



NEW PRODUCT SUBMISSION CHECKLIST

We review new product lines on a bi-weekly basis, excluding show weeks and holidays. We are unable to review a product line until all the information listed below is received, so to ensure a timely review please complete and return all necessary information.

- 1 ☐ New Vendor Form (electronic copy preferred)
- 2 ☐ Price list including SRP, Suggested Wholesale and Distributor pricing
- 3 ☐ MAP (Minimum Advertised Price) Policy, if applicable
- 4 ☐ Product Specifications including: case packs, weights and dimensions
- 5 ☐ Product Ranking (list of your items in order of how well they sell)
- 6 ☐ Samples of product/s sent, Atten: New Product Coordinator, address listed below
- 7 ☐ Marketing Support Materials (sell sheets)
- 8 ☐ General Policies (returns, additional terms, etc....)
- 9 ☐ Any additional information you feel will influence our decision

Review Process:

Once all the required information is received our New Product Coordinator will present your product line to our review committee at our next available review meeting.

Our review committee will look over your samples, paperwork and additional information coming to one of the following decisions then our New Product Coordinator will reach out to you to inform you of our decision.

- * Accepted: there will be additional information to be completed to add your product line to our system.
- * Tabled for discussion at a future meeting: our committee may have additional questions/concerns that need addressed before a final decision can be made.
- * Declined: we may choose to decline representation due to a multitude of possible reasons.

Unfavorable Ingredients:

Artificial/Synthetic Colors
Artificial/Synthetic Fragrances
Artificial/Synthetic Sweeteners
Propylene Glycol
Sodium Lauryl Sulfate

****Please note that Palko Services does not carry frozen/refrigerated products, produce, water or ready to drink items.**

While reviewing our paperwork, if questions arise, please feel free to contact me. I will always be glad to help. Thank you.

New Product Coordinator
219-871-1035 ext. 136
npc@palkoservices.com
4991 W. US Hwy 20, Michigan City, IN 46360



2022 Prospective Vendor Information Form

****Information contained on this form will be kept confidential**

Rev: 9.15.21

Date Completed	
Phone	
Toll free phone	
Fax	
Website	
Distributor contact	

Brand name			
Company name			
Address			
City	ST	Zip	
E-mail address			

How long has company been selling to natural product retailers	yrs.	mos.
Annual sales to Natural Products Stores (N P S)		

How many stores carry your products	
Average # of SKUs in N P S	

Margins:	Example	Actual	Selling	Gluten Free		Vegan		Other	
Retail Margin	40-50%		Features:	Non-GMO		Vegetarian		Other	
Palko Margin	30%			Organic		Kosher		Other	

Minimum Palko margin: **25% + free freight** for Palko to consider a new line. Preferred margin: **30% - 35% + free freight**

Minimum order for free freight?	\$		or	Units		Palko prefers a \$300-\$400 minimum for free freight.
Minimum order - if free freight is not offered	\$		or	Units		Palko prefers that free shipping be offered.

If FOB is available please include said minimum. Minimum Palko margin for FOB is 30%.

Introductory Discount		Length of Intro Discount	90 days minimum preferred	
Volume Discount		Do you offer discounts for early payments via Credit Card		
Additional Terms		Do you accept American Express		

Do you...	Y	or	N
allow 3rd Party Sales			
Amazon, eBay, Jet.com, Walmart.com, etc....			
Use Amazon Transparency			
sell Direct to consumers			
If Yes to sell Direct - Direct Minimum:			
sell Direct to retailers			
have a Reseller Agreement			
have a MAP pricing policy			
If yes to Reseller or MAP policy, include a copy.			

Guaranteed Shelf Life	
**Guaranteed Shelf Life is the shelf life that you guarantee Palko will receive upon reception to our distribution center.	
Shelf life at time of manufacture	
Are your products manufactured in a GMP compliant facility	
Please give an example of your Lot Number and Expiration/Born-on Dating below	
	Ex: Lot 522G Exp:6/15
	Location of Lot/Exp as it appears on product
	Minimum - Maximum Storage Temperatures
Lead-Time for shipping FOB to NW Indiana from receipt of PO	

Palko is currently looking for Nationwide Exclusive brands. Are you willing to offer exclusivity in the Natural Products Marketplace?

Food Production Facilities, if applicable:	USDA	&/or	FDA
Are the food production facilities used registered with either the USDA and/or FDA, depending on the products produced?			

Do you sell to...	Y	or	N
Natural Grocers/Vitamin Cottage			
Other Chains			

Please list any Natural & Mass Market chain stores carrying your products

ONLINE RETAILERS		
Do you, the vendor, sell your products on Amazon.com		

Please list other significant online retailers who carry your products

NATURAL PRODUCT DISTRIBUTORS		
Select Nutrition		
Threshold		
Kehe		
UNFI		
Super Natural		

Please list all current Natural products distributors you are currently supplying

Do you...	Y	or	N
Use a broker network			
Offer Promos			
Offer Sales Training			
Send Staff Samples			
Have Literature & POP			
Exhibit at Trade Shows			
Offer Case Stack Deals			
New Store Opening Deals			

If YES, list the brokers you work with below:
Please send examples of product samples with your product samples for review
Please send copies of all marketing materials with product samples for review
Please list
Please send case stack deals with your product samples for review
Please send new store deals with your product samples for review

Samples will become the property of Palko Services and will not be returned.

The following points are our minimum mandatory requirements for all new vendors to do business with Palko Distributing Co., Inc. Inability to agree to all requirements can be detrimental to the review process and can lead to Palko declining representation of your product line. **If you are unable to agree to any requirement please specify why for our review.** Please Initial your agreement of each section.

*** Disclaimer: These commitments are not binding until the point at which Palko accepts and adds your line, at that time these commitments become binding.

Minimum Term Commitment

☐ Init. I agree that in the acceptance of Palko Distributing Co., Inc. as a distributor of our brand, I (the manufacturer) consent to the terms of this agreement for a minimum of 2 (two) years, or as long as Palko Distributing Co. carries my products, from receipt of first product delivery unless otherwise stipulated in writing at the time of review of this agreement.

☐ Init. I agree that if I (the manufacturer) choose to break this contract and pull out of distribution with Palko Distributing Co., Inc. prior to the fulfillment of the agreed upon 2 (two) year minimum that I (the manufacturer) will purchase back all existing Palko stock at full wholesale price and pay for the return shipping of said stock. I also agree to pay any/all outstanding debt to Palko via check prior to Palko returning said stock.

Distribution Commitment

☐ Init. I agree that in the acceptance of Palko Distributing Co., Inc. as a distributor of our brand, I (the manufacturer) consent that Palko is granted distribution rights for my (the manufacturer) products to ALL Palko customers, including but not limited to, brick and mortar stores, e-commerce and third party resellers.

Minimum Mandatory Advertising Commitment – EVERY YEAR we stock your items.

☐ Init. I agree to advertising a minimum of 1 time per quarter (4 times/year) in the Palko monthly specials catalog.

Minimum Table Top Show Support Commitment

☐ Init. I agree to exhibiting at the Palko Table Top show the first 2 consecutive years I am a vendor with Palko Distributing Co., Inc. and a minimum of 1 time every 2 years after the first 2.

Estimated yearly costs

☐ Init. I understand that my estimated yearly cost of doing business with Palko Distributing Co. will be \$3000-\$3500, and that these costs will be incurred every year for as long as Palko Distributing Co. carries my products. This estimate includes my 4 ads per year and estimated cost to attend the Palko Table Top Show.

Monthly Promotion Buy-Dates

☐ Init. I agree to extend Palko Distributing Co., Inc. their preferred buy dates of the 20th of the month prior to a monthly promotion ending on the 20th of the month during the promotion. Exceptions may occur when the 20th falls over a weekend for the ending date in which case the buy-in will need to be extended to the following Monday.

Trade Show Support

☐ Init. I agree to support the efforts of Palko Distributing Co., Inc. when they exhibit at trade shows by offering a “show special” to attending retailers (booth sharing is not required). I understand that support at all shows is not "required" but that supporting these shows will help my brand grow with Palko Distributing Co., Inc.

Notice of all policy or price changes

☐ Init. I agree to a minimum of 90 days notice of all policy changes and/or price changes prior to the effective date of the change. If Palko Distributing Co., Inc. cannot adhere to or disagrees with changes (i.e.: a price increases drastically and prices the product out of the Palko customers price range) I agree to allow Palko Distributing Co., Inc. to return merchandise for a FULL REFUND of any monies paid for said merchandise.

Palko Payment Terms

☐ Init. I agree to the Palko preferred 2% 15, Net 45 day terms from receipt of shipment into Palko Distributing Co., Inc. warehouse.

☐ Init. If you are unable to agree to the Palko preferred terms, 2% 15/Net 45, please list your terms here:

Palko Price Protection

☐ Init. I agree that no distributor shall have a price advantage over Palko Distributing Co., Inc. And that if a price decrease is necessary Palko will be credited for the difference between the price they paid for the product and the new lower price, including any discounts.

Guarantee of Item Sales

☐ Init. I agree to guarantee the sale of every item in our line. If a product is a slow mover, for Palko, expires on Palko's shelves or the shelves of their customers that I (the manufacturer), will give credit/refund or allow the product to be returned at my (the manufacturer's) expense. The determination of credit/refund or replacement will be at the discretion of Palko Distributing Co., Inc.

Form Completed by:

Name

Title

Date



Information Palko needs to present your line to our Chain Store accounts

We are in need of the following information so that we can properly assess your line for possible addition into the Palko product offering and/or to present your line to our Chain Store accounts for addition into their product offerings.

These Chain accounts generally pass on savings to their customers and to be competitive in this e-commerce driven world they normally require the following.

Please complete ALL the sections below, including any necessary details. The form will not be accepted with TBD as a response as we need this information to present your brand.

Company Name:

Chain Stores you are interested in working with (place an X in the box/s that apply):

Fruitful Yield	<input type="checkbox"/>	Natural Grocers /	<input type="checkbox"/>	Clark's Nutrition	<input type="checkbox"/>
Akins / Chamberlains	<input type="checkbox"/>	Vitamin Cottage	<input type="checkbox"/>	Plum Market	<input type="checkbox"/>
Lassens	<input type="checkbox"/>	Other	<input type="text"/>		

Review Samples: Some Chain Store Accounts require free full size samples of a product/s for their review prior to accepting item/brand. Will the sample product ship directly from, you, the vendor, or through Palko? Direct is preferred.

Direct (preferred) ☐ Thru Palko ☐ ***All free product shipped thru Palko is MCBed at 100% wholesale*

New Store / New Placement Deals:

Y or N

Free Fill ☐ ☐ If Free Fill list qty (2,3, etc..):

Buy 2 get 2 Free ☐ ☐ Y or N

Buy 3 get 3 Free ☐ ☐ Buy 6 get 6 Free ☐ ☐

Other (ex: discount percentage, etc...):

If offering free product, will the product ship directly from, you, the vendor or through Palko?

Direct ☐ Thru Palko ☐ ***All free product shipped thru Palko is MCBed at 100% wholesale*

If these customer orders fall below the Palko minimum for free freight.....

Y or N

Vendor will provide Palko their shipper # to ship the orders ☐ ☐

***list carrier & shipper #*

Vendor will pay the Palko under minimum fee for each order ☐ ☐

Ongoing EDLP (every day low price):

Ongoing EDLP discounts are extended to Chain Store accounts on all reorders, unless there is a monthly promotion that is equal to or greater than your agreed upon EDLP discount.

All EDLP discounts are processed as MCBs and will be calculated off of wholesale cost.

Discounts of less than 10% have proven to be ineffective and cannot be accepted.

Please specify the ongoing EDLP MCB discount percentage you, the vendor, are able to offer:

****Palko will add to this EDLP discount, from our margin, when passing the final pricing onto the Chain Store accounts.*

Additional Details /
Notes, if
applicable:

Please include any additional information in the space provided below:

I have the power to make these decisions and my company will fully support these decisions throughout the entire business relationship with Palko.

Printed Name

Signature - if typed, will stand as an electronic signature

Date

***Palko will reach out to you, the vendor, for approval prior to extending these deals to Chain Store Accounts.



Palko Programs/Benefits

Palko is more than a warehouse we are a sales force. We offer many valuable programs and benefits to help build sales and grow the brands that choose to partner with us.

Benefits

- * **Sales Staff:** We have 10 sales representatives, and all of our sales reps call on their stores regularly. Our representatives that have territories within the Chicago area, go out on a weekly basis to visit their stores, while sales reps that have territories that are further afield visit their stores 1-3 times a year. During store visits our sales representatives present and educate clients on our new brands and build lasting relationships with our customers.
- * **Sales Staff Training:** We require that all new brands train our sales staff on the benefits and key selling points of their products so that they are equipped with the information needed to sell our customers on the products. Although we do prefer in person sales trainings we will happily accept trainings via Skype or conference call. We also welcome periodic refresher trainings for our sales staff.
- * **Sample Bag Program (optional):** Have your products sampled by over 500 stores each month by participating in our free Sample Bag Program. We send out roughly 150 sample bags a week to our various stores. These samples or samples attached to literature help to entice our customers (retail stores) and in some cases the end consumer to purchase your product(s). Many of our customers prefer to sample a product before dedicating valuable shelf space to it. We feel that the Sample Bag Program is a great way to generate new and continued sales.
- * **Velocity Reports (optional):** Velocity Reports list sales in wholesale dollars broken down by state. These reports can be processed monthly, quarterly or semi-annually. The reports are sent out the first week of each month and list sales figures for the previous six months. These reports cost \$25 per report.
- * **Store Locator Report (optional):** Store Locator Reports list all stores that have purchased your products through Palko. These reports are processed on a case by case basis and may not be available to all vendors, as we have had sales poached in the past when providing these reports. These reports are at no charge.
- * **Customers by Brand Report (optional):** Customers by Brand Reports are listed by item and include the account name, account number and quantity ordered for the given time period. These reports can be processed monthly, quarterly or semi-annually. The reports are sent out the first week of each month. These reports cost \$50 per report.
- * **Stock Status Report:** Stock Status Reports show Palko's current stock levels. They also show quantity sold by item for the given calendar year compared to the same time frame from the previous year, so that you can see by item how your line is doing with Palko. The reports also total the figures and give you an overall comparison for the line as a whole. These reports are available at no charge through our website, www.palkoservices.com once a line is approved and added.
- * **Palko Website –** We are working to provide a user friendly environment for our vendors and are evolving our vendor portal each day. Currently via our vendor portal you are able to view and upload product images, submit price change information, update item attribute information, update your contact information, generate brand order forms and register for participation in the regional NPA shows and Expos.

Programs

- * **Catalog/Advertising:** We send out a monthly catalog to over 2,200 active accounts. We pass these catalogs out at all the NPA shows, both Expo shows and our Sales Reps bring them on the road when they are visiting stores. We require that all vendors advertise a minimum of four times a year, preferably once per quarter, but additional advertising is always appreciated and beneficial. These quarterly advertisements keep your products on the forefront of our customers' minds throughout the entire year and can be informative and educational depending on the content of your ad.

- Our ads are all in full color and are strategically placed near your listing within our catalog. We also offer “cover” ads that will not appear near your listing but offer prominent placement.
- * Vendor of the Month (VOM) (optional): The VOM program is typically the most profitable promotion we offer to our vendors outside of the Palko Table Top show. Each month we have three VOMs with prime advertising on the cover of our monthly catalog, monthly promotional flyers, the Palko website and our social media outlets, Facebook and Twitter.
 - Vendor of the Month spots become available only when a vendor who held a spot the previous year declines to renew, so they are hard to come by, but when you get one you will typically see a 30% increase in sales during the promotional month. To qualify for the Palko Services Vendor of the Month program, manufacturers must meet the following criteria:
 - Minimum monthly advertising (once per quarter/four times a year) must be established/scheduled.
 - Provide Palko Services with a minimum **20% OI (off invoice)** exclusive full line discount. This discount must exceed any discount offered to any other outlet that the manufacturer may supply during the promotional time frame. Also agree to the Palko VOM buy dates of one early buy to take place in the middle of the month prior to the promotional month + the first day through the last day of the promotional month.
 - Supply Palko with a full page ad and a high quality group item color graphic to use in building the necessary publications.
- * Palko Table Top Show: This is our annual Customer Appreciation Weekend and Table Top Buying Show. The show takes place in the spring each year in Michigan City, Indiana at the Blue Chip Hotel & Casino. Michigan City, Indiana is 45 minutes to 1 hour outside of Chicago, Illinois. The Palko Show is the most profitable promotion we offer to our vendors. We regularly have 150+ retail stores in attendance with over 300 retail employees walking the show floor as many stores bring additional employees to become educated on the products that are displayed. The show spans three days (Friday, Saturday and Sunday), but the only mandatory day for our vendors is Sunday as that is the actual buying show.
 - Friday: Welcome reception for all vendors and retailers who arrive early.
 - Saturday: Educational seminars presented by our vendors (optional with limited availability) lunch and banquet in the evening.
 - Sunday: Buying Show, with vendor tables and retailers walking the show floor.
- * Shows: We participate in all the regional NPA shows and both Expo shows. We offer our vendors the opportunity to offer show promotions to be extended to our customers for all shows. We also offer booth sharing opportunities (costs vary from show to show) for our vendors at majority of these shows.
- * New Placement/Line Extension/Case Stack Discounts (optional): These are discounts that are extended to customers who are purchasing your products for the first time (new placement) from Palko, customers who carry the line but would like to expand their offering (line extension) and customers who want to purchase large quantities of product (case stack). These deals are promoted through our sales staff and are only extended to those stores that qualify.
- * SPIFFs (optional): SPIFFs are a bonus, usually monetary, offered to our sales staff by a vendor to encourage our reps to increase sales volume and market saturation. These are set up on a case by case basis by our sales manager.
- * M.A.P. (optional): MAP allows you to specify the Minimum Advertised Price of your products. This is not a firm a price

MAP (optional) MAP allows you to specify the minimum advertised price of your products. This is not a form of price fixing, as MAP only stipulates the advertised price and not the price the product is actually sold for. MAP policies are established to maintain the superior quality of your products in the end consumer's eyes and to support all retailers. MAP policies apply to the price at which products are advertised for sale to an individual consumer at any retail location. A retail location is defined as the physical location or virtual internet location where end-users can buy products. We go the extra mile when it comes to assisting our brands with MAP policies; we include a highlighted MAP symbol next to the brand listings and in the index of vendors in each monthly catalog for those brands who have MAP policies. The MAP symbol is also located next to the brand listings on our website, these MAP symbols can be clicked on which opens a tab to view the given MAP policy. All MAP policies are available for our retailers to view and download from our website. There are areas, on our website, for retailers and vendors to report MAP violators. Although we do not police the vendor MAP policies we do strive to help maintain the integrity of the brands we carry and to ensure the continued success of the brick and mortar store.

* Occasional Monthly Promotions (optional): We publish monthly promotions that are extended to us by our vendors and pass them onto our customers. These discounts can be OI, MCB (manufacturer charge back) or a combination of the two, whichever you prefer. These discounts do not have to be line drives, they can be on specific categories of items or individual skus.

- We also contribute to all vendor promotions prior to passing them onto our customers. We will add 5%-10% from our distributor margin when passing along your promotions. Below is a breakdown of what Palko will add to your contribution before passing it onto our customers.

OI:	<u>Vendor Contribution</u>	<u>Palko Contribution</u>	<u>Discount to Customer</u>
	We require a minimum 10% vendor contribution as anything less has proven ineffective		
	10%-14%	5%	15%-19%
	15%-30%	10%	25%-40%
	31%+	Palko does not add past 30%	31%+

MCB:	<u>Vendor Contribution</u>	<u>Palko Contribution</u>	<u>Discount to Customer</u>
	We require a minimum 10% vendor contribution as anything less has proven ineffective		
	10%-14%	5%	15%-19%
	15%-40%	10%	25%-50%
	41%-49%	9%-1% - bringing to 50%	50%
	50%+	Palko does not add past 50%	50%+

* Fax and Email Blasts: We send out monthly promotional fax blasts and show special fax blasts to all customers to ensure that they are up to date on the promotions that our vendors are offering. Our sales staff also sends weekly email blasts to our customers including monthly promotions, show specials, product information/sell sheets and special sales only deals (SPIFFs, case stack, etc...).

* Social Media: We post all monthly promotional flyers and show special flyers on our Facebook page. We also repost and retweet information from our vendors and information that effects the natural product industry to keep our customers up to date on what is happening in the natural product marketplace. We offer opportunities to our vendors to provide information that can be uploaded to our social media outlets.

* Palko Website – Vendor Videos: We offer our vendors the opportunity to have their YouTube product videos posted on our website for easy customer access.

* Exclusivity (optional): Exclusivity means offering Palko exclusive distribution of your products in the United States. Palko exclusive brands receive preferred placement in all marketing programs, preferred focus by our sales staff, free marketing opportunities (after initial marketing commitment is fulfilled) and free velocity reports.