confidential Information shall not include information which: (a) is or becomes public knowledge without any action by, or involvement of, Vendor; or (b) is proven to be already known to Vendor at the time of disclosure without restriction of confidentiality, as evidenced in writing. Vendor agrees that money damages would not be a sufficient remedy for any breach of this Section 6.4 by Vendor, and that in addition to all other remedies Sprouts will be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. The confidentiality obligations of this Section 6.4 shall survive termination of this Agreement.

**6.5 Intellectual Property.** Each party shall retain all rights, title, and interest in all intellectual property that it owns or controls as of the Effective Date or that it develops or acquires thereafter. Vendor may not use Sprouts logo, trademarks, or tradenames without prior approval.

**7. MISCELLANEOUS.**

**7.1 Payment Terms.** Unless otherwise agreed by the parties, in writing, all undisputed invoices are due Net 30 of the date of receipt of the invoice by Sprouts. All invoices shall be issued in a timely fashion, and in no event later than ten (10) days after the Service was rendered. Vendor acknowledges that timely billing and invoicing is a material consideration for Sprouts in entering into this Agreement. As such, any invoices not received by Sprouts within the time frames set forth below may be subject to a discount as follows:

<b>Invoice Received</b>	<b>Discount Applied</b>
31-45 days	15%
46-60 days	30%
61-75 days	50%
76-90 days	70%
more than 90 days	100% (no amount will be paid)

Vendor agrees to, upon Sprouts' request, exchange orders, payments, acknowledgements, invoices, remittance notices, and other records electronically ("EDI"), in place of tangible documents. All EDI shall be done in accordance with Sprouts' policies and procedures, and through Sprouts' designated EDI provider.

**7.2 General.** This Agreement shall continue on until either party provides notice of termination. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by email, by a nationally recognized private courier, or by United States mail, to the address listed below; provided, however that any notice of termination must be in a tangible writing, delivered by a nationally recognized private courier, or by United States mail. This Agreement is the entire agreement of the parties with respect to this subject matter, and supersedes all prior agreements, discussions and negotiations between the parties with respect thereto. If there is a conflict between this Agreement and any other agreement, purchase order, or document entered into by the parties hereafter (collectively, “Subsequent Agreements”), this Agreement will control unless the conflicting provision of the Subsequent Agreement specifically references the provision of this Agreement to be superseded. Any action related to this Agreement shall be governed by the substantive laws of the State of Arizona, without regard to conflicts of laws principles. The State and Federal courts located in Maricopa County, Arizona, shall have sole jurisdiction over any dispute arising hereunder, and the parties hereby consent to the personal jurisdiction of such courts. Neither this Agreement, nor any rights hereunder, may be assigned by operation of law or otherwise, in whole or in part, or be modified in any way, without the prior written permission of the other party; provided, however, that Sprouts may assign this agreement to any of its affiliates in its sole discretion without seeking consent. This Agreement is binding upon, and inures to the benefit of, the parties and their respective permitted successors and assigns. A waiver of any provision of this Agreement by a party will only apply only to the occurrence involved and will not be construed as a continuing waiver. Failure or delay by a party to enforce this Agreement will not be construed as a waiver. Any purported assignment or modification without such permission shall be void. Any affiliate of Sprouts shall be a third-party beneficiary of this Agreement and have the right to enforce any and all of Sprouts rights hereunder.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, each party has executed this Agreement as of the Effective Date

**AGREED TO:**

**SFM, LLC D/B/A SPROUTS FARMERS MARKET**

**BY:** BJL

**NAME: BRANDON LOMBARDI**

**TITLE: SECRETARY**

**DATE:** \_\_\_\_\_

**ADDRESS:**

5455 E. HIGH ST., STE. 111,

PHOENIX, AZ 85054

ATTN: LEGAL DEPARTMENT

**VENDOR NAME:** \_\_\_\_\_

*(Include full legal company name)*

**BY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**ADDRESS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_