

PSM

February 16, 2006

NOTICE TO THE TRADE – DeCA NOTICE 06-63

SUBJECT: Merchandising Agreements

The purpose of this Notice to the Trade is to remind our partners in industry that all merchandising agreements must be presented to the appropriate buyer or category manager at the Marketing Business Unit (MBU).

It has come to my attention, that a member of the trade recently presented a merchandise agreement proposal to a commissary management specialist at region level. Such specialists do not have the authority to act on such requests. Further, they do not have access to information from our data service provider and other sources in order to make an informed decision.

In summary, all merchandising agreements and other promotional activity such as truckload sales, vendor sponsored promotions that require display or purchase activity, one time buys, sports promotions, or any other buying activity must be brought to the MBU.

Your attention and compliance with this procedure is greatly appreciated. My point of contact for this subject matter is Mr. Delbert Myrick at DSN 687-8240 or 804-734-8240.

/s/

Scott E. Simpson
Chief Operating Officer