



# Company Policies

*Please review the following policies and be prepared to sign off as part of your forms to be completed.*

- Attendance Policy – Retail Stores & Facilities
- Dress and Grooming Policy
- No Bare Hands Policy
- Hand Washing Procedure
- Employee Discount Policy
- Non Harassment & Retaliation Policy
- Social Media Policy
- Computer Usage Policy
- Anti-money Laundering Policy
- Business Ethics Policy
- Sale of Alcohol, Tobacco and Tobacco-Related Products Policy
- Gifts and Gratuities Policy

Updated: 01/31/2014

# LUND FOOD HOLDINGS, INC.

## Attendance Policy – Retail Stores & Facilities

**Approved by: Russell T. Lund III**

**Revised:** July 15, 2013  
**Effective:** February 1, 2008

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Attendance Policy – Retail Stores & Facilities.*

### **Summary:**

"Together we create sensational shopping experiences for a lifetime." A work environment that enables passionate expertise, extraordinary food, and excellent service is what we strive toward. Delivering "**exceptional service**" every day, to every customer, every time requires each employee to work together and support each other. Reporting to work on time and as scheduled is a key ingredient to achieving exceptional service.

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. retail stores and facilities employees.

### **Guidelines:**

We recognize that occasionally employees will be absent from work and therefore we have developed a policy around the number of attendance infractions one can accumulate each year before it becomes a burden to fellow employees and to the business. This policy is administered using a total number of occurrences in a 12-month rolling time frame looking backward.

In the event of an unexpected absence, a one (1) hour notice must be given at minimum. The absence must be reported to a supervisor or manager at the employee's work location. If they are not available, the employee must leave a voice mail message for the supervisor or manager. The employee is responsible for keeping the supervisor informed on a daily basis as to when he/she expects to return to work. This same procedure not only applies to absences but also for being late to work. The following information is required when an employee calls in *Unable to Work*:

*Name	*Scheduled Start Time	*Reason for Absence
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The following absences, if pre-approved by your supervisor, will not count against your attendance record: *(Proper documentation and approvals are required for those listed below. Failure to provide the necessary documentation will result in an unapproved leave which may impact your employment status and ultimately result in termination due to job abandonment.)*

*Bereavement leave		*Election Judge
*Family and Medical Leave (FML)		*Witness Duty
*Medical Leave (outside FML)		*Minnesota Parental Leave
*School Conference Leave		*Voting Leave
*Military Leave		*Workers' Compensation
*Jury Duty		

**The employer may, in its sole discretion, amend this policy at any time.**

Policy Definitions:

- Absence is defined as the failure of an employee to report to work as scheduled and any time worked that is less than one-half of a shift or two (2) or more hours late, provided such absence has not been pre-approved by the employee's supervisor. An absence of up to three (3) days due to the same illness or injury will be counted as one occurrence for the purpose of this policy unless pre-approved under a qualifying medical leave.
- Tardy is defined as the failure of an employee to report at the workstation ready to work at the scheduled starting time. An employee is considered tardy one minute past the start of the employee's shift.
- Left early is defined as the failure of an employee to fulfill the schedule obligation by leaving any time after half of the shift is completed, but before the entire shift is completed. Should the employer request someone to leave early, due to business needs, that time will not be counted as leaving early.
- No call/no show is defined as the complete failure on the employee's part to notify the company of his/her inability to work a scheduled shift. Failure to communicate with the company within a 24-hour consecutive time period that starts with the beginning of the scheduled shift will result in a written warning for a first occurrence. If there is a second no call/no show, it will result in immediate termination and be considered as a voluntary resignation for job abandonment.
- Improper notification is defined as any notice of less than one (1) hour prior to the scheduled start time. Failure to give the proper notification is considered a performance concern and may result in discipline, up to and including termination. Failure to call in daily for consecutive absences will be considered no call/no show.
- Probation period is defined as a trial period. During the probation period, it is expected that a newly hired employee have perfect attendance. However, if the employee is absent or tardy during this period it will be reviewed for appropriate corrective action.
- Prescheduled time away from work is defined as using earned vacation, holiday or PTO days previously approved by management. Prescheduled times away from work are not considered occurrences for the purpose of this policy.

For each of the above definitions, the company reserves the right to verify the occurrence. Failure to provide verification may result in disciplinary action up to and including termination.

Based on review of the circumstances of the absence, the company reserves the right to further disciplinary action up to and including termination.

In addition, management reserves the right to use its discretion in applying this policy in review of extenuating and/or unique circumstances (for example: severe injury resulting in hospitalization). Such review would be conducted by the sr. director of human resources and the director of operations or by their respective designated representative.

Progressive Discipline Occurrence Accrual:

Absence	1 occurrence
Tardy	½ an occurrence
Leave early	½ an occurrence
No notification (no call/no show)	1 occurrence, will be reviewed for termination

- Occurrences will result in progressive discipline up to, and including termination, as outlined in the table below.
- Missed punches fall under performance expectations. **Repeated failure to punch** in and/or out may result in disciplinary action, up to and including termination.

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Any combination of tardy, leaving early and absences adding up to five (5) or more within a rolling 12-month calendar will result in the discipline that coincides with the number of occurrences reached.

Occurrences expire 12 months from the date of the occurrence.

5 occurrences	Verbal Coaching
6 occurrences	Documented Verbal Warning
7 occurrences	Written Warning
8 occurrences	Suspension (one day only)*
9 occurrences	Review for Termination

*\*3 suspensions within a rolling calendar year may result in termination*

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the general manager and/or the human resources department.*

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Dress and Grooming Policy

**Approved by:** Russell T. Lund III

**Revised:** June 21, 2010

**Effective:** August 17, 1999

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Dress and Grooming policy.*

### **Summary:**

Presenting a clean, professional and hygienic image to our public, while complying with safety requirements is an important element of our corporate identity. Your dress, grooming and personal hygiene play a critical role in creating a positive impression for our customers and the members of the communities we serve. To ensure everyone shares a common vision of our personal appearance standards, we have developed the following standards for dress, grooming and personal hygiene.

When working in locations that abide by specific dress and grooming standards, the expectation would be to follow the guidelines of that location.

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. employees.

### **Guidelines:**

Clothing: Uniforms are an important part of our culture. They allow us to present a professional image to our customers, identify specific service areas, and fulfill sanitation and safety requirements. When you are assigned a uniform, you are responsible for wearing it in its entirety whenever you are working. You are also responsible for ensuring that your uniform is clean, pressed and in good condition. Damaged, worn or ill-fitting uniforms should be brought to your manager's attention to allow for the repair or replacement of the garment. Please refer to the Uniform standard operating practice (SOP) for specific department guidelines.

Professional business attire is required for all non-uniformed positions. This includes, but is not limited to, all office and administrative positions and retail management positions.

Casual clothing is not permitted for regularly scheduled work activities. Casual clothing may be worn when performing assignments after normal business hours and when engaged in authorized activities that call for more casual attire. Clothing and accessories that display social, political, or offensive designs or slogans are not permitted.

Footwear: Specific footwear guidelines have been established for many positions to satisfy the company's standards for safety, sanitation, comfort and professional appearance. All footwear must be clean and/or polished, in good condition, and in an appropriate style for the particular

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work environment. In uniformed departments, the recommended footwear is a pair of leather, closed-toe shoes in white or black (as determined by the department). Our Shoes for Crews program provides safe footwear that meets the above criteria.

Accessories/Jewelry: Many of our positions involve food handling and preparation. For safety and sanitation reasons, employees who work in these positions will not be allowed to wear accessories/jewelry (exception: one plain-band ring with no gemstones or a required medical alert necklace). For all other positions, moderate accessories that are conservative and professional will be permitted. Earrings must be conservative and suitable for business attire. Other forms of visible piercings will not be allowed. Accessories/jewelry that detract from a professional business image or jeopardize safety and sanitation will not be allowed.

Tattoos: There are times that tattoos may be offensive to our customers and coworkers. As a result visible tattoos will not be allowed.

Hair Guidelines: Your hairstyle must project a clean, professional and hygienic image. Hair must be clean and well groomed when you are at work. For safety and sanitation reasons, long hair must be sufficiently restrained when working in food handling and processing positions to prevent contact with food.

Facial hair will be permitted providing it is clean, well groomed and closely trimmed. Facial hair exceeding one half (1/2) inch will require a facial hair net when working in food handling and processing positions to prevent contact with food. Facial hair exceeding one (1) inch will not be allowed.

Hygiene and Grooming: Fingernails must be trimmed, clean and of a moderate length. Conservative nail polish is allowed in non food production areas only. Nail polish and artificial fingernails are not allowed in food handling and processing positions.

Excellent personal hygiene is especially important in the food business and requires that all employees are clean and well groomed when working, with effective use of deodorant and breath freshener.

Miscellaneous: Chewing gum and the use of headphones and personal cell phones may appear disruptive or disrespectful to others and are not permitted while working in retail facilities.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

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# LUND FOOD HOLDINGS, INC.

## No Bare Hands Policy Proper Use of Protective Gloves and Other Aids

**Approved by: Russell T. Lund III**

**Revised:** May 2, 2012  
**Effective:** November 24, 2005

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's No Bare Hands Policy - Proper Use of Protective Gloves and Other Aids.*

### **Summary:**

At Lund Food Holdings, Inc. (LFHI), we are committed to providing our customers with high quality, wholesome food products and to maintaining a safe and healthful environment for our employees, customers, and business associates. This commitment is fulfilled when each employee commits to applying safe work practices and setting exceptional sanitation standards. A critical component of this commitment is to adhere to the No Bare Hands policy when handling raw, or unpackaged ready-to-eat food products and to wear protective gloves in food handling situations or use other aids to prevent hands from touching raw or unpackaged ready-to-eat food products. The no bare hands approach is used in combination with proper hand washing techniques to ensure the highest possible food safety standards are followed.

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. employees when handling or processing raw or unpackaged, ready-to-eat food products.

### **Guidelines:**

When handling or processing raw or unpackaged, ready-to-eat food products the No Bare Hands policy is in effect. This means whenever possible, no bare hands should ever touch raw or ready-to-eat perishable food products.

Raw or ready-to-eat perishable food products include, but are not limited to, products that are produced, packaged or prepared at our central or retail facilities. We carry many raw or ready-to-eat unpackaged food products and it would be difficult to identify them all. Essentially, we are talking about food that is unpackaged and ready to eat or prepare. To clarify what types of products are included a sample list has been prepared below. Please check with your supervisor if you have any questions regarding what makes up raw or unpackaged ready-to-eat food products.

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Examples of Food Products:

- Unpackaged breads, rolls, danish, bagels, donuts, pastries, cookies, muffins, frostings, etc.
- Unpackaged sandwiches, subs, wraps, etc.
- Deli salads, meats, cheeses, party trays, etc.
- Cooked shrimp, cooked meat, smoked fish, smoked meat, and ready-to-eat products, etc.
- Cut-up fruits, cantaloupe, watermelon, strawberries, etc.
- Samples of products such as: a slice of apple, a piece of bread, a slice of cheese, a taste of salad, a piece of shrimp, any ready-to-eat food product, etc.

*This list is not exhaustive but represents examples of products that would fall within the No Bare Hands policy.*

We've identified guidelines that address specific department needs when handling raw or ready-to-eat unpackaged food products to ensure that direct hand or skin contact never occurs with these products. To ensure you have a solid understanding of these guidelines, you will receive guidelines for your specific department only.

Protective gloves must be used whenever possible. In most cases, some type of aid is used to ensure that no bare hands touch raw or ready-to-eat unpackaged food products. This may include protective gloves, tongs, spatulas, paper wrappings, spoons, or any other utensils that prevent direct contact with raw or ready-to-eat perishable foods.

Protective Glove Guidelines: Clean disposable gloves must be worn, discarding them before leaving the work area and changing into new gloves frequently, to protect against foodborne illness and cross contamination between products. **All hand washing procedures must be followed before putting on or changing into clean gloves.**

Protective gloves must be discarded, hands washed and changed into new gloves **immediately after:**

- Using the restroom
- Sneezing
- Using a disposable tissue or handkerchief
- Touching hair, eyes, face or mouth
- Emptying garbage
- Handling soiled equipment or utensils
- Handling raw foods
- Shaking hands
- Eating or drinking
- Returning to work from a break or meal
- Returning from the restroom
- Smoking or using tobacco
- Leaving the work area
- Engaging in other activities that contaminate gloved hands.

Protective gloves need to be changed or put on **before:**

- Beginning to engage in food preparation work
- Handling raw foods
- Switching between working with raw foods and working with ready-to-eat foods.

In addition, employees are required to use aids such as tongs, spatulas, paper wrappings, spoons, or any other utensils that further prevent direct contact with ready-to-eat foods.

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## **Deli Guidelines:**

Deli/Food Service – Service Counter: When handling or processing meats, cheeses, salads, hot foods, or other deli/food service products that are unpackaged and ready-to-eat, the No Bare Hands policy is in effect. This means no bare hands should ever touch these products. The no bare hands approach is used in combination with proper hand washing techniques as outlined in the hand washing procedures for sanitation & safety brochure. Employees must use protective gloves whenever servicing customers at the deli/food service counter. In addition to using protective gloves, when packaging fragile products, gently lift products by paper wrappers that products are stored on or use other utensils to maintain product integrity.

Deli/Food Service Self-Service Stations: When servicing the salad bar, olive bar, bagel bins, or other refillable self-service stations, employees must use protective gloves. To maintain product integrity, other utensils may be used in combination with gloves.

Deli/Food Service – Production: When handling or processing raw or unpackaged, ready-to-eat food products, the No Bare Hands policy is in effect. This means no bare hands should ever touch these products. The no bare hands approach is used in combination with proper hand washing techniques as outlined in the hand washing procedures for sanitation & safety brochure. Employees must use protective gloves whenever called upon to service customers at the deli/food service counter. In addition to using protective gloves, when packaging fragile products, gently lift products by paper wrappers that products are stored on or use other utensils to maintain product integrity. When hand mixing large recipes of salads or other ready-to-eat products, long arm gloves with special aprons must be used to ensure no bare hands or skin ever comes in contact with these foods.

Employees must use protective gloves whenever called upon to service customers at the deli/food service counter.

Sampling/Product Demonstrations: Demonstrators must use protective gloves in combination with proper hand washing. Employees should report concerns to their supervisor.

Reporting Illness: To prevent the spread of foodborne illness, the food code regulations **require employees to report** to their supervisor when they are diagnosed with an illness caused by:

- Salmonella typhi
- Shigella spp
- E. coli O157:H7
- Hepatitis A virus
- Norovirus (Norwalk)

Employees who are diagnosed with an illness caused by one of these five infectious agents cannot report to work until they get a written certification from a medical doctor indicating that they are free of the infectious bacteria, no longer contagious, and are safe to return to a food service/food processing environment.

In addition, **employees must also report** to their supervisor if they:

- Have had a previous illness from one of the five infectious agents listed above
- Live with a person who has been exposed to or diagnosed with one of the five infectious agents
- Have a boil or infected wound that is open or draining
- Experience diarrhea, fever, vomiting, jaundice, or sore throat with fever
- Have traveled outside the United States within the last 50 days

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In many cases, these employees will not be able to work with exposed food or clean equipment and utensils until they recover from their illness or infection and provide a written note from a medical doctor that releases them to work in a food service/food processing environment. An employee with a boil or infected wound may work with food if an impermeable cover and a single-use glove protect the boil or wound.

The food code regulations that govern food service/food processing businesses also require the employee to report the date of onset of any of the symptoms or illnesses specified above to his or her supervisor.

To ensure the safety and health of its employees, customers and business associates, LFHI may consult with the treating medical provider to determine if any additional precautionary measures may be necessary.

Training: You will receive specialized training covering the laws governing food handling and processing. You will also receive specific information that outlines procedures for storing, packaging, receiving and maintaining proper temperature control of perishable products. Training may come in phases and depends on your specific job responsibilities and duties.

Recertification: Annually you will participate in the company-sponsored training and education program in safe food handling. This refresher course is designed to ensure complete understanding of and compliance with specific laws governing raw, ready-to-eat, prepared packaged food products.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

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**HAND WASHING PROCEDURES  
FOR  
SANITATION & SAFETY**

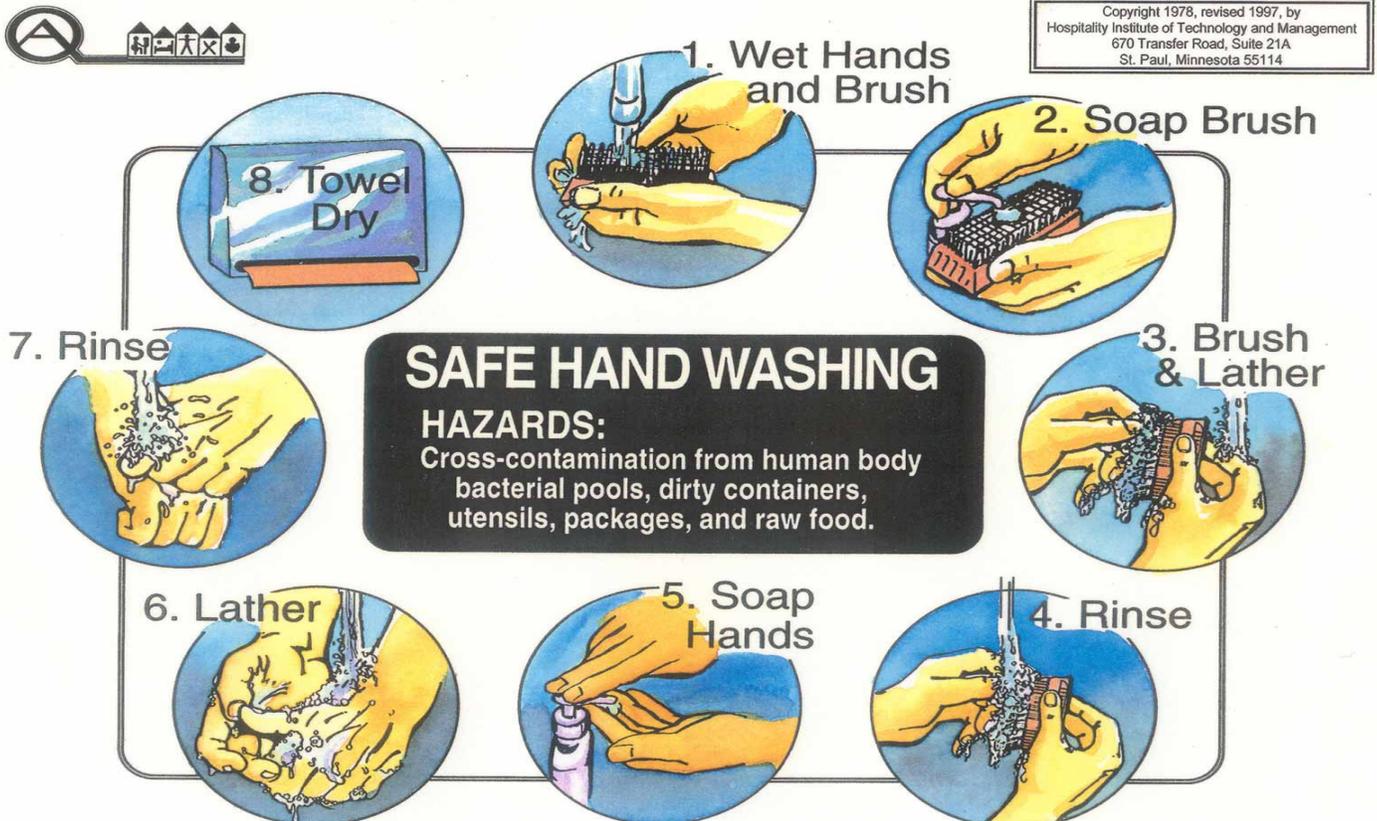
EVERY TIME, ALL THE TIME, NO EXCEPTIONS!

Since hands come in contact with so many things, they are a major source of food contamination. Our hands are the perfect breeding ground for bacteria and germs because they are always in the "Danger Zone" (40° F to 140° F) temperature range. Your hands can carry up to 15 million germs before washing. We must wash our hands frequently to protect our customers. As a general rule we should wash our hands:

- After going to the bathroom
- After returning to work from a break or meal
- After using a handkerchief or sneezing
- After touching your hair, eyes, face or mouth
- Before and after handling raw foods to avoid cross-contamination with cooked and ready to eat products
- After emptying the garbage, clearing away and scraping dishes and utensils
- After smoking, using tobacco, eating or drinking
- As often as is necessary to keep them clean as your work

**Proper hand washing techniques are:**

- 1) Turn the water on and let it run to a temperature as hot as the hand can comfortably stand (110° F to 120° F)
- 2) Moisten the hands under the water and apply soap to them, lathering well beyond the wrists and up the arms to the elbows (if short sleeves are worn), to remove soil and dirt
- 3) Pay particular attention to the areas between the fingers and around the nails. Use a brush for cleaning under the nails. Rinse the brush clean.
- 4) Rub one hand against the other in a rotation motion using friction for 20 seconds.
- 5) Rinse thoroughly under the running water, allowing the water to flow from the elbows down to the fingertips. This action will rinse away contaminants. Turn water faucet off with a sanitary, single-use service towel, or your elbow.
- 6) Dry hands thoroughly with a hot air dryer or with a new sanitary, single use service towel.
- 7) Do not touch anything that re-contaminates the hands before returning to work. Use a sanitary paper towel to open the door to the rest room. Just because you carefully wash your hands does not mean the person leaving the rest room before you did. Drying hand on aprons, or using a handkerchief will undo the process.
- 8) Repeat this procedure as often as necessary to keep hands clean at all times.



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**EMPLOYEE COMMITMENT:** As an employee of Lund Food Holdings, Inc., I understand and commit to follow the No Bare Hands policy and company guidelines established for the department and work areas that apply to me. The no bare hands approach is used in combination with proper hand washing techniques (as outlined in the hand washing procedures for sanitation and safety brochure). When handling raw, or ready-to-eat prepared unpackaged foods, I will always wash my hands according to company procedures, and when required to wear protective gloves, I will wash my hands and change into clean protective gloves frequently to protect against foodborne illness and cross contamination between products. I will also change my gloves whenever exposed to a possible source of contamination.

I will wash my hands and change into new protective gloves **immediately after:**

- Using the restroom
- Sneezing
- Using a disposable tissue or handkerchief
- Touching hair, eyes, face or mouth
- Emptying garbage
- Handling soiled equipment or utensils
- Handling raw foods
- Shaking hands
- Eating or drinking
- Returning to work from a break or meal
- Smoking or using tobacco

- Returning from the restroom
- Leaving the work area
- Engaging in other activities that contaminate gloved hands

I will wash my hands and change into new protective gloves **before:**

- Beginning to engage in food preparation work
- Handling raw foods
- Switching between working with raw foods and working with ready-to-eat foods

I will also use aids such as tongs, spatulas, paper wrappings, spoons, or any other utensils that further prevent my hands from coming into direct contact with raw, ready-to-eat perishable foods.

**Reporting Illnesses:** I agree to immediately report to my supervisor if I am or ever have been diagnosed with one of the five infectious diseases listed below and I also know that I am responsible to report to my supervisor if a person I live with has an illness caused by one of the same: (1) Salmonella typhi (2) Shigella spp. (3) E. coli O157:H7 (4) Hepatitis A virus (5) Norovirus (Norwalk).

I agree to immediately report to my supervisor if I: (1) have a boil or infected wound that is open or draining; (2) live with a person who has been exposed to or diagnosed with one of the four infectious agents; (3) experience diarrhea, fever, vomiting, jaundice, or sore throat with fever; (4) have traveled outside the United States within the last 50 days.

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Employee Discount and Purchase Policy

**Approved by: Russell T. Lund III**

**Revised:** January 29, 2014

**Effective:** August 17, 1999

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Employee Discount and Purchase policy.*

### **Summary:**

The Employee Discount and Purchase policy provides employees with the opportunity to enjoy savings on purchases in our supermarkets, wines and spirits shops, restaurants and basket shop. The discount benefit applies to personal household purchases only and is not to be used to subsidize purchases for groups, organizations or other external functions. The discount cannot be used for Lund Food Holdings, Inc. (LFHI) company purchases, nor can it be used in conjunction with an LFHI company-issued credit card. The discount benefit is available for use by all employees and their immediate family members who reside in the same household, contractors expected to work more than thirty days (excludes short term temporary employees) and onsite vendors (located at the corporate support office).

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. employees, contractors expected to work more than thirty days (excludes short term temporary employees) and onsite vendors (located at the corporate support office).

### **Guidelines:**

Eligibility: Employee ID cards are distributed as soon as administratively possible after employment begins with the company. An employee will receive an employee ID card for the employee's use and if applicable a second card labeled Family, for use by immediate family members who reside in the employee's household. Once employment ends, cards will be deactivated and must be returned to the company. Upon rehire, cards are reissued and activated as soon as administratively possible.

Procedure: Each time an employee or eligible family member wishes to use their employee discount, they must have their discount card. Cashier will scan card (where applicable) to determine validity and discounts will automatically be taken from the total. The discount will also be reflected on the register receipt. Employees cannot "ring" or transact their own purchase or the purchases of family members. Employees cannot shop while working. If shopping while on break, purchase must be stored outside of the location until the shift is complete.

No discount will be given to any employee or family member who does not have their card with them. This security procedure must be followed each time an employee wishes to use their

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discount card to prevent unauthorized use of the card. Discount privileges will be revoked and employment may be terminated for failure to comply with this procedure.

Replacement Cards: If a card is lost, it must be reported to the location manager so it can be deactivated. There is a \$5.00 fee for lost card replacement. If you have family discount cards, all cards must be replaced (\$5.00 fee will be applied for each card). There is a \$10.00 fee for lost security access badge replacement. If there is a name change, a replacement card can be requested from the location manager at no charge.

Discounts: The ID card provides the following discount benefits:

- 5% discount on all supermarket, wines and spirits and basket shop purchases of \$5.00-24.99, excluding tobacco products, postage services and gift cards, lottery, or any other type of entertainment tickets. This discount benefit also includes catering of personal events from Lunds and Byerly's Catering.
- 10% discount on all supermarket, wines and spirits and basket shop purchases of \$25.00 or greater, excluding tobacco products, postage services and gift cards, lottery, or any other type of entertainment tickets. This discount benefit also includes catering of personal events from Lunds and Byerly's Catering.
- 30% discount on restaurant purchases (to receive discount on the entire bill the employee must pay for the entire purchase).

No other discounts are allowed except in those situations involving an authorized donation to a charitable organization. These donations require an approval process initiated by your general manager or an officer of the company.

Employees are **not** permitted to:

- Buy products at cost
- Purchase directly from a vendor or supplier
- Share their discount with non-household persons
- "Ring" or transact their own purchases
- "Ring" or transact a family member
- Scale or weigh their own purchases
- Shop while working
- Use their discount card for another employee's purchases
- Use their discount for company purchases

Note: Unauthorized discounts are not permitted and will be grounds for disciplinary action up to and including termination.

Purchase guidelines include:

- Receipts are required for purchases made by employees whether they are intended to be consumed on break periods or taken from the store
- Store management reserves the right to inspect employee purchases
- Store management reserves the right to establish other purchase guidelines unique to their location including designated registers for employee purchases

Family discount card guidelines:

An employee will receive a second card labeled Family, for use by immediate family members who reside in the employee's household. Immediate family members include spouse, children, domestic partners, parents and siblings who reside with the employee at the same home address. The employee and their immediate family members are eligible to use the ID card as

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long as the employee is employed with the company and the qualified family member resides in the same home address. At any time if the family status changes the Family card must be returned to the company to be deactivated. The company reserves the right to request proof of family status. Additionally, a family card recipient change cannot exceed one change per year. Failure to comply with the policy may result in revocation of benefit, up to and including termination of employment.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment or affiliation.*

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# LUND FOOD HOLDINGS, INC.

## Non-Harassment & Retaliation Policy

**Approved by:** Russell T. Lund III

**Revised:** March 4, 2009

**Effective:** August 17, 1999

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*The following summarizes our company's Non-Harassment & Retaliation policy.*

### **Summary:**

This policy refers to how we work together as a team. Providing an environment that fosters positive relations among employees is just as important as delivering sensational service to our customers. There are specific laws governing workplace conduct that we will be reviewing in this policy. The message is really quite simple: showing respect for one another every day in every setting.

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. employees.

### **Guidelines:**

The basic premise of our employee relations policy is that all employees have a right to expect and enjoy a respectful work environment that is free from all forms of harassment and discrimination. This includes, but is not limited to, harassment or discrimination in the following areas: age, race, national origin, religion, gender, sexual orientation, marital status, pregnancy, disability and veteran status.

Harassment consists of unwelcome conduct, whether verbal, written or physical, that is based upon a person's protected status, such as race, color, religion, gender, national origin, age, disability, marital status, veteran status, sexual orientation or other protected status under applicable law.

Sexual Harassment: Sexual harassment includes any unwelcome sexual advances, requests for sexual favors, or visual, verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of employment; or
- Submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive work environment.

**The employer may, in its sole discretion, amend this policy at any time.**

With respect to sexual harassment, the following is a partial list of conduct that violates the Lund Food Holdings, Inc. Non-Harassment & Retaliation policy:

- Unwelcome sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Threatening retaliation or retaliating after a negative response to sexual advances.
- Leering, making sexual gestures, or displaying sexually suggestive objects, photographs, cartoons, calendars or posters.
- Transmitting inappropriate, sexual or offensive images or information through a computer network, electronic mail or facsimile.
- Using obscene, derogatory or vulgar language, epithets, slurs, sexually explicit jokes, or making inappropriate comments about an employee's body or dress.
- Written communications of a sexual nature distributed in hard copy or transmitted via a computer network or facsimile machine.
- Unwelcome verbal sexual advances or propositions.
- Verbal abuse of a sexual nature such as unwelcome graphic or verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- Unwelcome physical conduct such as touching, assault, impeding or blocking movements.
- Retaliation for making harassment reports to the company, or for participating in an investigation into harassment allegations.

Sexual harassment can occur between employees of the same sex. It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females.

Other Types of Harassment: The company also prohibits discrimination and harassment on the basis of race, color, national origin, ancestry, marital status, pregnancy, religion, physical or mental disability, age, medical condition or veteran status or any other unlawful harassment. Such prohibited harassment includes but is not limited to the following examples of offensive conduct:

- Making or using epithets, threats, derogatory comments, jokes or slurs.
- Displaying, viewing or transmitting derogatory posters, photographs, electronic mail, computer images, cartoons or drawings.
- Written communications containing statements which may be offensive to individuals in a particular protected group, such as racial or ethnic stereotypes or caricatures.
- Unwelcome physical conduct such as assault, touching, gestures or blocking normal movement.
- Retaliation against or toward an individual for making harassment reports to the company or for participating in an investigation into harassment allegations.

Religious discrimination is defined as conduct, whether physical or verbal, of a racial, ethnic, or religious nature that intimidates, humiliates, offends or harasses an individual. In addition, religious discrimination includes unwelcome statements or conduct that is based on religion and is so severe or pervasive that the individual being harassed reasonably finds the work environment to be hostile or abusive.

Retaliation or reprisal against persons making complaints or providing information will not be tolerated. The company strictly prohibits retaliation against any employee for using this complaint procedure, reporting harassment, or for filing, testifying, or participating in any manner in any investigation, or hearing conducted by the company or governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension,

**The employer may, in its sole discretion, amend this policy at any time.**

failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit. Any employee found to have retaliated against another employee will be subject to disciplinary action, up to and including termination.

Reporting an Incident: If you experience behavior that is offensive or uncomfortable, or are aware of harassment in the workplace, please advise the person who is initiating such behavior that you find it offensive and ask him or her to stop. If you are uncomfortable confronting the individual directly, you may advise your supervisor, your location manager or the human resources department of your concerns.

All complaints will receive immediate attention, including an investigation and corrective action to ensure that the offensive behavior stops. All complaints of this nature will be kept confidential with information being disclosed to only those persons who have a legitimate need to know.

All managers must notify the human resources department of any harassment complaints that they receive. All management, together with the human resources department, are responsible for ensuring that appropriate and timely action is taken to investigate harassment complaints and respond with actions that effectively resolve the situation and prevent recurrence of the behavior.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the human resources department.*

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Social Media Policy

**Approved by: Tres Lund**

**Revised:** September 10, 2012

**Effective:** February 1, 2012

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Social Media policy.*

### **Summary:**

At Lund Food Holdings, Inc. (LFHI) we understand social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

### **Scope:**

This policy applies to all employees who work for LFHI.

### **Guidelines**

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with LFHI, as well as any other form of electronic communication.

The same principles of respect and professionalism, as well as the guidelines found in LFHI policies, apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects co-workers, customers, suppliers, people who work on behalf of LFHI or LFHI legitimate business interests may result in disciplinary action up to and including termination.

### Know and Follow the Rules

Carefully read this policy, the LFHI Standards of Conduct in the Employee Handbook, Computer Usage Policy as well as the Non-Harassment and Retaliation Policy and ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

**The employer may, in its sole discretion, amend this policy at any time.**

### Be Respectful

Always be fair and courteous to fellow employees, customers, co-workers, suppliers or people who work on behalf of LFHI. Also, keep in mind that you are more likely to resolve work related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, co-workers, employees or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

### Be Honest and Accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about LFHI fellow employees, co-workers, customers, suppliers, people working on behalf of LFHI or competitors.

### Post Only Appropriate and Respectful Content

Maintain the confidentiality of LFHI trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.

Do not create a link from your blog, website or other social networking site to a LFHI website without identifying yourself as a LFHI employee.

Express only your personal opinions. Never represent yourself as a spokesperson for LFHI. If LFHI is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of LFHI fellow employees, co-workers, customers, suppliers or people working on behalf of LFHI. If you do publish a blog or post online related to the work you do or subjects associated with LFHI make it clear that you are not speaking on behalf of LFHI. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of LFHI."

### Using Social Media at Work

As a general rule, we encourage all employees and affiliates to effectively utilize the technology that is available through the company to enhance both personal and professional effectiveness. Please feel free to utilize social networks and internet access for both business and personal use on the same basis as you would use the telephone while at work.

**The employer may, in its sole discretion, amend this policy at any time.**

Media contacts

All media inquiries must be directed immediately to the location manager. If the location manager is not available, personally call or page the corporate communications manager. If the communications manager is not available, call or page a vice president or officer of the company.

Questions regarding this policy should be directed to your manager or a human resources representative.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment or affiliation.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the human resource department.*

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Computer Usage Policy

**Approved by: Russell T. Lund III**

**Revised:** February 4, 2011

**Effective:** August 1, 2008

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Computer Usage policy.*

### **Summary:**

These guidelines are being published to answer some of the most commonly asked questions regarding the use of company computer hardware and software. As a general principle, we encourage all employees to effectively utilize the technology that is available through the company to enhance both personal and professional effectiveness. As you access and utilize our technology, we ask that you commit to applying the same level of professionalism that is expected in all workplace communications.

An area that can be troublesome to employers and employees is the casual approach that is sometimes taken when accessing the internet or communicating with one another via e-mail. We do not want to see anyone jeopardize their employment as a result of inappropriate use of the internet, intranet, social media or e-mail system and believe that will not occur if everyone commits to utilizing our resources in a responsible and professional manner.

Please feel free to utilize e-mail, internet and intranet access for both business and personal use on the same basis as you would use the telephone while at work. Remember that e-mail you send and receive or internet sites you access are subject to the same business professionalism applied to any form of written or spoken communication which occurs at work.

As you will read in the guidelines that follow, we ask that personal utilization be managed so it does not disrupt your work, diminish productivity and contain contents that are not appropriate for the business environment, or incur additional cost to the company.

### **Scope:**

This policy applies to employees, contractors, consultants, temporary employees, and all other workers at Lund Food Holdings, Inc. (LFHI), including all personnel affiliated with third parties. This policy applies to all equipment that is owned or leased by Lund Food Holdings, Inc.

**The employer may, in its sole discretion, amend this policy at any time.**

**Guidelines:**

Computer Hardware: Computer hardware that is provided by the company is the property of the company and intended for business purposes. It is your responsibility to keep hardware (including but not limited to laptops) secured.

Computer Software: Computer software that is provided by the company is the property of the company and should be used for business purposes.

Only software purchased and installed by an information services representative can be used on company computers. To avoid illegal reproduction and use of company software applications, no company-owned software may be taken home to be used on personal computers unless an information services representative has given prior written authorization.

Periodic audits will be conducted to ensure that the company is in compliance with software licensing agreements and that no unauthorized use of company-owned or personal software is occurring.

Web Usage: The company's intranet and the internet may be used for both business and personal activities providing personal activity is minimized and does not disrupt work activity, diminish productivity or incur cost to the company. All subject matter should be limited to content that is professional and appropriate for the business environment. Access or transmission of inappropriate material or excessive personal usage may result in discipline and can jeopardize employment.

The company reserves the right to monitor intranet and internet activity and disclose information contained in or saved on the company's computer system, as it deems necessary.

Social networking may be used for both business and personal communications provided the use is not offensive, derogatory, defamatory, bullying, retaliatory, or of a harassing nature to the company or any employees or partners of the company.

Social networking has no absolute privacy when accessing, posting, blogging or sharing one's own opinions. Therefore, employees and affiliates are expected to abide by all of the company's policies in their communications. Employees and affiliates should not post information they do not want to share.

Communications may not intentionally or inadvertently disclose any confidential business information, display false, threatening, misleading or harmful information about the company, an employee of the company, or any of its business partners. Consent of the company must be given to use or publish company logos and trademarks. Any posts or blogs about the company must include the following statement: "This information does not represent the views and opinions of Lund Food Holdings, Inc."

E-mail: E-mail may be used for both business and personal communications providing personal usage is minimized and does not disrupt work activity or diminish productivity. E-mail content should be professional and appropriate for the business environment. Electronic communication should not be used to solicit or sell products or services that are unrelated to the company's business; distract, intimidate, or harass co-workers or third parties; or disrupt the workplace. Use is defined as "excessive" if it interferes with normal job functions, responsiveness, or the ability to perform daily job activities. Transmission of inappropriate material or excessive personal usage may result in discipline up to and including termination.

**The employer may, in its sole discretion, amend this policy at any time.**

The company reserves the right to monitor e-mail activity and disclose messages contained in or saved on the company's e-mail system and purge items from the e-mail system, as it deems necessary.

Confidential Information: Access to confidential information is restricted to LFHI employees with an appropriate need to know the information. This information includes, but is not limited to, social security numbers, personnel, financial, and bank account information. Confidential and sensitive information must be safeguarded. Take appropriate measures (e.g., encryption for electronic information, physically secure physical media) to prevent unauthorized disclosure of information.

All confidential information is to be held in trust and confidence and only used for approved purposes associated with performing the responsibilities of the job and may not be misused, stored or processed for inappropriate purposes or disclosed to unauthorized persons. If an employee has a question about whether a proposed recipient of confidential information is authorized or not, that employee should consult with their supervisor.

Passwords: Selecting a personal computer password that cannot be easily guessed by anyone else and changing passwords frequently are important steps that you can take to protect the security of your personal and our corporate computer files.

Any password assigned to you as an individual may not be shared. This includes all passwords that allow users to change data and is not limited to your network password. If you are logged into a session, remember to log out after you are finished. Also, enable a password-protected screen saver when leaving your computer temporarily.

Right to Privacy: The company reserves the right to monitor, access and disclose information contained on the company's computer systems and, as such, does not guarantee an employee's right to privacy when using company-owned hardware, software, related applications and programs.

Liability: Employees and affiliates may be held personally responsible for any communication made and may be held personally liable for any statements deemed to be defamatory, obscene, harassing, discriminatory, and retaliatory, violate privacy rights, violate any laws, or include confidential or copyrighted information.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment or affiliation.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the human resources department.*

**The employer may, in its sole discretion, amend this policy at any time.**



# ANTI-MONEY LAUNDERING POLICY & PROCEDURES

## Cashier Training

FOR PREPAID ACCESS PRODUCTS

POLICY EFFECTIVE DATE: 10/15/2012

### Designated Policy Compliance Officers

**Name:** Rick Ericksen, Sr. Manager Risk Management

**Phone Number:** 952-915-2690

**Email address:** [Rick.Ericksen@lfhi.com](mailto:Rick.Ericksen@lfhi.com)

**Name:** Rhonda Harman, Sr. Director Human Resources

**Phone Number:** 952-915-2664

**Email address:** [Rhonda.Harman@lfhi.com](mailto:Rhonda.Harman@lfhi.com)

The employer may, in its sole discretion, amend this policy at any time.

## **POLICY AND PROCEDURES LIMITING SALES OF PREPAID ACCESS TO NO MORE THAN \$1,000 PER PERSON PER DAY**

### **Background**

The Bank Secrecy Act (BSA), initially adopted in 1970, established the basic framework for anti-money laundering (AML) obligations imposed on financial institutions. It authorizes the Secretary of the Treasury Department (Treasury) to issue regulations requiring financial institutions and money services businesses to keep records and file reports on financial transactions that may be useful in investigations and the prosecution of money laundering and other financial crimes. The Financial Crimes Enforcement Network (FinCEN), a bureau within Treasury, is the administrator of the BSA.

### **Description of Money Laundering**

Money laundering is the attempt to conceal or disguise the nature, location, source, ownership or control of illegally obtained money. If illegal money is successfully laundered, criminals maintain control over their illegally obtained funds and they can establish a separate cover for their illicit source of income. Money laundering is not limited to cash. Money laundering can be done through any type of financial transaction, including, but not limited to, funds transfers, money orders, checks, debit cards, Prepaid Access such as stored value cards, and credit card transactions.

### **FinCEN Requirements for Sale of Prepaid Access**

On July 26, 2011, FinCEN issued a Rule (the "Rule") amending the BSA regulations and establishing comprehensive regulatory requirements for sales of prepaid stored value cards and other prepaid access. "Prepaid Access" means stored value cards or other access devices where funds are prepaid by a customer and subsequently used to make a purchase, reload a general purpose reloadable (GPR) card, or make a phone call. Prepaid Access also includes stored value gift cards issued to customers as refunds.

Traditionally, the term "money services business" (MSB) as defined by FinCEN applies to a retailer providing certain financial services including selling or redeeming stored value, whether or not on a regular basis, for more than \$10,000 per person in any single day. Relating the definition of MSB to the FinCEN Rule, a retail merchant ("retailer") is a "Seller of Prepaid Access" if: (a) it sells Prepaid Access that is not exempt under the Rule, OR (b) it sells more than \$10,000 of Prepaid Access (whether exempt or not exempt) in a single day to a single person without implementing policies and procedures reasonably designed to prevent such a sale.

Products sold by this company (including those distributed by Blackhawk Network, Inc. to our company as part of the Alliance Partner network) will be exempt under the FinCEN Rule because they will be limited to no more than \$1000.00 per day for (a) closed loop stored value products (i.e., loaded and reloaded onto) and will not permit cash redemptions (except as legally required); and (b) open loop stored value products prior to obtaining customer identification. Do not permit (i) international usage; (ii) person-to-person transfers or (iii) reloads from non-depository sources.

Our company is implementing this policy to avoid the sale of more than \$1,000 of Prepaid Access in a single day to a single person, and to avoid being a "Seller of Prepaid Access" as a result of violating the prohibitions on such sales without this policy and procedures being in place.

**The employer may, in its sole discretion, amend this policy at any time.**

## Statement of Policy

We sell Prepaid Access products. "Prepaid Access" means stored value cards or other access devices where funds are prepaid by a customer and subsequently used to make a purchase, reload a general purpose reloadable (GPR) card, or make a phone call. Prepaid Access also includes stored value gift cards issued to customers as refunds.

This company supports the fight against money laundering and terrorism and has adopted this antimoney laundering policy ("Policy") to prevent its financial services from being used to promote or execute such activity, as follows:

- (1) It is our policy NOT to sell Prepaid Access under a prepaid program that can be used before the user's identification needs to be verified except as permitted under the FinCEN Rule.
- (2) It is our policy NOT to sell Prepaid Access products in excess of \$1,000 to any person in a single day.
  - (a) The restrictions on the sale of Prepaid Access are not limited to cash tenders, but apply to all tenders of payment.
  - (b) The sale of Prepaid Access to other businesses for further distribution or sale to end users/consumers by those other businesses is not subject to the FinCEN Rule and may exceed \$10,000 in one day. Any such business-to-business transactions will be completed by LFHI Accounting office.
  - (c) The company will determine whether there are viable efficient technologies available to restrict purchases of Prepaid Access to less than \$1,000 at the point of sale. If practical, such technologies will be used to prevent the sale, loading or reloading of Prepaid Access in excess of \$1,000 to any person in a single day.
- (3) Regarding customer transactions, it is our policy:
  - (a) NOT to accept or disburse more than \$1,000 in cash in any one day to/from any person or on behalf of another person for any transaction, including the purchase of Prepaid Access.
  - (b) NOT to permit sales of Prepaid Access through self-service checkout lanes.
- (4) Our employees will be trained on this Policy and related procedures as part of new employee orientation and at least annually thereafter. Employees must acknowledge participation in training and an understanding of training content. Signed acknowledgement forms will be retained in employee training files.

### **Transaction Limits for Prepaid Access**

In order to prevent sales of Prepaid Access in excess of \$1,000 to any one person in a single day, employees must follow these procedures and transaction limits. Employees must understand these procedures and must direct customers to a manager when it is not clear whether a transaction should proceed.

- Employees will not allow any person to purchase or reload more than **\$1,000** of Prepaid Access products (e.g., closed loop gift cards, open loop gift cards, mobile top-up cards, e-wallets, etc) in a single day.

**The employer may, in its sole discretion, amend this policy at any time.**

## **Unusual or Suspicious Activity**

Many factors are involved in determining whether transactions are suspicious, including, but not limited to the amount, the location of the store, or comments made by the customer.

“Structuring” is the act of breaking up a large transaction into several smaller transactions to avoid providing personally identifying information for store records. Many money launderers are familiar with the dollar thresholds that require record keeping and reporting. To remain anonymous and avoid detection by law enforcement officials, money launderers attempt to process transactions to avoid triggering record keeping and/or reporting requirements.

Employees must be trained to pay attention to customers who appear to be using structuring or other methods to exceed the limits in this policy or to avoid providing identification.

Employees will report all suspicious activity to the store management or designated Policy compliance officer regardless of the dollar amount. Examples of suspicious behaviors are:

- A group of customers who come in together and seem to purchase or reload Prepaid Access separately in order to avoid the threshold for the amount of Prepaid Access or number of Prepaid Access devices or vehicles that can be purchased or reloaded.
- A customer who typically buys small ticket items has an unusually large amount of cash and is purchasing multiple gift cards for no apparent legitimate reason.
- A customer uses two or more locations or cashiers in the same day in order to break one transaction into smaller ones.
- A customer wants to void the transaction once his/her identification is requested or required.
- A customer is unable or unwilling to provide valid identification.
- A customer who makes any statements that suggest that funds may be related to criminal activity.

**If an employee observes a customer attempting to purchase Prepaid Access devices in excess of \$1,000 during the same day, whether in one or more transactions or involving the purchase of one prepaid card or several prepaid cards, the employee must decline the sale.**

- (1) If an employee has actual knowledge of a prior Prepaid Access purchase by a customer who wants to purchase additional Prepaid Access cumulatively totaling more than \$1,000 during the same day, the employee should advise the customer of this company’s Policy in accordance with (3) below.
- (2) When addressing a customer who desires to purchase more than \$1,000 of Prepaid Access in one day, the employee should remain polite and professional. Simply inform the customer that it is store policy not to sell Prepaid Access with loads or reloads that total in excess of \$1,000 in a single day to the same customer.
- (3) If the manager determines that the activities are indeed suspicious for the reasons cited above or for any other reason, no Prepaid Access should be sold to the individual or individuals involved in the activity at that time or on any future occasion.
- (4) If an individual or individuals engaging in suspicious activities persist in attempting to purchase Prepaid Access, the employee must notify the store management who will determine if it is necessary to contact loss prevention and local law enforcement for assistance.

**The employer may, in its sole discretion, amend this policy at any time.**

## **Reporting Requirements for Suspicious Activity**

Store management will follow reporting requirements as outlined in the Anti-Money Laundering Policy. As an agent of Blackhawk Network, Inc., our company will provide the information necessary for Blackhawk Network, Inc. to investigate suspicious activities related to its products in accordance with the following:

## **Employee Education and Training**

The store management or designated Policy compliance officer is responsible for ensuring that all new and existing store employees involved in the sale of Prepaid Access or Stored Value cards are familiar with this Policy and related procedures, and thresholds.

- (1) Employees involved in the selling of Prepaid Access or Store Value cards should be aware of:
  - (a) Specific transaction limits (as described above);
  - (b) Procedures for obtaining manager approval for certain transactions (as described above);
  - (c) Signs of unusual or suspicious activity (as described above); and
  - (d) Procedures for reporting unusual or suspicious activity as described above.
- (2) Employees must acknowledge participation in training and store management or designated Policy compliance officer must maintain a record of employees' acknowledgement of the training received.

## **Contact for Information**

Employees should contact the store management or designated Policy compliance officer with any questions about the Policy and these procedures.

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Business Ethics Policy

**Approved by: Russell T. Lund III**

**Revised:** July 21, 2009  
**Effective:** January 14, 2004

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Business Ethics policy.*

### **Summary:**

In order to safeguard the activities and assets of Lund Food Holdings, Inc. (LFHI), employees of LFHI should not have interests in outside businesses which conflict or appear to conflict with their ability to act and make independent decisions in the best interest of LFHI.

Our company is committed to conducting all business matters in an ethical and forthright manner, ensuring that relationships and decisions are based on good judgment, sound business ethics and never influenced by personal friendships, outside interests or opportunities for personal gain such as favors, gifts, entertainment, events and/or loans.

### **Scope:**

All Lund Food Holdings, Inc. employees are required to comply with the Business Ethics policy. Management personnel are required to provide annual certification of their compliance.

Excluded are investments in the securities of a bank, public utilities, and transportation companies subject to regulations by government authority or a mutual fund or investment company registered under the Investment Company Act. Additionally excluded are securities listed on a national securities exchange or customarily bought and sold at least once a week in the over-the-counter market or in which the employee and/or his or her family have less than \$50,000 invested, at cost or market value, or hold less than one percent of such outstanding securities.

### **Guidelines:**

Conflict of Interest: All business interactions and purchase decisions must be grounded in sound business logic and not influenced by personal matters. This includes opportunities for personal financial gain and/or financial benefits for family members or significant others or other businesses with which employees may be affiliated. To ensure our company has complete knowledge of such potential for conflict of interest exposure, employees are required to disclose board memberships (profit and non-profit); trade organizations with which they are affiliated; any companies they own or are owned by immediate family members or significant others. In addition, it is to certify that no conflict of interest exists. The company reserves the right to

**The employer may, in its sole discretion, amend this policy at any time.**

investigate such relationships further as it deems necessary to ensure that a conflict of interest is not present.

Ethical Standards: LFHI expects its employees to observe the highest standards of business ethics. No employee should take any action on behalf of the company that they know, or reasonably should know, violates any applicable law or regulation. This includes such activities as bribery, kickbacks, falsehoods, and misrepresentation.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the human resources department.*

**The employer may, in its sole discretion, amend this policy at any time.**

# LUND FOOD HOLDINGS, INC.

## Sale of Alcohol, Tobacco and Tobacco-Related Products Policy

**Approved by: Russell T. Lund III**

**Effective:** August 13, 1999

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Sale of Alcohol, Tobacco and Tobacco-Related Products policy.*

### **Summary:**

The purpose of this policy is to ensure that employees understand and comply with the laws governing the sale and purchase of alcohol, tobacco and tobacco-related products.

### **Scope:**

This policy applies to all Lund Food Holdings, Inc. employees.

### **Guidelines:**

The purpose of this policy is to ensure that employees understand and comply with the laws governing the sale and purchase of alcohol, tobacco and tobacco-related products. Alcohol includes: beer, wine, liquor, AND any other forms of alcoholic beverages sold in the Wines & Spirits shops and served in our restaurants. Tobacco products include: cigarettes, cigars, snuff, chewing tobacco, AND any other forms of tobacco. Tobacco-related products include cigarette papers, pipes and other smoking paraphernalia.

Selling alcohol to anyone under the age of 21 is against the law. Selling tobacco and tobacco-related products to anyone under the age of 18 is against the law. Our company policy requires employees to check and verify the age of every customer attempting to purchase alcohol or tobacco and tobacco products. Age verification is conducted to ensure the purchaser is of legal age: 21 or older for alcohol and 18 or older for tobacco and tobacco-related products.

**Penalties for selling alcohol, tobacco and tobacco-related products** to anyone under the legal age may cost you prosecution by local authorities, a fine of up to \$3,000, a gross misdemeanor or citation, and costly legal fines. Additionally, failure to follow these procedures may jeopardize your employment with our company.

The company may be required to participate in an administrative hearing and potentially lose its license to sell alcohol, tobacco and tobacco-related products, and suffer a fine of up to \$10,000 for violation of these regulations.

Company Safeguards: Because of the consequences involved, we have a number of safeguards to assist you and ensure that you are prepared to comply with these regulations. These safeguards include:

- *Communication & Understanding of the Law:* We want to be sure employees are aware of and have a complete understanding of the laws governing the sale of alcohol, tobacco and tobacco-related products and are in compliance with these laws. To ensure this understanding exists for every employee, each employee is presented with this policy.

**The employer may, in its sole discretion, amend this policy at any time.**

- *Training:* If you are involved in cashiering duties, serving alcohol in our restaurants, or supervising in these areas, you will receive training regarding the laws governing the sale and purchase of alcohol, tobacco and tobacco-related products. You will also be recertified semi-annually through your participation in the alcohol and tobacco training and education program.
- *Cashier and Restaurant Server Restrictions:* The law requires cashiers and servers to be 18 years of age or older to sell alcohol. Many city laws require cashiers to be 18 years of age or older to sell tobacco and tobacco-related products. Because of these restrictions, our company requires all cashiers to be age 18 or older to sell alcohol, tobacco and tobacco-related products.
- *Technology:* Many cash registers have been programmed to require age verification for all alcohol, tobacco and tobacco-related product purchases. Programmed cash registers will require you to manually enter the customer's date of birth and will reject those that are under the legal age. If your cash register is not programmed to accept the purchaser's date of birth, **you are responsible for carefully reviewing the purchaser's ID and verifying that they are of legal age.** Your trainer will inform you of the process to use at your store.
- *Recertification:* Semi-annually, all employees involved in cashiering and serving duties will participate in the company-sponsored alcohol and tobacco training and education program. This refresher course is designed to ensure complete understanding of and compliance with the laws governing the sale of alcohol, tobacco and tobacco-related products.

Photo Identification for Age Verification: It is your responsibility to ask each customer for identification and verify that the customer is at least 21 years old before selling alcohol products to him or her and at least age 18 before selling tobacco or tobacco-related products to him or her. Our company policy requires employees to check ID and verify age of every customer attempting to purchase alcohol or tobacco products. The customer must:

- **Provide an acceptable Photo Identification Card every time** he/she purchases alcohol, tobacco and tobacco-related products. **Acceptable identifications** are unaltered and bear the birth date. The following photo IDs are acceptable:
  - ◆ Driver's license
  - ◆ State-issued identification card
  - ◆ Military identification card
  - ◆ U.S. passport
  - ◆ U.S. immigration card

Penalties for Noncompliance: As your employer, we want to ensure that you fully understand the penalties associated with violation of these regulations. The penalties for selling alcohol, tobacco and tobacco-related products to anyone under the legal age (age 21 for alcohol and age 18 for tobacco) include a personal fine of up to \$3,000 that you are responsible for paying, a citation and a mandatory court appearance. Additionally, failure to follow these procedures may jeopardize your employment with the company.

In addition to the personal fines that you may be subject to, the company may be assessed penalties of up to \$10,000 and lose its license to sell alcohol and/or tobacco and tobacco-related products for violation of these regulations.

*Failure to comply with this policy may result in corrective action, up to and including termination of employment.*

*This policy is for informational purposes only and is not intended to create a contract between Lund Food Holdings, Inc. and its employees. Questions regarding the administration of this policy should be directed to the human resources department.*

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**EMPLOYEE COMMITMENT:** I have completed the Lund Food Holdings employee alcohol and tobacco training and education program. I understand that I am responsible to know and follow the alcohol and tobacco guidelines established in this training and education program, and I understand the consequences involved for noncompliance.

If I do not comply with the laws governing the sale of alcohol, tobacco and tobacco-related products, I fully understand that I may be subject to penalties associated with violation of these regulations. They include **a personal fine of up to \$3,000 that I would be responsible for paying**, a citation and a mandatory court appearance. Additionally, it may jeopardize my employment with the company.

In addition to the personal fines that I may be subject to, I am aware that the company may be assessed penalties of up to \$10,000 and lose its license to sell alcohol and/or tobacco for violation of these regulations.

As an employee of Lund Food Holdings, I understand and commit to the following:

- ◆ If I am not at least 18 years of age, **I will not sell alcohol, tobacco or tobacco-related products.**
- ◆ I will not sell or serve alcohol products to any person who is under the age of 21.
- ◆ I will not sell tobacco products to any person who is under the age of 18.
- ◆ I will always ask for identification and verify the age of every customer each time they purchase alcohol, tobacco and tobacco-related products.
- ◆ If there is any doubt about the person's age, or if a customer does not produce an acceptable ID, I will call a manager for assistance.
- ◆ I will not knowingly sell alcohol or tobacco products to any adult for use by individuals who are under the legal age. If I think an adult is buying alcohol or tobacco for underage individuals, I will call a manager for assistance.
- ◆ I will only accept identification cards that are **unaltered**, bear the **birthdate** and are one of the following **acceptable photo IDs**:
  - ✓ Driver's license
  - ✓ State-issued identification card
  - ✓ Military identification card
  - ✓ U.S. passport
  - ✓ U.S immigration card

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<b>LUND FOOD HOLDINGS, INC.</b> <b>Gifts &amp; Gratuities (Vendor) Policy</b>	
<b>Approved by: Russell T. Lund III</b>	<b>Revised:</b> December 22, 2011 <b>Effective:</b> January 14, 2004

*Together, we (employees, customers, suppliers and shareholders) create sensational shopping experiences for a lifetime. A key to creating a sensational shopping experience is the development of a noteworthy workplace that acknowledges our core values of teamwork, respect and innovation. Lund Food Holdings' policies and procedures are designed to ensure we uphold our principles and reward the behaviors we deem critical to achieving the mission of the organization.*

*The following summarizes our company's Gifts & Gratuities (Vendor) policy.*

**Summary:**

The Lund Food Holdings, Inc. Gifts & Gratuities (Vendor) policy represents a set of guidelines designed to help shape and influence business decisions pertaining to purchasing goods and services.

Our company is committed to conducting all business matters in an ethical and forthright manner, ensuring that relationships and decisions are based on good judgment, sound business ethics and never influenced by personal friendships, outside interests or opportunities for personal gain such as favors, gifts, entertainment, events and/or loans. Our goal is to receive value through lower cost of goods rather than through premiums, gifts or other personal incentives.

**Scope:**

All Lund Food Holdings, Inc. employees are required to comply with the Gifts & Gratuities (Vendor) policy.

**Guidelines:**

On occasion, employees may be the recipients of gift cards or merchandise in association with incentive or recognition programs. Pursuant to tax regulations, we are required to treat cash (e.g., gift cards) and merchandise that is easily converted to cash (e.g., electronic items such as iPods, iPads, etc.) as taxable income. Therefore, we will pay the taxes on the employee's behalf, except in the instance of gift cards given out by the company for the holidays. This policy applies to all gift cards, whether purchased by the company or donated by a vendor.

Gifts & Gratuities: All items must be logged and approved by the location manager. The location manager must review the Gift and Gratuity log quarterly. The log will be active for two fiscal years plus the current fiscal year.

Normal business courtesies such as luncheons or dinners when they are proper and consistent with regular business practice are allowed. Advertising or promotional materials and holiday or other gifts which are of nominal value (less than \$25.00) are also acceptable. Gifts and gratuities over \$25.00 are used as charitable contributions for community events and internal

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programs or can be accepted with director approval. If the item is perishable, the department manager can determine how to allocate within the team.

- *Under \$25.00:* Gifts and gratuities less than \$25.00 can be accepted and must be recorded in the Gift and Gratuity log.
- *\$25.00 and Over:* All gifts and gratuities \$25.00 and higher can be accepted with director approval and must be recorded in the Gift and Gratuity log.
- *Cash:* Cash can never be accepted for any reason.

Product Samples: Product samples are managed by each location with the exception of controlled substances. All controlled substances must be recorded and logged under all circumstances.

Vendor-Sponsored Recreational Events or Entertainment: The following guidelines apply to vendor or provider-sponsored events and/or entertainment including tickets to athletic events, theater, concerts, meals, golf, sports outings such as hunting or fishing events, trips and/or other related events.

- Approval from the location manager is required prior to accepting any form of tickets and/or entertainment as referenced above. The event must be recorded in the Gift and Gratuity log.
- Extraordinary events are those which represent considerable financial and time investment. They include, but are not limited to, trips (whether such trips involve trade shows, business matters or recreational events) and large scale entertainment such as hosted parties for multiple staff members. This type of event requires prior authorization from the individual's manager and the area vice president.
- Vendor-paid meals with business partners are acceptable when business related and are not required to be logged in the Gift and Gratuity log.

Group Outings: Vendor-sponsored outings must be coordinated through the area director, vice president, and director of retail operations.

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