



## Unsaleable Policy

As a matter of default policy, Weis will bill vendors for damaged, out-of-code, and discontinued merchandise ("swell"). Products will be valued at average cost for billing purposes. Billings will be adjusted, however, in two scenarios:

- Any vendor currently applying a swell allowance directly to purchases will be directly billed only for any unsaleable expenses **exceeding those allowances.**
- Any vendor currently providing funding to a third party for swell will be directly billed only for any unsaleable expenses **exceeding those funds.**

Weis Markets welcomes any opportunity to partner with its vendors to reduce this joint expense by identifying and addressing root causes.