

Associated Wholesale Grocers



Over 90 Years of Grocery Success

*A retailer-owned cooperative serving
over 4,000 retail member stores.*

Informational Resource Guide

About Our Company

Building Trust through Transparency



Our Vision

Our vision is to be the most retailer-focused and highest performing member-owned food wholesaler.

Our Mission

Our mission is to provide our member-retailers all the tools, products, and services they need to compete favorably in all markets served. This includes top quality supermarket merchandise and support services, all at the lowest possible cost.

Largest Retailer-Owned Grocery Co-Op in the U.S.

19 Member Retailer Board

Established in 1926

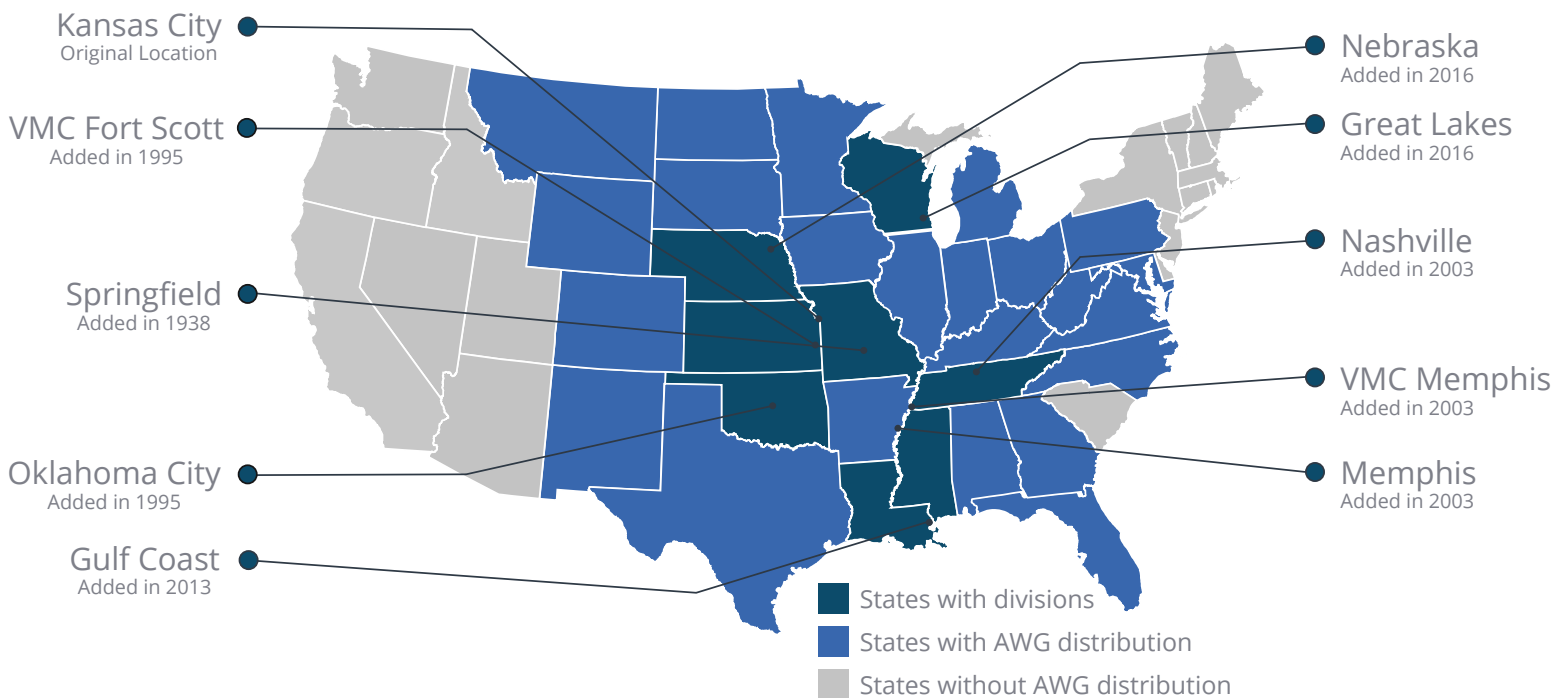
Over 30 States

Over 4,000 Retail Locations

ASSOCIATED WHOLESALE GROCERS, INC.

Our Divisions

AWG customers are serviced from our eight full-line wholesale divisions. The consolidated projected sales for 2018 are over \$10 billion.



If you are a current store owner who is considering a wholesaler change, or if you are thinking about buying your first store, Associated Wholesale Grocers Inc. (AWG) offers a total program that can accommodate any level of need. By joining AWG, you become part of the largest co-op and one of the most successful wholesalers in the country. AWG's 50 year net sales trend has experienced an incredible 8.69% compounded annual growth rate.

As a retailer-owned company, we not only provide members with the lowest cost of goods every day, but we also return our profits back to our members. Our annual patronage has experienced a compounded annual growth rate of 11.46% over the same time period.

RETAILER OWNED • RETAILER FOCUSED

Profit Profile

In the last 15 years, total sales have almost tripled, rising from \$3.1 billion to \$9.7 billion. Total distribution to members (patronage, allowances and interest) has grown from \$521.6 million in 2013 to \$577.0 million in 2017.

STOCK VALUE

Since 1973, AWG's stock value has increased steadily. In 1973, membership was valued at \$2,325. With stock splits in 1987 and 2009, a 1973 stock membership is valued at \$396,000 in 2018. New members are required to purchase 15 shares of stock at \$2,200 per share in 2018, an investment of \$33,000.

PATRONAGE

For the past 10 years, patronage has been in excess of 2.5% of purchases and a 2.62% in 2017. A small portion of earnings is retained by AWG as set by the Board of Directors to provide some capital to invest in the wholesale distribution centers.

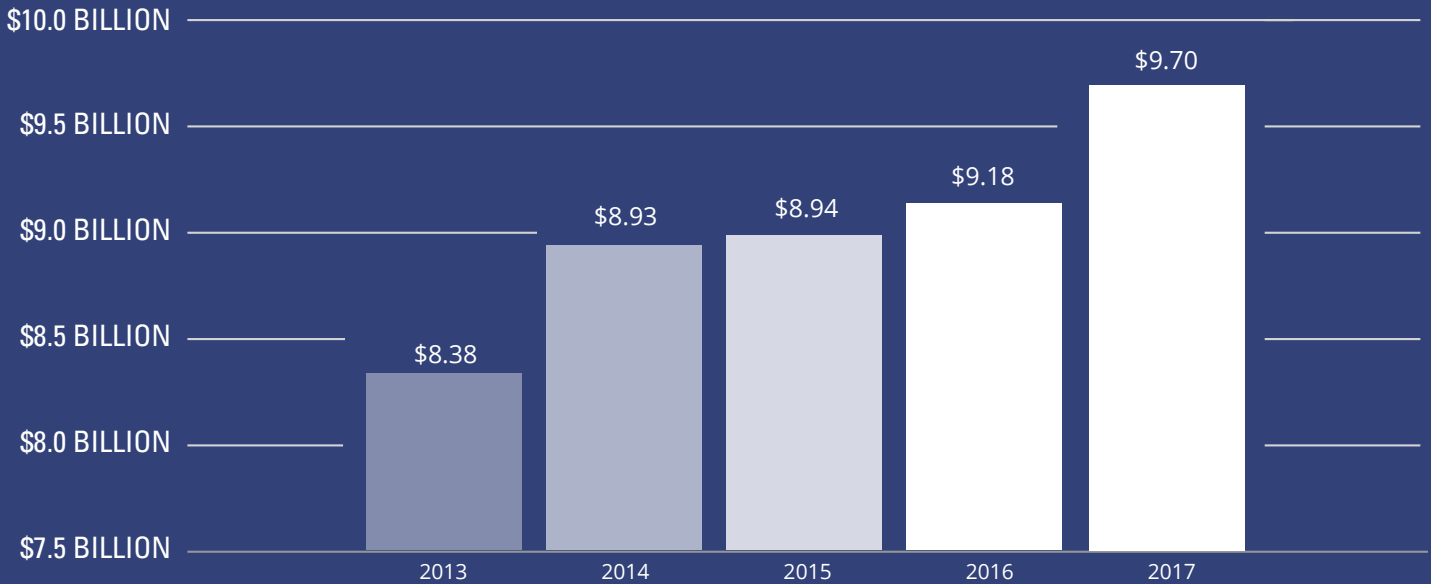
Our Simple Business Model

We make it easy for our retailers

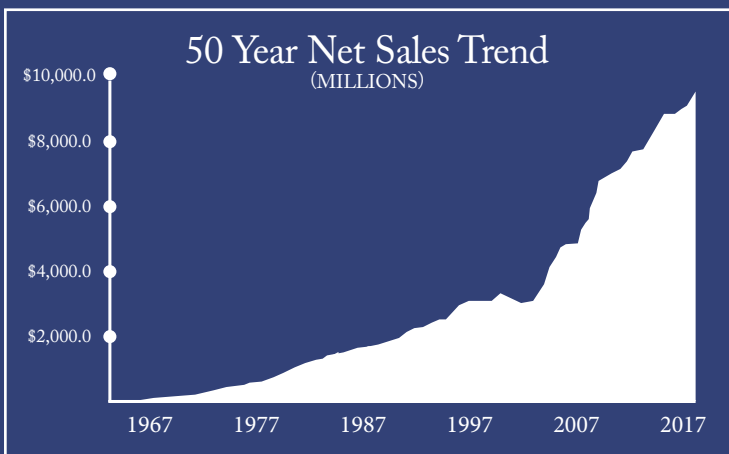


5 Year Net Sales

Consolidated (after eliminations)



Long Term Growth and Prosperity



RETAILER OWNED • RETAILER FOCUSED

Product Offerings

AWG offers a **full line** of products for members.



Grocery

Milk, Dairy, Organic,
Frozen Food, Gluten
Free, Cigarettes,
Hispanic, Tobacco



Meat

Beef, Pork, Poultry,
Seafood, Gluten Free,
Antibiotic Free, Grass
Fed, Organic, Hispanic



VMC

Pharmacy, HBC,
Seasonal, Dollar,
Specialty Foods, Gluten
Free, Organic, Hispanic



Produce

Fruits, Vegetables,
Organic



Floral

Cut Flowers, Potted
Plants, Balloons,
Specialty Items



Deli/Bakery

Meal Solutions, Meal Kits,
Service and Self-service Meats
and Cheeses, Fresh Salads,
Sandwich Programs, Fresh
Bakery, Thaw & Sell and Take
& Bake Products, Specialty
Products including Gluten Free

Grocery, Dairy & Frozen

AWG offers a full line of products for members.

Our Category Sales and Inventory Management personnel are very knowledgeable about each market. They will work to protect and grow your market position.

New items are reviewed on a weekly basis and are accepted or rejected based on introductory deal levels, consumer promotion activity, and market needs.

For more information, see "Merchandising" and "Category Sales" sections.



RETAILER OWNED • RETAILER FOCUSED

Meat



AWG has a complete selection with over 2,000 items. Truckload meat purchases allow us to secure the lowest price levels available.

- Meat Events: Running 52 weeks of the year, AWG offers deep discounted deals on processed and frozen meats, in 4 week increments.
- 18 strategic sale events which offer aggressive promotions in 2 week increments.
- Holidays and Special Events: supported with the best in market pricing on key items along with Best Choice Turkeys and Best Choice Spiral Hams.
- Web Blast Opportunities occur approx. 15 times annually, and offer hot buys on commodity items, processed and frozen meat, and seafood items.
- TPR Programs: supported with offerings that can be customized for specific needs.
- AWG offers over 100 meat items in store brands under the Best Choice, Always Save, and IGA labels.



Seafood



AWG offers a wide variety in fresh and frozen seafood.

Our programs are designed for full service departments to case-ready self-service cases. A full line of bag shrimp is available in the Best Choice labels.

A full line of fresh and frozen seafood is available in bulk or tray ready.

Seafood buys are located at each division to assist with regional and seasonal items.

Meat & Seafood specialists are available to help with training, weekly ads, special events, case sets, service case merchandising and gross profit control.

RETAILER OWNED • RETAILER FOCUSED



Produce



AWG partners with the most respected, highest quality suppliers: Dole, Ocean Mist, Sage Fruit, Sunkist, Driscoll, Naturipe, Sun World & many others.

Quality is our #1 priority! We have partnered with the most respected and highest quality suppliers. We secure contract pricing on several commodities to protect members from swings in market pricing.

We have our own inspectors on the ground in various growing regions that will make sure the best and freshest product is being loaded our trucks.

Our trained professionals have the ability to help with merchandising strategy and store execution. Promotional support includes:

- Quarterly Promotional Planners
- Weekly Power Buys & Web Blasts
- Weekly Ad List
- Food Show Promotions
- Seasonal Deep Discounts



Floral



Our highly experienced floral buyers and merchandisers can help build your floral sales, whether you have one or fifty stores.

Offering a complete line of:

- Fresh Flowers
- Green Plants
- Blooming Plants
- Bedding Plants
- All Accessories

Training is available year-round with merchandising & holiday seminars, hands-on classes, and floral shows. One-on-one available at store level.

RETAILER OWNED • RETAILER FOCUSED



Deli



AWG offers teaching and training programs from our team and vendors that will help to meet the ever changing marketplace.

At AWG, we are committed to providing you with the highest quality products and innovative solutions to help you succeed in today's marketplace.

Whether you are looking to plan a menu of signature products or trying to capture health conscious consumers, you can rely on AWG for new ideas, great customer service, and quality sourcing of superior brands and products.

Our services include:

- Purchasing and distributing high quality products
- Analyzing market trends
- Menu Labeling Support to meet Federal requirements
- Providing expertise from our dedicated specialists
- Offering solutions to simplify labor and operational issues



Bakery



Our bakery department offers much more than high quality ingredients.

As our partner, you have access to Merchandising and Sales Programs for fresh bakeries. Or, for those looking for a simpler solution, we have a complete Thaw & Sell Platform that can give you a “fresh-baked” image.

Everyday we collaborate with customers and our vendors to help them solve problems, meet challenges and uncover new opportunities.

Assistance is available in setting up a complete in-store bakery including:

- Design
- Equipment selection
- Employee training
- Item selection
- Pricing
- Merchandising
- Information on current trends

Our staff of specialists and our regional teams will help you establish a program tailored to your market and store format.

RETAILER OWNED • RETAILER FOCUSED

Our Store Brands

We offer the **highest quality** in all of our products.



Always Save

Everyday low price, the economic alternative.

Over 500 items



Clearly Organic

Organic you can afford.

257 items



Best Choice Grocery

Quality products at affordable prices.

Over 3,000 Food and Home/Health/Beauty items



Superior Selections

Making gourmet deliciously affordable.

95 items



Best Choice HBC

Home, health and beauty items.

Over 3,000 Food and Home/Health/Beauty items



IGA

IGA store brands program has over 800 SKU's in grocery/dairy/frozen and also items in meat, produce, deli and GM

AWG BRANDS DIGITAL MARKETING: AWG Brands connect with today's consumers through a robust online presence. Each brand boasts its own website complete with ever-changing content including recipes, customer support, coupons, blogs, social media hubs (including Facebook, Twitter, Instagram and Pinterest), email clubs and a nutritionist. All of the content, giveaways and coupons posted on any of the AWG Brands' digital sites are free for member retailers to use, share and market. Visit awginc.com for more information.

BEST CHOICE SAVE-A-LABEL: The Save-A-Label program helps non-profit organizations raise money. Currently there are more than 8,000+ non-profit groups that participate. AWG Brands has 50+ sales representatives who will work with individual stores to customize a program that fits their specific demographic.

Always Save® Brand

Everyday Low Price

**Always
Save**



The Always Save® brand is an economic alternative for customers who want the best price with consistent quality. Our goal is to offer you products at everyday low pricing. We do that with over 500 items and back it up with a guarantee.

alwayssavebrand.com

RETAILER OWNED • RETAILER FOCUSED

Best Choice® Brand

Best Quality for the Best Price

Best Choice®

Best
Choice®



Best Choice® brand products are developed with customer satisfaction in mind. Our goal is to offer you quality products at affordable prices. Best Choice items are equal to, or better than, national brand quality. We're always looking for new products that meet or exceed our standards. Adding new Best Choice® products is an ongoing process to improve our program and meet your customer's needs.

bestchoicebrand.com

ASSOCIATED WHOLESALE GROCERS, INC.

Clearly Organic® Brand

Organic You Can Afford

Clearly
Organic®
Best Choice



We know you're looking for more healthful alternatives to offer your customers, that is why we've introduced our organic line, Clearly Organic®. Not only is Clearly Organic® more cost-efficient than national brands, but you can offer your customers conventional and organic products in one place.

clearlyorganicbrand.com

Superior Selections® Brand

Bring Fine Dining home

Superior
SELECTIONS



Our impressive menu of products will delight even the most finicky foodies while making gourmet deliciously affordable. Now you can offer your customer the superior quality products and they won't need to go to the specialty food store. Superior Selections offers outstanding taste and quality.

superiorselectionsbrand.com

RETAILER OWNED • RETAILER FOCUSED



IGA is more than a simple banner- more than private label merchandise on your shelf..... IGA is a full-fledged brand!

The Hometown IGA concept is an ideal format for county seat towns and rural communities, providing a proven market strategy that combines the IGA brand with your local store identity. Time, value and a pleasant shopping experience are the building blocks to IGA allowing you to compete on more than item and price! IGA stores come in all sizes ranging from 12,000 to 50,000 square feet.

IGA stores carry fresh produce and fresh-cut meats at a good value, with many stores offering deli/bakery products based on store demographics. A wide selection of IGA products is offered in all departments of the store, supplemented by Best Choice and Always Save.

The IGA promise of offering great customer service, a strong sense of community, family, value, convenience, and quality allow this concept to compete in the market place.

IGA DECOR & SIGNAGE

AWG produces an IGA Product Catalog with a complete listing of items including: department signs and danglers, banners, Pick

5 signage, end cap signs, card stock and many other items. The product catalog also includes a short description of all IGA programs AWG has to offer and contact information.

Decor Source Group (DSG) is your store front signage and interior décor resource. Some examples of their finished products are shown on the next page.

The IGA store brands program at AWG has over 800 SKU's in grocery-dairy-frozen and also incorporates items in meat, produce, deli and GM. For more than 80 years, IGA's exclusive products have been a trusted staple in shoppers' homes. These items can only be found in IGA branded stores.

AWG works closely with IGA to select and offer high-quality, low-priced items with the same high standards as Best Choice. All IGA products are 100% guaranteed.

IGA PRODUCE

We offer selected IGA produce items, including bags of 3-lb. onions, 10-lb. russet potatoes, 4-lb. navel oranges, and three varieties of 3-lb. apples. Also offered is a produce guide for each selling season with a complete list of products that should be featured and merchandising suggestions with sample pictures.

Specially designed IGA produce bins, signage and danglers are also offered to help with merchandising.

IGA MEAT

IGA is also represented well in the meat department with over two dozen offerings. These include frozen 3-lb. chicken breast and tenders, frozen fish and smoked meat items.

Members also market choice angus beef as IGA Choice Angus Beef.

The IGA Pick 5 program is a standard in most of our member stores. Banners, case signage and dividers are available.

IGA DELI

We offer several IGA deli meat items and deli salads in various sizes. These items offer a value in this department and represent the IGA brand across the store.





Valu Merchandisers Co.



Health, Beauty
& Wellness

13,400
Items
Competitive
Program



Pharmacy

Turnkey
Program
Over 220
Pharmacies



General
Merchandise

7,000 GM &
8,100 Seasonal
Items
Extensive Year-
Round Programs



Natural,
Organic &
Specialty

12,200+ Items
Complete Solution
Program



Hispanic
& International

1,700 Hispanic
Items
Comprehensive
Program



Dollar

3,400+ Items
Best in Class
Program

Program Highlights

Retail focused sales and merchandising teams

Complete and shopper focused category solutions

Innovative marketing and merchandising

Aggressive promotional and marketing programs

Valu Merchandisers Company (VMC), a wholly owned subsidiary of Associated Wholesale Grocers, Inc. VMC was formed to provide a cost effective merchandise program for our member retailers. Our goal is to supply GM/HBC, specialty foods and seasonal products to you at a lower cost than alternative suppliers. Two central warehouses, located in Ft. Scott, KS & Memphis, TN provide efficiencies of scale to over 3800 customers throughout a thirty-six state area.

ASSORTMENT

VMC has a comprehensive assortment of approximately 44,000 items:

- 13,400 Health, Beauty & Wellness items; these include 718 Best Choice private label items.
- 15,080 General Merchandise items, including 173 Best Choice private label items and 8,100 seasonal items
- 12,200 Natural organic and specialty foods items, including 225 clearly organic private label items and 1,700 hispanic items
- 3,430 Dollar items, including dollar food and GM/HBC

ORDERS/LOQS

- The store, VMC warehouse and the sales dept. establish delivery schedule.
- Orders must be transmitted within established order deadlines.
- Orders are sent to VMC in Ft. Scott, KS or Memphis, TN where they are pulled, loaded and either shipped directly to the store or the AWG grocery warehouse for cross-docking to be shipped with your next scheduled delivery.
- VMC everyday orders are in eaches
- Ship in loq (logical order quantities)

HOW PRICING WORKS

- Billing pricing will be our book cost plus a fee.
- The fee is determined by the mark-up bracket.
- Your bracket is determined by your average order.
- Purchasing one order per week is to your advantage.
- Brackets are locked and fixed, and reviewed every 6 months

WHAT ARE THE VMC FREIGHT CHARGES?

VMC products carry your standard grocery freight plus an additional fee below:

HBW	+ .60%
GM	+ .85%
Specialty foods	+ 1.00%

Note: VMC subsidizes member freight from VMC facilities to Division DC'S as actual freight costs are higher than reflected above.

VMC PROGRAM HIGHLIGHTS

- Extensive year round seasonal programs
- Comprehensive ad programs
- Retail focused sales & merchandising teams.
- Robust private brand program including HBC, GM and organic and specialty foods
- Comprehensive hispanic program
- Best in class dollar program
- Pharmacy program
- 48 Hour turnaround time on most orders
- Case eligible items

VMC PROMOTIONAL AND MARKETING PROGRAMS:

Endcap program "wincaps"- included in this program are top HBC brands with suggested retails at/or below Walmart retails with average of 20% gross margin. Product and signage ship together for easy in store execution. There are two options to choose from each month.



Valu Merchandisers (CONT'D)

Power Buy - is a monthly promotion with aggressive off-invoice allowances provided by both the vendor and VMC. (Product must be pre-booked to receive discount.) This program includes top brands in a category.

TPR - there are over 1700 items offered in 13 cycles per year. Allowances are calculated and credits are issued on statement 14 days after performance period.

EDLP (every day low price) - over 1,300 KVI items from popular brands sold below cost, to allow members to be competitive in their market place against mass merchants.

Seasonal - a comprehensive assortment, competitive pricing for all seasons and offer the option to order planograms.

SOLO - is a direct truckload program that has lower fee and no freight.

Web Blast - bi-monthly promotions, communicated through a video presentation. Top brands and high velocity are included in these promotions. Aggressive deals are funded by vendors and VMC.

Clip strips/cross merchandise - helps gain additional sales \$ profits without allocating additional store space.

VMC TRADE SHOWS

VMC shows are a great opportunity to see new products, meet with vendors, view planograms and category initiatives and get great deals! VMC holds two shows a year in February and August. The shows are held in Overland Park, KS.

Show highlights include:

- New item showcases - 100+ products
- ESP'S (extreme show prices) - 20% off or more.
- Seasonal programs
- Dollar program

VMC SUPPORT SERVICES

Return policy - Damaged products and outdates are either sent to the reclamation center or receive an off invoice allowance for select vendors participating in the program.

Retail pricing options - Seven retail price zones will be maintained. The VMC retail pricing specialists will assist you with your retail pricing needs.

Customer service - A full-time customer service coordinator can be contacted toll-free to resolve your questions promptly.

Ordering and delivery schedule - Orders will be processed & billed on a timely basis.

Product updates & trends - VMC Connection is published and distributed monthly to all retailers on the program. This newsletter contains vital information about new items, trends, industry news and special promotions including upcoming and product launches.

You can contact customer service @ 1-800-294-7877 or 1-800-480-8258.

AWG Mark Ups

All product is sold at cost plus a mark up plus freight from the DC to retail store

GROCERY/DAIRY

All except as listed below:	Cost + 3%
Coffee-Core*, larger than 30 oz.	Dead Net + 1/2%
*Core: Classic, Original, no blends, no flavors	
Liquid Laundry Detergent	Cost + 1%
Private Label Sugar, 4-lb only	Cost
Private Label Butter, 1-lb	Cost + 2%
"IN & OUT" items	Cost + 5%
Frozen Food	Cost + 4%
Ice Cream/Novelties	Cost + 8%

BAKERY / DELI

Frozen & Refrigerated	Cost + 5%
Dry	Cost + 3%
Supplies	Cost + 5%

PRODUCE & FLORAL

Fresh Produce (blended overall MAX)	Cost + 10%
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MEAT

Beef, Pork, Lamb, Veal	Cost + \$.03 lb
Whole Fryers / Leg Quarters	Cost + \$.02 lb
Poultry Fresh Parts*	Cost + \$.05 lb
*Fresh Parts (Breast, Drums, Thighs, Wings, Gizzards, Liver)	
Whole Body Turkey	Cost + \$.03 lb
Frozen Meat	Cost + 5%
Processed Meat	Cost + 3%
Seafood	Cost + 5%
Commodity Hams	Cost + \$.03 lb
Premium Hams	Cost + \$.04 lb
Supplies	Cost + 5%

(Any special items not set up as a regular stock item will be marked up \$.04 per lb.)

CIGARETTES* sliding scale:

0 to 60 ctn	Cost
61 to 250 ctn	Cost less \$.05 a carton
251 to 360 ctn	Cost less \$.10 a carton
Over 360 ctn	Cost less \$.15 a carton

*1% flat freight on all cigarettes.

(Special order items will be marked up 2% over normal markup.)

One cent (\$.01) per cs. is added to all items for technology fees, except cigarettes and random weight items.

Special order items will require 2% over normal mark-up. Dry Grocery is 5%, Frozen 6% and Ice Cream 10%.

Cash Discount Policy: Less than 2% Cash Discount - AWG requires a 2% cash discount on all items except eggs, fresh, frozen and processed meat, seafood, and produce. If an item has no discount or less than 2%, the build-up to the 2% cash discount is done by adding it to the delivered cost prior to multiplying by the markup.

RETAILER OWNED • RETAILER FOCUSED



AWG Support Services



Real
Estate



Store
Engineering



Design & Décor
Source Group



Education &
Training



Retail
Support

We offer a wide range of resources for all of
our retailers!

ASSOCIATED WHOLESALE GROCERS, INC.



Real Estate



When it's time to grow, AWG can help. Retailers that are expanding, relocating, remodeling or adding a new location can count on the cooperative's real estate department. AWG can help secure new store locations, negotiate leases and produce market analysis and feasibility studies.

- Development
- Market Research
- Financial Analysis

RETAILER OWNED • RETAILER FOCUSED



Store Engineering



AWG's Store Engineering can assist the retailer with any equipment need, as well as remodels, expansions or energy upgrades.

Store Engineering develops fixture plans with the retailer and works with size and site constraints, customer demographics, lifestyle and marketing recommendations. Specifications for bidding can be provided, and our volume buying ability help to ensure the best price.

- Store Concept
- Store Planning
- Fixture Acquisition
- Project Management
- Maintenance Programs



Design & Decor Source Group

AWG's own Design and Decor Source Group is your answer to market specific interiors that are designed for your customer, your marketplace, and your strategy. You know your customer and your business better than anyone. Our licensed, award-winning interior designers know super market and retail design better than anyone. By partnering with our design team, you'll get an environment that gives you the competitive edge in your marketplace.

- Customized Decor
- Customer/Ad Group Specific
- In-House Staff
- Interior Designers
- Project Managers
- Lighting Programs



AWG's research and years of serving retail grocers enables us to bring you highly successful store concepts. From the special needs of rural markets, to high profile perishables-oriented stores, AWG has a concept that's right for you.



RETAILER OWNED • RETAILER FOCUSED



Learning & Development



Learning is a journey - begin your journey with AWG.

The AWG Learning and Development Department exists to support our Members, their employees and the employees of AWG through education opportunities. A wide range of learning opportunities are offered including:

- **STORE OPERATIONS**

This series of workshops focuses on various aspects of store operations including Food Safety Certification.

- **MANAGEMENT AND LEADERSHIP**

Our management development workshops are designed as interactive sessions providing both experienced and inexperienced managers a chance to learn and practice new skills.

- **DEPARTMENT MERCHANDISING SERIES**

These single-day and multi-day workshops focus on merchandising and management techniques specific to each department.

- **GROCERS GETAWAY**

Our members travel to market areas throughout the United States looking for new ideas on merchandising, operations, decor and store layout.



For additional details please go to www.awgeducation.com.

ASSOCIATED WHOLESALE GROCERS, INC.



Retail Support



AWG is staffed with a dedicated group of experienced professionals who can assist you with all of your operational, merchandising, advertising and marketing needs. Our retail support teams are continually trained on the latest consumer trends and relevant merchandising techniques.

Services include:

- Total Store Operations Counseling
- Comprehensive Category Management Programs
- Merchandising for: Center Store, Private Brands, Meat, Deli/Bakery, Produce, Floral and Non-Foods
- Complete Advertising & Marketing Programs for In-store Marketing, Print & Social
- Digital and On-Line Shopping

RETAILER OWNED • RETAILER FOCUSED



Category Sales



National brand Category Managers are responsible for growing profitable sales for AWG's members for the items and categories in their charge.

To accomplish their goals, the Category Managers focus on several key areas:

ITEM MIX

The Category Manager works with the Center Store Director in each division to ensure the proper mix of products exist to support their Members' needs. Our Shelf Management department builds plan-o-grams with the agreed-upon assortment.

PROMOTIONS

Working with our vendor/supplier community, Category Managers negotiate promotional opportunities for our Members.

COST

The Category Manager is responsible for delivering the lowest cost possible for their products. Each Manager works with our Inventory Management department to ensure products are bought at the best possible price.

CATEGORY PLANS

Each Category Manager follows a prescribed schedule of category updates so that our merchandising plans are current and relevant to today's market, including the latest item developments, shelf sets, and competitive situations.

For every department in your store, AWG's buying power ensures you the lowest possible cost of goods and, the best deals available from the trade. From groceries to floral, AWG brings you a competitive advantage to help you build a better bottom line.



Merchandising

AWG has designed merchandising programs and services to give you great flexibility and control over merchandising.

AWG provides a merchandising sales event calendar that contains promotional deals geared to the upcoming season. Each planning cycle contains the following sales programs:

- Event Specials
- Super Sale
- Pallet Merchandising Modules
- AWG Brands Merchandising Events
- Clip the Competition (Perishables)
- Strategic Sales (Fresh Meat)
- Feature and Best Buys (Produce)

Pallet Allowances

1–24 cases	\$2.50 per pallet
25 or more cases	\$3.00 per pallet

SOLO (STORE ORDER LOAD OPTION)

The SOLO program offers you the opportunity to have direct truckload buys billed through the AWG warehouse. When you buy a truckload of merchandise on SOLO from one vendor through special authorized deals, the product is shipped from the manufacturer to your store by common carrier. It is billed to the store at cost plus 1% of the net-billed cost to AWG.

CONTROLLED ITEM SELECTION

An authorized item list can be provided to AWG by the store, which can be utilized to control the selection of items.

HY-BRID STORE SUPPLY PROGRAM

Each division stocks the top-moving store supply items in primary categories such as bags, foam trays and film, available on your normal grocery truck at grocery mark-ups.

Additionally, AWG partners with Bunzl, the leading supplier nationally to offer a full variety of store supplies on a cross-dock basis. AWG delivers the best possible prices, achieved through regularly scheduled manufacturer product bids within key commodities. Members can rely on direct representation and help from 27 product experts in the field.

DROP SHIPMENTS TO STORES

AWG offers central billing for drop shipment vendors, consolidating and processing into one bill for the retailer. AWG negotiates a “central bill discount” with most drop shipment vendors. Charges are received from vendors and billed to retailers with a signed delivery ticket. For many vendors, the entire discount is rebated to you every four weeks. On all other central bill vendors, a small percentage of the discount is retained to cover the administrative costs of the program.

MCCORMICK SPICE/SEASONINGS PROGRAM

Members will earn a 4% rebate on McCormick basic spices and seasonings and a 6% rebate on McCormick specialty items. The rebates are paid on a quarterly basis by check.



Marketing/Advertising

Customize your brand creating IMPACT



We are all about building relationships with our members, just as you are with your customers and the markets you serve. Put us on your team and you get our absolute attention and total respect on every single marketing opportunity and project.

It's just the kind of attention your brand deserves from the kind of people who can make great things happen. We'll help you utilize a variety of cost-effective programs, as well as customized advertising services.

ASSOCIATED WHOLESALE GROCERS, INC.

AWG Advertising / Marketing Services



- Branding and Visual Identity
 - Brand Identity
 - Brand Positioning
 - Brand Voice
 - Campaign Development
 - Messaging Strategy
 - Strategy & Concept

- Marketing Communication
 - Media Planning & Placement
 - Print & Digital
 - Signage
 - In Store Consumer Communication
 - Customer Retention

- Interactive Marketing
 - Content Development
 - Email Marketing
 - Social Media
 - Strategy Development
 - Web Design & Development
 - Online Shopping

RETAILER OWNED • RETAILER FOCUSED



Corporate Merchandising



Corporate Merchandising works directly with Category Sales in order to achieve the maximum growth potential for each section through planogramming. Our planograms are developed using consumer based research and data driven decision.

Members have access to our extensive core planogram database, which contains a wide variety of sizes to fit practically every retailer.

AWG offers three Category Sales reports:

- Members Speed to Shelf Report
- Discontinued Item Report
- Item Conversion Report

REPORTING

AWG now offers three ARC Category Sales reports:

- Members Speed to Shelf Report
- Discontinue Substitute Item Report
- Item Conversion Report

NEW ITEM PRESENTATION

New item information is available weekly through AWG ARC.



Member Services



AWG's Member Services department is staffed with experienced professionals who can help you with all of your operational, advertising, and marketing needs.

BUSINESS AND OPERATIONAL COUNSELORS

Experienced professionals are assigned to your store location at no charge. Your team will generally consist of a District Manager, Ad Coordinator, AWG Brands specialist, and perishable department Field Specialist.

NEW MEMBER SUPPORT

All divisions have a Retail Development Manager whose goal is to strengthen the base of our organization and to increase both the size of our trade area and our market share within our trade area. This individual is responsible for new members and will also assist current members.

Pricing Programs

AWG affords you the flexibility required to operate in today's competitive market by providing you with the ability to control your AWG retail price files.

HOUSE & CUSTOM ZONES

AWG supports multiple pricing zones providing our members with grocery, frozen, dairy, and processed meat margins based on a defined retailer margin need. The maintenance of these zones is based on item strategies, competitive information, vendor cost changes, and our professional pricing experience.

Or, AWG members can choose to maintain their own retail pricing with a custom zone, that can be based on a House Zone but modified to meet the individual retailer's needs.

REPORTS

- Percentage Proof Lists
- R.I.N.G.
- Weekly Change List and NEW ITEM reports
- Temporary Price Reduction (TPR) Reports

ELECTRONIC RETAIL PRICING SUPPORT

It is imperative that the shelf tag price, scan file price, marked item price, and your AWG item file prices are the same. AWG Electronic Retail Pricing Support provides the mechanism for insuring that these prices are the same and that your customer pays the correct price for the items sold in your store.

ELECTRONIC COMMUNICATION TO STORES

We offer electronic communication to our stores via ARC, an internet-based connection that allows AWG to communicate important information to our stores. With ARC, invoices are available to the store before the truck leaves the warehouse. On-line credit requests, order guides, weekly change lists and weekly statements are also available.

All general news announcements, security alerts, and recall notices are posted on ARC. New item information is hot off the Category Manager's desk with on-line ordering for all grocery, frozen and dairy items. You can also use the Item Catalog Query to look up items in a commodity/sub-commodity grouping or you can look it up by UPC code.



Retail Business Solutions

The purpose of the Retail Business Solutions department is to assist you in improving your bottom-line profitability through the selection, implementation, and utilization of automated retail systems.

Your goals can be achieved by utilizing AWG Retail Systems services including:

- Professional consulting
- Project management and coordination
- Implementation, training and support consultation
- Customized price files, reports and shelf labels
- Electronic retail pricing support systems
- Preferred and tested retail systems solutions
- A special leasing program with preferred vendors
- Assistance on evaluation and system selection

In today's rapidly changing and confusing retail systems environment, AWG can offer you a single source for all your retail systems needs, through a partnership with Progressive Retail Vendors. These Vendor Partnerships are:

- IBM
- NCR
- BrData
- Invatron - scale management
- Pangea - sign and label printing software
- Netsurion - provides affordable and reliable security solutions
- First Data - one of the world's largest providers of merchant Electronic Funds Transfer processing services

"This program will give AWG members the cutting edge information necessary to capture new customers, drive sales and increase margins."



Retail Business Solutions (Continued)

Retailers who participate have access to a variety of AWG supported programs for both IT support and store employees.

These include:

- StoreFront - New Retailer Portal that is endpoint agnostic incorporating mobile technology for AWG content to retailers.
- Netsurion - A total network security solution.
- Retail Pricing Application- Access to pricing via the Internet offers a wealth of information at your fingertips.
- Ordering System- Enhanced ordering application that provides SMART ordering information in a high-speed broadband environment.

AWG is focused on the needs of our retailers and finding solutions for the business challenges they face everyday. AWG offers a suite of services offered to AWG member retailers, providing solutions in diverse areas. Today, these services cover the important areas of Pricing, Data Security, Print Solutions, Ad Planning and Scan programs.

RETAIL PRICING APPLICATION- Ntouch pricing was launched in 2009, addressing AWG members' and associates' need to manage their pricing using a web-based process. This application supports AWG house zones, custom pricing, real-time information, warehouse item visibility, item movement, deal information and provides convenient access from anywhere. Throughout 2018 and 2019, AWG will launch a new pricing application that will give the retailer visibility to net unit cost.

PRINT - AWG has partnered with Pangea to work with our members on retail print solutions. This resource provides printing of tags, shelf markers and ad signs as well as many other retailer needs. Retailers have the ability to go online to view, edit and custom-order their in-store signage. One additional benefit is the option to have a dedicated printer installed in-store for everyday use. As part of the in-store solution, the printer and toner are provided at no cost; stores pay for tag or sign inventory and a



Retail Business Solutions (Continued)

minimal click charge.

SAFETYNET - SafetyNet, powered by Netsurion, was launched to address the increasingly important issue of data security. This PCI (Payment Card Industry) compliance solution is designed to protect your network, your business and your customer's credit card information. Netsurion offers a security guarantee through TrustVault against data breach.

AD PLANNING - In 2013 AWG searched for a new ad-planning solution to replace the outdated technology then being used. AWG partnered with Aptaris to fulfill that need. The new multifunctional ad-planning system incorporates many previously unavailable features. The ad planner will not only build an ad or TPR (Temporary Price Reduction) program, but also handle the billing, pre-booking, in-store signage program, ad layout, ad calendar and data mining features. It began as a solution for the existing in-house ad groups and is now available for all members to utilize.

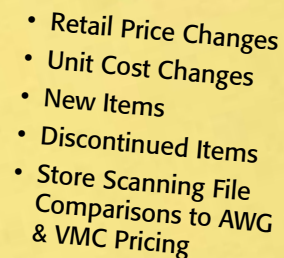
AD SCAN - As part of the Ad-Planning program, AWG has added this additional benefit in 2014. Retailers using the program are now able to eliminate handling the paper scan process. AWG has partnered with RDS/DSI, providing the ability to process all scans electronically through the ad program. This will enable stores to reduce the amount of time and resources needed to process and monitor accounts receivable on scans from vendors.

WEB-BASED SALES ORDERING - AWG web-based sales promotions are sales, specials, and discounts offered online. We have designed a variety of programs and services to give you the best opportunity to better your bottom line.

- Web-Blasts - limited time deals
- Web-Selling Events - on-line book events
- VMC Digital Opportunities - special events
- Ecomm - Promotional, signs, textiles, & more

Electronic Price File Hosting

The AWG Electronic Price File Hosting System allows you to retrieve item file maintenance directly from the AWG FTP systems with your on-site computer. You can review, organize and save to a database.

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- Retail Price Changes
 - Unit Cost Changes
 - New Items
 - Discontinued Items
 - Store Scanning File Comparisons to AWG & VMC Pricing

Other types of information sent to the AWG FTP Host Files include deals and allowances, and TPRs (Temporary Price Reductions).

RETAILER OWNED • RETAILER FOCUSED



New Member/ New Store Incentive

OPENING INVENTORY PROGRAM

AWG will pay interest costs to qualifying new and existing retail members for product shipped from AWG and VMC warehouses to a new store opening or an expansion of an existing store. The member can choose one of the three options listed below.

1. AWG will pay the member an interest check. The interest amount may be based on the new or expanded store square footage or actual inventory delivered to the store. A check for the calculated interest amount will be sent 100 days after the first delivery from AWG.
2. AWG will allow the payment of the opening inventory to be deferred until the end of 100 days from the first delivery. At the end of the 100-day period, the opening inventory must be paid in full. Adequate collateral is required if this option is selected and this option requires Finance Committee approval prior to the first order being shipped.
3. AWG can provide inventory financing. If such financing is for a new store (just built or previously empty) or the expansion of an existing store, AWG may make a loan to include a 100-day interest and principal free period. Adequate collateral is required if this option is selected and this option requires Finance Committee approval prior to the first order being shipped.



Associated Wholesale Grocers
5000 Kansas Avenue • Kansas City, Kansas 66106