



USA

EXECUTIVE OFFICES
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October 12, 2001

Performance Food Group
12500 West Creek Parkway
Richmond, VA 23238
804-285-5397

CHEP USA has established a nationwide pallet pool program and will be entering into agreements with manufacturers whose products you distribute to rent our pallets ("CHEP Pallets"). As demonstrated by the success of CHEP pallet pool programs in various other parts of the world, the quality and availability of CHEP Pallets offers significant benefits throughout the entire distribution process, including cost savings and enhanced planning and control capabilities.

In order to preserve the quality and cost effectiveness of the program, we must be sure that manufacturers and distributors who use CHEP Pallets agree to follow certain procedures. We therefore require the manufacturers to whom we rent CHEP Pallets to agree that they will not use them in shipping goods to unauthorized users.

Upon receipt of a copy of this letter bearing your acknowledgement, we will authorize manufacturers to ship their goods to you on CHEP Pallets and will authorize you to use these Pallets in the manner described in this agreement.

Identification. First of all, you will have no difficulty in identifying CHEP Pallets since they are distinctively marked with the "CHEP" logo and are colored blue. CHEP Pallets may not be repainted or disfigured in any manner.

Ownership. Please note that we own the CHEP Pallets. While we rent them to others, we never sell the CHEP Pallets and only allow them to be used by authorized parties. If at any time your use of CHEP Pallets is not in accordance with the terms outlined in this letter, we reserve the right to repossess them and terminate this agreement.

Authorization to Receive CHEP Pallets. We will authorize manufacturers to deliver original full loads on CHEP Pallets to destinations you have listed on an attached schedule, or as you list on one or more supplemental schedules as may be submitted to and approved by CHEP (each a "Delivery Point"), which shall either be your warehouse locations (each a "Warehouse") or retail store locations designated for direct delivery.

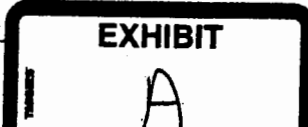
Authorized Uses of CHEP Pallets. You will be authorized to use CHEP Pallets as follows, and for no other purpose nor in any other manner:

CHEP USA

A NEW YORK GENERAL PARTNERSHIP COMPRISED OF GKN INDUSTRIES INC. AND BRAMBLES INDUSTRIES INC.

AMERICAS EUROPE AUSTRALASIA ASIA AFRICA

Printed on Recycled and Recyclable paper





- A. You may store goods at the Delivery Point at which they are received from a manufacturer on CHEP Pallets in the form in which you received them;
- B. You may pick goods from all CHEP Pallets as required to fill orders for onward distribution until you have completely emptied them;
- C. You may use CHEP Pallets to transfer original full loads to retail stores provided that you arrange to bring these Pallets back to your Warehouse when the store has removed the goods from them. You may re-use the CHEP pallets however should the dwell time exceed 45 days, an additional \$0.045 daily rental per pallet will be assessed.
- D. You may move a CHEP Pallet containing an original full load from a receiving Warehouse to a warehouse of another participating distributor, provided that a CHEP receipt is obtained from the distributor location receiving the Pallets and transmitted to CHEP, thereby notifying us of their location. You may move CHEP Pallets among your Warehouses without issuance or delivery of a CHEP receipt; and
- E. As soon as you have removed the original load from a CHEP Pallet, or received the empty CHEP Pallet back from a retail store, it is to be segregated, combined with other CHEP Pallets, and delivered in accordance with the next paragraph.

There will be no rental charge to the distributor for the use of CHEP Pallets as described above.

Control and Return of CHEP Pallets. Since it is critical to our business that we control the location of the CHEP Pallets at all times, recover them promptly, repair defective Pallets, and return them to the rental pool, we also ask you to agree to the following:

- A. You will not exchange CHEP Pallets for non-CHEP Pallets;
- B. CHEP will manage the collection of all CHEP pallets via the carrier of our choice, from your locations to our depots. For this service, we will invoice, a per pallet fee as shown below. A minimum number of pallets per trailer must be loaded, as shown below, to receive the corresponding per pallet fee. If for any three consecutive months the average loads are less then the minimum or greater than the maximum then the per pallet fee may be adjusted as indicated below.

<u>Pallets Per Trailer</u>	<u>Collection (charge)</u>
<u>Minimum-Maximum</u>	<u>Per Pallet Fees</u>
0-399	\$0.32
400-499	\$0.25
500 or More	\$0.198

For the added service of CHEP collecting at all PFG locations, PFG agrees to work on achieving 314,000 CHEP pallet receipts within one year of the signed agreement. If PFG hits the target of 314,000 CHEP receipts within one year, then CHEP will rebate PFG for all collection charges that range in quantities of 500 or more per trailer. Once



500 pallets have been accumulated, PFG will agree to arrange for collection. The CHEP depot will issue a receipt for those Pallets;

This financial agreement shall be in effect for one year from the date executed. At the end of one year performance to these goals will be reviewed at which time this entire agreement is subject to review and modification or renewal.

- C. If a CHEP Pallet is damaged when you receive it or while in your possession, you will remove the goods from the Pallet and return the damaged Pallet to a CHEP depot for repair. There is no charge for that repair, and you are strongly urged to return any damaged Pallet immediately given the risk of damage or injury that could result from its use; and
- D. You may deliver CHEP Pallets to a participating manufacturer against an official CHEP receipt issued by that manufacturer, provided that you receive prior approval from CHEP.

Customer Assistance. Please note that our representatives will call upon you periodically to visit your Warehouses with you, for the purposes of assisting you, free of charge, in implementing this agreement, introducing mutually agreeable training programs, and monitoring your CHEP Pallet balances.

Lost Pallets. Once CHEP Pallets are delivered to you, we expect you to maintain control of them and either return them to us or deliver them in accordance with this agreement. In the event that you lose or cannot account for any CHEP Pallets delivered to you, you agree to pay us for each missing Pallet such charges, as may be specified by CHEP from time to time, to reimburse CHEP for the cost of recovering such equipment and/or lost rental revenues. The current assessment is \$5 per Pallet, which will automatically renew upon completion of a quarterly physical inventory of CHEP Pallets, which documents that less than 1% of the CHEP Pallets received are unaccounted for. If the physical audit indicates that more than 1% of the Pallets received are unaccounted for, the Pallet compensation fee is \$24.00 per Pallet on those Pallets above 1%. Payment of such amount will not result in the transfer of or otherwise affect our ownership of the Pallets. Any lost Pallets which are later found must be delivered to us, and an appropriate adjustment will be made.

Terms. Without limiting either party's rights in the event of a breach of this agreement by the other, either party shall have the right to terminate this agreement upon not less than ninety days written notice to the other.

Other Uses. A distributor who wants to use CHEP Pallets for order-picked distribution to stores, for palletizing goods received on slip sheets or floor loaded, for palletizing in its own manufacturing or packing operations, or for any use other than as expressly authorized by this agreement, will incur an issue and transfer fee as listed on the attached appendix. If you are interested in pursuing such other uses for CHEP Pallets, then we will be glad to discuss the appropriate arrangements with you.

Advocacy. You agree to mail out a pallet standards letter to your vendors upon signing stating CHEP as your only preferred rental shipping platform. If it's not CHEP it must be a pallet of Grade A quality, or it will not be accepted. This only applies to palletized shipments, and will not restrict PFG from utilizing non-pallet shipping platforms, including, but not limited to, slip sheets, carts and totes. PFG may from time to time furnish to CHEP the names of vendors that are not participants in the CHEP program. Such



information is agreed by both parties to this agreement to be confidential, and CHEP further agrees that such information will not be disclosed to any outside party. PFG will also furnish the names of the distributor customers that purchase products from the Pocahontas Redistribution Center. If CHEP can demonstrate to PFG that an economic number of such distributors are participants in the CHEP program, then PFG will agree to convert shipments from the Pocahontas redistribution Center to CHEP pallets as the shipping platform of choice for the participating customers. Both parties agree that a separate implementation schedule for this conversion will be required.

Implementation. This program will begin implementation in the PFG Broadline Distribution Centers within thirty (30) days from the signing of this agreement at a schedule to be mutually agreed upon. An inventory of CHEP pallets will be made at each of the PFG facilities on the first day this agreement applies to that facility. CHEP agrees to credit such pallets to the PFG account to cover any shortages that may exist at such facilities where previously an individual location CHEP agreement exists. After clearing such shortages, CHEP agrees to credit to PFG one half (1/2) of the remaining balance to cover any future discrepancies. In no case will PFG begin this agreement with a negative balance of pallets to CHEP.

Please acknowledge your willingness to participate in the CHEP Pallet program by signing and returning a copy of this letter to us.

Acknowledgement:

We agree to participate in the CHEP Pallet program and agree to observe all the terms and conditions set forth in the foregoing letter.

Performance Food Group

CHEP USA, a New York General Partnership

Signature

Authorized Signatory of the Partnership

G. W. SUMERS, III

Keria Norder / David A. Mezzanotte

Name (Please Print)

Name (Please Print)

DIRECTOR, LOGISTICS + REDISTRIBUTION

SUPV CFO / SUP SALES

Title (Please Print)

Title (Please Print)

12/3/2001

12/6/01

Date

Date



*Appendix 1 to the Rental Agreement
Between PERFORMANCE FOOD GROUP and CHEP USA dated October 11, 2001*

CHARGES FOR CUSTOMER USE OF CHEP EQUIPMENT

- 1) An Issue fee of \$3.50 will be charged on the issue of equipment to the customer.
- 2) A Lost Equipment Fee of \$24.00 will be charged.
- 3) A Transfer Fee will be charged based on the following schedule:

Authorized Location Type	Transfer
Participating US Distributor (Participating assigned a CHEP code)	Fee
	\$1.14

- 4) Issue fees are based on full truckload quantities. They are as follows

Mark III Pallets	588/630
Mark 55 Pallets	532/570

- 5) When ordering less than truckload quantities or for customer pick up the following premiums shall apply over and above the Issue Fees listed in item 1 of this Appendix. Please note that quantities above 250 are not allowed for customer pick up.

LTL Rates		Customer Pick Up Rates	
Quantity	Mark 55	Quantity	All Products
1-80	CPU	1-10	\$3.10
81-150	\$1.60	11-20	\$2.10
151-250	\$0.80	21-30	\$1.20
251-459	\$0.40	31-80	\$0.80
460- Higher	\$0.00	81-150	\$0.30
		151-250	\$0.00

- 6) The following additional charges will apply:

Premium Service Delivery Fee	
For orders received with lead time of:	
24-72 hours	\$0.16/ per pallet
Less than 24 hrs	\$0.49/ per pallet

- 8) Current Prices will be held firm until January 1, 2003.



ADDENDUM TO CHEP USA RENTAL AGREEMENT
September 12, 2001

CHEP USA, a New York general partnership ("CHEP") and Performance Food Group, a Tennessee corporation ("PFG") have executed this addendum dated to modify and/or supplement certain of the terms and conditions set forth in the CHEP Rental Agreement ("Agreement") to which this addendum is attached. The terms of this addendum should govern in the event of any inconsistencies with the "Agreement".

1. PFG will accept full responsibility for the CHEP USA pallet program, including CHEP pallet loss compensation at the following contract locations:

NEW LOCATIONS

AFI Foodservice
1 Ikea Drive
CN 6070
Elizabeth, NJ 07207-6070

PFG/Lester
401 Maddox-Simpson Parkway
Lebanon, TN 37090

Caro Foods
2324 Bayou Blue Road
Houma, LA 70364

PFG/Miltons
3501 Old Oakwood Road
Oakwood, GA 30566

Carroll County Foods
1333 Industrial Park
Avondale Road
New Windsor, MD 21776

PFG/Powell
110 North Lee Street
Thomasville, GA 31799

NorthCenter Foodservice
Dalton Road
Augusta, ME 04338

PFG/Temple
4141 Lucius McCelvey
Temple, TX 76503

PFG/Florida
3150 North Gallagher Road
Dover, FL 33527

PFG/Victoria
204 North Brownson
Victoria, TX 77902

PFG/Hale
530 East Main Street
Morristown, TN 37816

Virginia FoodService Group
7422 Ranco Road
Richmond, VA 23228

PRC Distribution Center
7420 Ranco Road
Richmond, VA 23228

SFC - Springfield Food Service
340 Taylor Street
Springfield, MA 01101