

A. Fair Dealing with Employees, Customers, Suppliers, and Competitors: Gifts, Contributions, and Payments

The Company does not seek to gain any advantage through the improper use of favors, gifts, or other inducements. Good judgment and moderation must be exercised to avoid misrepresentation and to maintain the excellent business reputation for which our Company and our associates strive. Where disclosure is required under the following provisions, associates should use the Company's Ethics Disclosure Form. A copy of the Ethics Disclosure Form is attached as Exhibit D.

1. Bribes and Kickbacks

Offering, giving, soliciting, or receiving any form of bribe or kickback (*i.e.*, any monetary or other compensation given in exchange for doing business) is strictly forbidden. If any third party attempts to offer a bribe or kickback to any associate, the offer must be refused and that associate must immediately disclose such offer to the Tops Ethics Committee.

2. Political Activity and Contributions

Corporate political activity is regulated by federal, state and local laws. Violations of these laws carry civil and criminal penalties. Therefore, it is important that associates pay careful attention to the Company's and their own legal and ethical obligations when engaging in political activity.

It is the Company's policy to refrain from making contributions to political candidates and political parties, except as permitted by applicable laws and authorized by its Board of Directors. The Company name, Company funds and Company facilities shall not be used directly or indirectly for political purposes on behalf of candidates for political office, political parties or elected incumbent office holders at any level, federal, state or local, except as permitted by law and this policy.

Associates are encouraged to vote and participate fully in the political process. Associate participation in non-Company political activity is encouraged, but must be done on an associate's own time and at the associate's own expense.

The Company will not reimburse associates for contributions to political candidates or causes.

The Company may, from time to time, distribute memos or sponsor activities to bring political and public policy issues to the attention of associates. These activities may include participation by public officials or candidates for public office. Any such activities by the Company shall be for the purpose of encouraging employee participation in the public policy dialogue and shall not constitute endorsement of any particular candidate, officeholder or political party. Equal opportunity will be afforded all rival candidates and political parties.

To ensure compliance with applicable political activity laws, all Company political communications and activities must be approved in advance by the Chairman of the Board.

Nothing in this policy shall prohibit the Company from sponsoring a political action committee. Participation in any such political action committee by associates would be strictly voluntary and has no effect on employment with the Company.

3. Lobbying

The Company may conduct lobbying activities. There are laws and regulations governing lobbying activity at the federal, state and local levels. In some instances, the Company as well as individual associates may be required to register as lobbyists and file written reports of lobbying activities. To ensure compliance with all legal and regulatory requirements, all lobbying activities must be approved in advance by the Chairman of the Board.

4. Payments to Supplier, Vendors, and Other Third Parties

Payments to third parties made for the purpose of transacting Company business are permitted to the extent that such payments are commensurate with the goods or services offered by the third party. These payments must not violate any laws of the United States or the country in which such payment is made. All payments must be properly recorded on the corporate books.

5. Giving Gifts to Suppliers, Vendors and Other Third Parties

Gifts and other gratuities, personal favors, or benefits provided to third parties from corporate funds or other corporate assets are prohibited. Where lawful and appropriate, items of nominal value (*i.e.*, calendars or office supplies worth less than \$25) and reasonable, business-related expenses (*i.e.*, meals) are acceptable if disclosed on the Company's Ethics Disclosure Form. *Gifts of any kind or*

*amount to government officials are absolutely forbidden. Government officials include employees of governmental agencies and authorities (i.e., county hospitals, state universities and similar institutions).*

6. Receiving Gifts or Other Items of Value from Third Parties

The receipt of gifts or other items of value from outside vendors or third parties with current or desired business relationship with the Company is generally discouraged. This section outlines when it is appropriate to accept gifts, when disclosure of such gifts must be made, and when it is necessary to seek prior written approval before accepting gifts. When in doubt, always seek prior approval, by submitting an Ethics Disclosure Form, before accepting any gift in the business context.

a. Attending an Event *with* a Vendor/Supplier Representative Present

An associate and members of his or her immediate family may attend an event (such as a meal, sporting event, concert, charity function) as the guest of a vendor or supplier so long as a representative of the supplier or vendor is present. Local transportation may be accepted in connection with such an event. Associates must disclose their attendance at all such events on an Ethics Disclosure Form within two days prior to the event.

Example: A local vendor invites a grocery buyer and his/her spouse to attend a Sabres game. The associate may accept the invitation so long as the vendor attends the game with the associate. The associate is required to submit an Ethics Disclosure Form within two days prior to the game.

b. Attending an Event *without* a Vendor/Supplier Representative Present

If a vendor or supplier representative is not present at the event, an associate may accept tickets to the event only if the associate pays the greater of the face value or the actual cost of the ticket. Associates must disclose their attendance at all such events on an Ethics Disclosure Form within two days prior to the event.

Example: A local vendor offers a grocery buyer one ticket to a Buffalo Bills game. The face value of the ticket is \$75, but the vendor paid \$100 for the ticket. The vendor will not attend the game. The grocery buyer may accept the ticket if he pays the vendor \$100 and submits an Ethics Disclosure Form within two days prior to the event.

c. Overnight Trips or Events of Significant Value

An associate who wishes to attend any vendor-sponsored events involving an overnight stay, plane travel, or other significant expense must:

1. Receive prior approval from the Ethics Committee or, in the case of an Officer of the Company, the Chairman of the Board, and
2. Within 15 days prior to the event, provide written disclosure on an Ethics Disclosure Form. Approval of such events will require evidence that the associate's attendance provides a value or benefit to the Company.

Example: A national vendor invites the Senior Vice President of Perishables to attend a special presentation of the vendor's new products. The presentation will occur over the course of two days in Aspen, Colorado. Prior to accepting the invitation, the Senior Vice-President must obtain written permission from the Chairman of the Board, explaining how his attendance will provide value to the Company. The employee must also submit an Ethics Disclosure Form within 15 days prior to the event.

d. Gifts

1. Gifts to Associates

Except as set forth below, associates may not accept any gifts from vendors or third parties. If a gift is received, the associate must:

- a. Return it;
- b. Donate it to charity; or
- c. Keep it and donate the dollar value of the gift to charity.

If the gift is a food item and capable of being shared, then the food may be placed in a common area so that many associates may enjoy it. If the gift received is a calendar or

other type of office supply of nominal value (less than \$25), the associate may keep the gift and is not required to disclose receipt or take any further steps. Any gifts received with a value in excess of \$25 must be disclosed on an Ethics Disclosure Form within 15 days of receipt.

Example: A vendor sends a fleece jacket with the vendor's logo to a buyer in the meat department. The buyer must return the jacket, donate the jacket to charity, or keep the jacket and donate the fair market value of the jacket to charity. The buyer must complete an Ethics Disclosure Form indicating receipt and disposition of the gift within 15 days.

Example: A seafood vendor sends an associate a memo pad with the vendor's logo. The associate may keep the memo pad and does not have to disclose receipt of it.

2. Gifts Received at Trade Shows or Conferences

An associate may accept gifts of nominal value (less than \$25) that are distributed at trade shows and conferences. If the value of a gift received at a trade show exceeds \$25, receipt of the gift must be disclosed within 15 days on an Ethics Disclosure Form.

3. Gifts that Acknowledge Personal Events (Weddings, Funerals, Convalescence, etc.)

If an associate has a personal friendship with a vendor or third party doing business with the Company, and that associate invites the vendor or third party to a private event where the giving of gifts is customary (such as a wedding, birthday party, bar/bat mitzvah), the receipt of a reasonable gift in connection with such event is appropriate so long as it is disclosed on an Ethics Disclosure Form within 15 days. Associates who receive modest gifts (fruit basket, flowers, book) in connection with convalescence or a family funeral may accept such gifts without disclosing them.

e. Sales Contests, Incentives and Prizes

The Chief Executive Officer may approve the use of sales contests or other incentives and prizes for the Company's associates for incentives and prizes having a value up to \$3,000. The Company's Board of Directors will have the opportunity to approve the use of sales contests or other incentives and prizes having a value in excess of \$3,000. Any program of this type must be approved in advance by the Ethics Committee and the Company's legal counsel to ensure that the contest complies with applicable laws. A "Sales Contest Approval Form" is attached as Exhibit E to this document. An associate winning any item of value under this section is required to acknowledge the fair market value of the prize and pay any required tax on the prize.

Incentives earned by merchandising associates from suppliers based on volume purchases, sales or other criteria are property of the Company. Incentives should be converted to cash and credited to the Company whenever possible; otherwise, the incentives must be used for Company contests or drawings or donated to charity.

f. Samples

Samples received from vendors are property of the Company and must be:

1. Consumed or used by associates for the purposes of sampling/testing the product;
2. When appropriate, sent to the stores for sale;
3. Sold in sample sales; or
4. Donated to charity.

g. Personal Purchases of Goods and Services from Vendors

If an associate purchases a good or product from a vendor for personal use, the associate must pay the standard wholesale price directly to the vendor. The purchase must be disclosed on the Ethics Disclosure Form. An associate may only purchase a good or product from a vendor if that vendor routinely accepts personal orders; an associate may not use corporate accounts or set up an account using the Company's name in order to make personal purchases.

If an associate purchases services from a Company vendor (i.e., accounting, legal, construction), the associate must pay a price no lower than the customary rate paid by the Company. The purchase must be disclosed on an Ethics Disclosure Form.