

Supplier
Compliance
Manual –
Food Division



Colony
BRANDS, INC.

1112 7th Avenue
Monroe WI 53566

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Introduction

Colony Brands, Inc. (“Colony Brands”) manufactures certain bakery and cheese food products for sale to its affiliates, and purchases various ingredients as part of that process. Colony Brands also purchases specialty foods and select hard goods for itself and resale to affiliated companies (each a “Retailer”) that resell the general merchandise through direct catalog and Internet sales to consumers who place orders via mail, telephone and the Internet (their “customers”). The affiliated retail food companies (each a Retailer) presently include: The Swiss Colony, LLC, Midwest Catalog Brands, LLC (including its Wisconsin Cheeseman division), The Tender Filet, Inc. Colony Brands also sells its baked goods and cheese items to certain Affiliates (including, Swiss Colony Retail Brands, LLC and Green County Foods, Inc.), who resell those goods on a wholesale basis to various unaffiliated retail operations or distributors. Colony Brands shall be the buyer from Suppliers, and all invoices shall be submitted to Colony Brands. The Retailers have several food and specialty goods mail order and online catalogs that are committed to providing their customers with quality products, gifts and services. The Affiliates each offer various food items to other retailers or distributors. Each Retailer and Affiliate takes pride in its products, designs, customer service, and customer satisfaction. Colony Brands will transmit to Suppliers actual Purchase Order forms (“POs”) and related documentation describing the exact number of product orders, product specifications or other requirements, and necessary information for shipping the products to us.

If you are supplying non-food products to us, please refer to the separate Colony Brands Supplier Compliance Manual – Non-Food Division <http://www.colonybrands.com/supplier-manual-nonfood> If you are providing drop shipping to us, please refer to the separate Colony Brands Drop Ship Supplier Manual <http://www.colonybrands.com/colony-brands-supplier-manual>

Thank you for being a part of our Supplier family. Our Supplier relationships have always played a very valuable part in our business. Our company and its affiliates are dedicated to continuous improvement in product offerings, market penetration and Supplier base. Because of this focus, we need to look long and hard at the procedures we use, the products we buy, and the Suppliers from whom we buy. It is our goal to form an alliance relationship with you so that both of our companies can be well informed and profitable. That is the intention of this Supplier Compliance Manual.

Colony Brands requires your support so that we may reduce costs and waste in shipping, product damages, and replacements, and offer our affiliates and their customers products designed to incorporate the best quality product with highly protective packaging. Our goal is to receive shipments that can be placed directly into stock and/or production upon receipt to facilitate filling our affiliates’ and their customers’ orders as quickly as possible. This Supplier Compliance Manual is a vital part of our quality initiative. This manual will assist you in selecting the proper packaging, labeling, and carriers for our merchandise.

This Supplier Compliance Manual has been revised/enhanced to provide one consolidated document that contains a comprehensive list of what we expect of all our Suppliers, as well as what our Suppliers can expect from us. Although we have tried to clearly define our requirements, if you have specific questions, please refer to the Contact List Section of this manual and direct them to the appropriate person. **Please read this manual carefully. If a shipment is received that does not conform to our requirements, rejection and/or chargebacks could result.**

We hope that you are as excited as we are with the continuation and/or onset of our working relationship. A mutually beneficial relationship with all our Suppliers is one of our highest priorities. Colony Brands’ commitment to our Suppliers is as strong as the commitment we have to our affiliates and their customers. Thank you for taking a step forward in what we hope will become, or will continue to be, a long and prosperous relationship.

******* IMPORTANT *******

Please **COPY/FORWARD** this manual to the **appropriate parties within your company and/or the companies you represent**. We will notify you as updates are made. It will then be your responsibility to review and comply from that time forward. If a shipment is received that does not conform to our requirements, rejection and/or chargebacks could result. The Supplier Compliance Manual is located on our website. Website address: www.colonybrands.com. Please do not share our manual with other companies.

Evaluation and Approval Process

We have given you this manual because of our interest in one or more of your products. Please note the below Evaluation & Approval Process:

- A member of our Buying Team will obtain your company information. With this information, we will do a D&B credit check on your company. Barring any concerns, we will send you a copy of our credit references and the Buyer's Sample Request, asking you to send a sample of your product(s) to the following address: (Note some samples are requested verbally.)

**Attention: Insert Name of Buyer
Colony Brands, Inc.
1112 7th Avenue
Monroe, WI 53566-1364**

- Along with the Sample Request, you may receive a Data and Price Quotation Sheet, specific to your product that must be filled out completely and accurately and returned to us. You will be held responsible for any discrepancies.
- If your product is approved for possible manufacture and/or sale, the Buyer will notify you. At this time, you must complete the Data and Price Quotation Sheet (if you have not already done so) and **return it within one week or less**, along with any additional samples that are needed for photography, packaging development, and Quality Assurance Testing. If the products involved include food items or items coming into contact with food, you will need to provide proof that you are licensed to produce food products. Finally, you will need to provide us with a certificate confirming you have \$2mm in Product Liability coverage and listing Colony Brands as an additional insured.
- All **food** items will require you to complete a Product Specification form. This form must be filled out completely and accurately and returned to us. This form will be reviewed by our Quality Assurance Department and copies of the final, numbered Product Specification will be forwarded to you for your files.
- Subsequent shipments of your product, sent to our distribution center, must match the Packaging and Product Specifications. Note that our copywriters develop descriptive catalog text for your product based on the information you provide on quotes and on the Product Specification.

General Information & Requirements

Our Strategy

Our goal is to relay to our Suppliers, in advance, our documentation, invoicing, and quality requirements. We believe that by giving our Suppliers a clear understanding of our needs, we help streamline the supply chain process.

Important Colony Brands Documents

A copy of a [Colony Brands Purchase Order \(PO\) and a brief explanation of each section](#), [a copy of Colony Brands Terms and Conditions](#), [a copy of the Purchase Order Transmittal Letter](#), [a copy of the Standard Purchase Order Requirements – Domestic Shipments](#), and [a copy of the Standard Purchase Order Requirements – International Import Shipments](#) have been included in the [Appendix](#) for your reference.

Accounting Invoice Requirements

Invoices must at the minimum include the below information:

1. Item Description
2. Item Number
3. Quantity shipped of each item
4. Unit Cost of each item
5. Total product dollars for each item
6. PO Number / Contract number
7. Supplier / Supplier number
8. Supplier / Supplier item number

We will make payment based on payment terms calculated from the day we received the product or invoice, whichever is later. Invoices that do not include numbers 1 through 8 above may be returned for correction/clarification, which could result in delayed payment—discount terms, however, will still apply.

U.S. Customs Invoicing Requirements --- Please see the [Shipping and Transportation Requirements](#) section for import and Customs requirements.

Purchasing / Buyer Requirements

1. **Pre-Purchase Order Requirements** – Prior to issuing a purchase order, we must receive your signed price quotation, Product Specification, and Certificate of Insurance.
2. **Purchase Order Acknowledgement**
 - Upon receipt of our Purchase Order, it is very important that you acknowledge your acceptance of it and confirm your ability to comply as requested.
 - The order acknowledgement must be signed and returned within 48 hours of receipt.
3. **Automatic Returns**

Please note that Colony Brands reserves the right to REFUSE or RETURN, without Supplier return authorization, any merchandise which:

 - Is misbranded, adulterated, unsafe, and/or violates any Federal, State or Local regulations not limited to the United States Food Drug Administration, Consumer Product Safety Commission or other agencies.
 - Is received 10 days past the Purchase Order due date,
 - Does not have a valid purchase order,
 - Does not meet the approved Product Specification for style, color, size, quantity, and/or quality.

- Is not accompanied by the appropriate Certificate of Analysis, when required.
 - Does not match approved sample or Product Specification.
4. **No Product Surprises** – Federal law states that product we ship to our customers must match our marketing photo and description. Therefore, the products you send to us must not deviate from what has been approved. If our inbound inspection indicates that all items are not identical to what has been approved, or are defective, we may be required to sort part or all of the shipment and charge you back for the cost. Defective products will be sent back to you at your cost. Any applicable labor costs will be charged back to the Supplier.
 5. **Parts Replacement** – It is expected that Suppliers will perform sufficient inspection to assure the product we purchase contains all the required parts and that it is packaged to withstand a single unit, shipping environment. If our customers receive product that does have missing parts, or is damaged, Suppliers will be required to promptly ship replacement parts to assure full customer satisfaction.
 6. **Due Dates** - We must fulfill our customers' orders quickly to meet our service goals. There are also legal rules that govern all mail order companies on fulfillment issues. The Mail Order Rule is a federal regulation that governs the type and timing of communication between our company and our affiliates and their customers when a product they have ordered is not available to ship. Since you play an integral part in our compliance with this law, you should be fully aware of what we expect.
 - a) When confirming the due date on the PO, notify us immediately if there is a chance that this date cannot be met. We will do our best to work out another mutually agreeable date.
 - b) It is your responsibility to monitor and meet the due date.
 - c) If you can't deliver approved product by a promised due date, you will be charged back as per the below tariff:
 - USA Domestically Sourced Product (Based on Due Date)
 - If between 4 and 15 days late – 5% of Invoice Value
 - If 15 days or more late – 10% of invoice or \$8.00 per backorder, whichever is greater
 - Direct Import / Internationally Sourced Product (Based on the Confirmed Ship Window)
 - If between 4 and 15 days late – 5% of Invoice Value
 - If 15 days or more late – 10% of invoice or \$8.00 per backorder, whichever is greater
 7. **Returned Product** – Product returned to Supplier bearing our company identification cannot be resold unless reworked to assure all Colony Brands identification has been removed. Including packaging and labels.

Quality Assurance Requirements and Product Specifications

Quality is of the utmost importance to us. Quality Assurance Requirements will be based upon two main components. The first component is meeting our quality expectations for value, functionality, workmanship, and adherence to Product Specification attributes. The second component is meeting all applicable compliance expectations for adherence to United States and any other applicable Laws, Codes, Regulations, and Industry Standards.

Product Specifications will be developed for all items appearing in our catalogs and our Internet web sites. The Product Specification details the expectation of the quality, condition, testing and legal requirements of the merchandise upon arrival at our facilities. The Supplier will be requested to approve, verify, and agree to provide merchandise based upon the attributes detailed in the text of the Product Specification for each item purchased. Absent extraordinary circumstances, **Supplier approval must be received prior to issuance of a Purchase Order.** (On occasion, at our sole discretion, we may issue a Purchase Order contingent on your approval of our Product Specification prior to your shipping the product.) Our Quality Assurance department also takes steps to verify that your product(s) meets the Terms & Conditions stipulated on the Purchase Order. Supplier remains fully responsible for compliance with all Terms & Conditions, Specifications and other legal requirements. Shipments that do not conform to the Product Specification and/or Terms and Conditions of the Purchase Order, or other Contract Document, which require return, additional re-work and/or sorting by Colony Brands personnel will result in the assessment of an expense-offset /chargeback fee.

Supplier Expectations

- 1) Each Supplier must comply with all local, state, provincial, US, and other national laws and regulations (in addition to any other applicable laws and regulations). Colony Brands expects the Supplier to understand and uphold accountability to complying with all laws and or standards that relate to its products.
- 2) Documentation – It is the Supplier's responsibility to provide the Quality Assurance department with the following documents within 48 hours of request:
 - Signed Product Specification
 - MSDS Sheets (When Requested)
 -
 - Testing (When Requested)
- 3) All products must arrive defect free and free of retail price stickers. Failure to adhere to this requirement may result in an expense-offset/chargeback fee to the Supplier (including applicable sorting charges).
- 4) Each Product Specification is intended to set forth minimum quality standards, regulatory and/or industry standards; Supplier is fully responsible for knowing and complying with all legal requirements and industry standards whether or not they are included in the Product Specification. Upon Supplier approval (a.k.a. signing of the Product Specification) the Supplier acknowledges the product meets the quality, regulatory and/or industry standards specified on the Product Specification and that are otherwise applicable.

Each of the industries we deal with is subject to specific legal requirements relating to labeling and safety. We expect the Supplier to know and comply with the applicable laws and regulations. However, if you have any questions regarding the laws or regulations governing your products, please visit the following websites or contact Quality Assurance at 608-328-8746 and ask for a Quality Assurance Technologist.

<https://www.gpo.gov/CFR> (Code of Federal Regulations)

<https://www.cpsc.gov/commission> (Consumer Product Safety Commission)

<https://www.cpsc.gov/CPSIA> (Consumer Product Safety Improvement Act)

<https://oehha.ca.gov/proposition-65> (California Prop 65)

<https://www.astm.org/>(American Standards for Testing and Measures)

<https://ww2.arb.ca.gov/> (California Air Resources Board - CARB)

www.aphis.usda.gov/wps/portal/aphis/home/ (USDA – Animal Plant Health Inspection Service – search Lacey Act)

www.fda.gov/ForIndustry/ImportProgram/default.htm (FDA Requirements - Microwaves, CD players, etc.)

www.fws.gov/le/businesses.html (Fish & Wildlife Service Requirements – Cowry Shell Buttons, Bones, Feathers, etc.)

<http://enforcement.trade.gov/intro/index.html> (International Trade Administration - ADD / CVD Measures)

Our Quality Assurance strategy strives to ensure that Colony Brands provides safe and regulatory compliant products to our customers. In executing this strategy, Supplier supplied product testing from an independent consumer product laboratory may be required depending upon the merchandise category. All testing requirements will be defined within the Product Specification document. The Quality Assurance Department may audit and validate testing, but Supplier remains fully responsible for compliance. The Supplier is fully responsible and accountable for providing Colony Brands with merchandise that is compliant for importation to and sale within the United States.

Priorities for Quality Assurance will be managing a hold and release standard operating procedure for all focus items until testing has been reviewed and validated. If there is any doubt about compliance, Colony Brands reserves the right to independently test samples of the products and charge an expense-offset/chargeback fee to the Supplier in the event of any failure.

Additional QA Requirements for Food Items (Including Food Contact Packaging Material):

- 1) **Shelf Life:** At the time of receipt, no more than 35% of the product's shelf life may be expired.
- 2) **Code Date:**
 - a. Both the master carton and the individual unit/piece must bear a lot code/code date. (This allows us to Lot Track and Trace the product to the end consumer. Some exceptions from the "each piece" requirement are made for items such as bulk-foiled candies. Exceptions to the "each piece" requirement must be approved by Quality Assurance.)
 - b. Only one lot code/code date may be placed in a master carton. (i.e. No mixed lots/code dates within a master carton.) Additionally, the code date appearing on individual units/pieces MUST match the code date of the master carton.
 - c. Lot codes/code dates should be undecipherable. (i.e. No "Best By" dates unless approved by Quality Assurance during the Quality Assurance Specification process.)
 - d. Manufacturers are encouraged to use our 5-digit, code date system (YYDDD based on 2 digit year and the Julian date). If the use of our code date system is not feasible, Suppliers/Manufacturers must provide an explanation on how to decipher their product's code date on the Product Information Specification Form.
- 3) **Net Weight:** All product must meet the net weight stated on the Product Specification and must comply with the net weight guidelines established in NIST Handbook 133.
- 4) **Number of Lots/Code Dates:** To assist in containing costs associated with product testing and inspection, orders should be fulfilled from the least number of lots/code dates possible.
- 5) **Transportation:** Product must arrive at our dock free of filth, damage and/or temperature abuse. (Be sure temperature requirements are filled in on our Traffic Shipment Control Form and on the Bill of Lading.)
- 6) **Intellectual Property:** Copyrighted, patented, and licensed products must bear appropriate markings, and documentation must be provided granting Colony Brands, Inc. approval to sell.

Supplier Compliance Manual Violation Chargebacks

We also have implemented other schedules of charges or fees ("Chargebacks") as a way to recover certain increased costs or damages to us for Supplier's non-compliance with our Supplier Compliance Manual requirements. We are in the business of satisfying our customers. If you supply us with complete, accurate, and timely information, we will work with you to help avoid chargeback issues.)

The Chargeback categories are split into 5 groups: Procedural Violations include five groups: Packing List Violations, Packing Violations, Labeling Violations, PO Violations, and Supplier Transportation Violations. A brief summary of these Chargeback categories can be found in the [Appendix](#) or within this manual. The

[Quality Assurance](#) category of violations and corresponding chargebacks are contained in the General Information and Requirements section above).

Set-Off and Payment Hold

We reserve the right to deduct or setoff (against any sums that otherwise would be owed to a Supplier for any or all transactions between us) and Chargeback fees and/or any amounts for damages or indemnification claims that we have against Supplier. We also reserve the right to place the Supplier's account on payment hold during the period of any dispute related to Supplier's performance under the Contract Documents or pending a determination of the net amounts owed between us.

Drop Ship Supplier Purchase Orders and Procedures

If you are selected as a Drop Ship Supplier we will send you a copy of our Drop Ship Supplier Compliance Manual". If you need a copy of the manual, please contact Lynn Mayer (see the [Contact List](#) in the Introduction) or go to www.colonybrands.com.

Packaging and Labeling Requirements

Our Strategy

Our goal is to utilize available technology to implement efficiencies, improve management within the supply chain, and enhance our service to our customer. We believe that this can be accomplished by each Supplier providing merchandise that is "production and/or distribution ready." Our definition of "ready" means you have performed package testing prior to the receipt of your merchandise, items being received are packaged and labeled according to Colony Brands h Avenue requirements, your shipment is accurate and may be moved through our distribution facility with Colony Brands minimal merchandise preparation.

Supplier Alliance Responsibilities

All goods shipped to Colony Brands must meet our basic requirements. These requirements include having a valid Purchase Order, a Product Specification approved by you, being production and/or distribution ready, and being in compliance with the Contract Documents and Colony Brands, Inc. transportation and routing guidelines.

All merchandise is subject to the following requirements, unless otherwise negotiated between your company and our Merchandiser or Sourcing Manager. **Specific exclusions must be approved by the Buyer and documented in writing.**

Colony Brands Terminology (Brief Definitions of Key Terms Used in our Distribution Centers)

Carton / Package – The packaging material that protects an individual item or SKU, i.e., polybag, corrugated box, etc. See [General Packaging Requirements](#) for specifics.

Contact Documents – The Purchase Order Transmittal Letter, the Purchase Order, the Standard Purchase Order Requirements, the Product Specification(s), the Terms and Conditions and this Supplier Compliance Manual are the Contract Documents.

Distribution Ready – Your shipment is accurate, received according to our specifications, may be moved through our distribution facility with minimal merchandise preparation, and is capable of withstanding the small parcel distribution environment.

Part #/Stock Keeping Unit (SKU) – Any unique manufactured or purchased part. This is the product we purchase from your company that is eventually shipped to the customer as is, or as a component of a finished pack. It is identified on the Purchase Order as a 5-digit alpha/numeric Part Number, (i.e. 18661, or 5MBPC). See [General Packaging Requirements](#) for specifics.

Master Carton – A carton that contains more than one cartoned/packaged item. Example: a master carton could contain twelve individually cartoned/packaged cutting boards.

PO Number / Contract Number – These terms are used interchangeably and have the same meaning.

Product Label Number (PLN) Or Pack Number – The number that corresponds to a Colony Brands Finished Pack as offered for sale by Colony Brands, Inc. This number must not be confused with the 5-digit item/SKU number noted above. This number will be provided to you by our Merchandiser or Sourcing Manager if you provide us with a product that is a **Hard Goods Ship-Along** item. See [General Packaging Requirements](#) for specifics.

Reshipper or Remailer (primarily for hard goods) – Carton with protective packaging with enough strength and durability to withstand the distribution, storage, handling and small parcel distribution environment (UPS, USPS, etc.) without any additional packaging supplied by Colony Brands. This applies only as designated by our Merchandiser or Sourcing Manager, and is noted on the Purchase order.

Selling Unit – The product packaged and shipped as described in the catalog.

Ship-Along – A packaged SKU that is greater than 22” in length, or 17” in width, or 10” in depth, or greater than 1.00 cubic feet, or is designated as a **Ship-Along** by our Packaging Engineer. See [General Packaging Requirements](#) for more details.

Small Parcel Distribution – Distribution environment managed by small parcel carriers, such as UPS, USPS, FedEx, etc.

Supplier Compliance Manual / Supplier Manual – These terms are used interchangeably and have the same meaning.

Supplier / Supplier / Seller - These terms are used interchangeably and have the same meaning.

General Packaging Requirements

All Packaging must conform with national, federal, state, and local regulations with regard to material specifications that include, but are not limited to, meeting FDA requirements for Food Contact Packaging (where needed), compliance with California Proposition 65, California Toxins in Packaging Act, and CONEG, and meet established FTC Guidelines with respect to packaging content labeling.

1) Carton / Package Requirements

Suppliers are expected to deliver hard goods items in prepackaged units exactly as they are to be sold to the customer. Merchandise that will be sold by us as is, must be packaged in a manner that satisfactorily passes International Safe Transit Association (ISTA) tests for shipment via Small Package Carrier. All items require packaging that will protect them during distribution, storage, handling and shipping. Below are the four packaging formats that are acceptable to Colony Brands:

a) Polybagged Items

Non-fragile items can be packaged in individual polybags, fully vented if necessary. Multiple polybagged items of the same SKU number, size, color and pattern must be packed into a master carton. All items must be protected from dust, dirt, scratching, scuffing, moisture, etc. No item should be open to the environment. Polybags are appropriate for textile items and small items that will not break during handling. Items in a polybag must be packed into a master carton and palletized/unitized for shipment to the distribution center. The polyethylene bag must be a minimum of 0.0015” thick and must be closed securely with heat seal or tape. All polybags must be properly vented, as necessary, using flutter, butterfly, or Y-vents. All polybags must comply with safety labeling laws.

b) Boxed, Non-fragile Items

Many items included in the catalog are packaged in a box made from kraft board or corrugate boxes with Mullen burst strength less than 200 lbs per square inch. This type of box may be sufficient for non-fragile items, or where there is sufficient inner protection to prevent damage from shock or vibration and crushing. This box will be tested according to International Safe Transit Association (ISTA) guidelines. The box must be sealed to prevent tampering or loss of product. If the product is exposed, or the items may fall out of the package during conveyance, a polybag, shrink film or over-box must be used.

c) Protective Packaging – Fragile Items

Items that can easily break must have inner and/or outer protection sufficient to withstand the normal distribution handling and shipping environment. The American Society of Testing and

Materials (ASTM) and ISTA provide appropriate guidelines. All items should contain sufficient inner protection to withstand the ISTA drop and vibration sequence. Inner cushioning should be provided in proportion to the fragility of the item. Several materials are available to cushion the inner product from damage, including EPS, corrugate pads, bubble wrap, tissue, or shredded paper. Other cushioning materials may be pre-approved by Packaging Engineering. All packages must pass ISTA 1A drop and vibration tests. Only items packaged in corrugated boxes with Mullen burst strength of 200 lbs per square inch or greater may be packaged without a master carton. For hard goods, the Colony Brands, Inc. 5-digit SKU must be applied to each item, when packed without a master carton. Only one SKU, code date/lot code per pallet unless the order amount for that style number is less than a half pallet load.

NO Wire Ties

FDA Approved Packaging & Direct Food Contact Packaging must meet all state, federal and local requirements for food packaging, including, but not limited to CFR, Title 21 parts 170 thru 189.

2) Master Carton Packaging Requirements

A master carton is a carton that contains more than one cartoned/packaged item. Packaged items less than 26" in length or less than 17.5 pounds in weight should be shipped to the distribution centers in master cartons. The master carton must have a minimum 200 lbs per square inch Mullen burst strength. Each carton must be packed uniformly with only one item and one SKU/Code date/lot #, as appropriate. We require that all master cartons meet the International Safe Transit Association (ISTA) Drop and Vibration tests. The master carton must also be marked with any symbols that pertain to the item, such as Fragile, Glass, This Side Up, or Storage Requirements using the recognized International Symbols. The carton can also be printed or labeled with information necessary to meet US Customs' requirements.

Master Carton Checklist: Where applicable, cartons/packages may be consolidated into a master carton. If packing into a master carton, you must follow these steps:

- Make sure each master carton contains only one purchase order and shipping destination.
- Make sure each master carton contains only one SKU, Code Date, Lot #.

- Make sure each master carton contains only one item (color/pattern) or one code date/lot code. DO NOT mix multiple items in a master carton.
- All master cartons for the same SKU in the same shipment need to have the same piece count per carton.
- Pack the inner contents (cartons/packages) of each master carton according to the carton/package checklist above.
- Use master cartons that fall between our minimum and maximum size requirements, as shown below.

Dimension	Minimum	Maximum
Length	9"	36"
Width	9"	26"
Height	4"	30"
Weight Food	5 lb.	35 lb.
Weight Hard Goods	5 lb.	35 lb.

- Mark the outside of the master carton with the word "Masterpack".

- Attach the packing slip to the outside of the master carton.

3) Merchandise Specific Packaging Requirements

The following are some general packaging requirements by merchandise category. The above listed packaging requirements are still applicable. **NOTE:** additional requirements on a product-by-product basis may be negotiated between your company and our Merchandiser or Sourcing Manager.

Food

- Product and packaging must pass pre-shipment tests and container performance requirements as outlined by the appropriate testing procedures.
- All USDA / FDA requirements must be met.

Roll Stock Items

- All products received in roll form (i.e. labels and films) must have our product part number (label form, stamped or printed in the inside core).

Summarized Packaging Requirements

Carton / Package / Master Carton Checklist: Make sure your merchandise is as follows:

- Pack merchandise in the proper cartons/packages/master cartons – don't use jiffy bags.
- Use 1.5 mil or greater polybags to protect merchandise from soiling.
- Seal cartons/packages/master cartons with tape – don't use bands, staples, straps, string or other sealants unless pre-approved in writing.
- Carton strength must be adequate to prevent damage to the contents during transit.
- Use packing materials to protect your product in transit so that it is received in useable/saleable condition. However, we do not want you to be excessive with these materials and waste resources. This also increases processing time.
- Do not over-pack or under-pack.
- Metal Straps/Metal bands are unacceptable.

General Labeling Requirements

Item / Product Labels

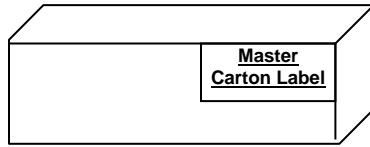
All items / product must arrive free of retail price stickers. Failure to adhere to this requirement may result in a chargeback to the Supplier (sorting charges).

Pallet / Master Carton Labeling Requirements

- Master carton labels must be positioned on the side of the carton that is visible when stacked on a pallet, preference is upper right-hand corner.
- Labels must be legible and easy to read
- Include the following information on each master carton label
 1. Colony Brands purchase order number
 2. Colony Brands part number (5 digit SKU)
 3. Colony Brands Item description
 4. Total quantity in carton
 5. Note: Standard counts are required per master carton, with the exception of one partial per sku, which must be clearly marked as a partial.
 6. Supplier name (Master Carton only)
 7. Code Date - the date of manufacture
 8. Lot Number - The Federal definition of a "Lot" -- All products reaching the final customer must bear a lot identification code. That code must be unique to the product that is produced with the

same material, during the same time frame, under the same conditions and is considered to be homogeneous (for Lot, Track & Trace purposes).

9. For Small Carrier Shipments, sequential number of the carton as part of the total (i.e. 1 of 5, 2 of 5, 3 of 5)



The first 3 required elements for the label are printed on the Purchase Order.

See label sample below.

Master Carton Label Sample:

<p style="text-align: center;">PART 18243</p> <p style="text-align: center;">PO# SW94895M</p> <p style="text-align: center;">PASTA SALAD DRESSING 1.75 OZ</p> <p style="text-align: center;">PACKED 12 PER CARTON #12 OF 23 CARTONS</p> <p style="text-align: center;">CD 5501 LOT# 1156-1</p> <p style="text-align: center;">From: Fair Scones, Inc. 11500 Wood-Red Road Suite C400 Woodinville, WA 98072</p>

Master Carton Label

Size Minimum 4.5" X 5"
Maximum 8.5" X 11"

Font: Times New Roman
Font Size Minimum: 14

Packing List Requirements

A detailed packing list must accompany every shipment. You must prepare packing lists following these guidelines

- Prepare packing lists in addition to master carton labels.
- Prepare one packing list per purchase order.
- For Small Shipment carrier shipments, a packing list must be attached to each carton.
- Packing List must include this information:
 1. Colony Brands company name/address
 2. Supplier name/address
 3. Colony Brands purchase order number (Must be Easily Visible)
 4. Colony Brands SC# (Item number)
 5. Colony Brands item description
 6. Date shipped/via
 7. Bill of lading number
 8. Total quantity of units (For Food only, total by code date/lot number)
 9. Total number of cartons (For Food only, total by code date/lot number)
 10. Total weight of shipment
- Insert packing lists into a removable pouch and SECURELY attach it to one carton of each purchase order. Indicate "PACKING LIST ATTACHED" on two adjacent sides of the carton. For trailer load shipments, the pouch must be attached to the last carton loaded on the trailer.
- When shipping multiple cartons via UPS or FedEx, a packing slip must be applied to each carton
- When shipping multiple cartons via UPS or FedEx, please also include the following on the packing slips: Sequential number of each carton as part of the total shipment (i.e., 1 of 5; 2 of 5; 3 of 5, etc)

Palletizing / Unitizing Requirements

- Use pallets that are 48 inches by 40 inches in size and comply with Grocery Manufacturing Association (GMA) standards. Pallets varying from these requirements need to be approved by the buyer prior to shipment.
- Palletized product should only be built to a maximum height of 43 inches including the pallet – 38 inches without the pallet – if used to transport food product or food packaging (except in the case of tins and plastics or unless prior approval has been given).
- Palletize by purchase order. Keep one purchase order per pallet when carton volume allows. Keep one SKU per pallet where volume allows. If multiple POs must be placed on a pallet, layer the POs, keeping all cartons for a given PO together.
- SKU's of different code dates/lot numbers should be on separate pallets, or separated on one pallet for small quantities.
- Label each pallet with the purchase order numbers and Colony Brands SKUs (found on purchase order), contained on the pallet. This applies only to shipments containing multiple purchase orders or skus.
- Secure all cartons to the pallet with stretch-wrap. Ensure all sides and the tops of the pallet are securely covered.
- Master cartons and/or product should not hang over the edge of the pallet.
- Stack all cartons with labels facing out so they can be easily read and/or scanned.
- All pallets must be in safe and suitable condition to enter a food processing facility. This means the pallets must be free of visible insect, rodent and avian contamination, infestation or evidence thereof. The pallets must also be free of visible mold, filth, bacterial growth or any other condition that would render them deleterious to a food processing facility.

If your merchandise is breakable or has temperature code shipment restrictions, be sure to label the shipment and note on the Bill of Lading for the carrier and identify to Traffic when calling for pick up of any specialized shipping requirements.

Shipping & Transportation Requirements

Our Strategy

We believe that working with us to meet our transportation requirements is mutually beneficial for your company and Colony Brands. Our transportation requirements are designed to prevent shipment delays, which ultimately result in lost sales. In addition, our requirements can help keep handling and freight costs to a minimum.

International Import Instructions (USA Imports)

International Freight Forwarder Selection

Please consult Colony Brands' C-PAT Requirements Link at:
<http://www.colonybrands.com/customs>

Routing instructions for shipments in which Colony Brands is responsible for paying the freight (dependent on the terms of sale) are located on the Purchase Order. These instructions include our forwarder's name and address. ([Standard Purchase Order and Invoice Requirements – International Import Shipments](#))

U.S. Customs Invoicing Standards & Colony Brands Requirements

U.S. Customs Regulations call for specific invoice requirements to be met on all import shipments. These invoicing requirements must be on all commercial invoices from our Suppliers in order to comply with U.S. Customs Regulations.

Please find a condensed list of U.S. Customs invoicing regulations. This condensed list will give you an idea of what is required on your commercial invoices for import shipments. Please consult the [Standard Purchase Order and Invoice Requirements – International Import Shipments](#) document contained in the Appendix for additional information and/or requirements.

Invoicing Procedure: Commercial/Electronic invoices (E-Invoices) will be generated based on Importer Security Filing (ISF) and booking information entered in Expeditors' Order Management Booking (OMB) tool.

- GlobalCompliance@colonybrands.com will email a copy of the E-Invoice to the PO contacts 24 hours after shipment is confirmed on board (COB) a vessel, for supplier approval.
 - Actual factory that produces the goods must be used as the manufacturer for ISF.
 - Vendors MUST make updates to booking (i.e. quantities) prior to COB.
 - Payment will be processed based on this information, so accuracy is critical to ensure timely and accurate payment.
 - If changes need to be made to the E-Invoice, please highlight the changes made and notify Global Compliance in your email confirmation.
- Please add a "Ven Ref Number" if you would like your own unique invoice number for payment tracking purposes.
 - Please approve commercial invoice by email confirmation.
- Include approved invoice and packing list in your response to GlobalCompliance@colonybrands.com within 72 hours of tendering your freight or within 48 hours of the confirmed-on board date.
 - Include any other requested or necessary information (i.e. APHIS, price/weight breakdowns, etc.)

Domestic Transportation Instructions

Domestic Carrier Selection (General Cargo)

General routing instructions apply to any portion of the freight charges that Colony Brands pays. General routing instructions do not apply to routings that require special routing or handling or are prepaid by the Supplier (See Below).

All shipments for which Colony Brands is responsible for any portion of the freight charges must be coordinated through the Colony Brands Transportation Department. All shippers/Suppliers must fax or email a copy of the completed [Shipment Control Form](#) (See Appendix) to the Colony Brands Transportation Department at 608-328-8846 or traffic@colonybrands.com. On receipt of the form, the Colony Brands Transportation Department will fill out the form with the appropriate routing information and fax it back to the Supplier. A follow-up phone call may accompany the fax depending on the shipment size, ready date, etc. This process is valid for both Less-Than-Truckload Shipments (LTL) and Truckload Shipments (TL). For TL shipments, please begin coordinating the shipment 48 hours in advance of your planned ship date to assure transportation availability.

- Each merchandise pickup request will be verified against the PO for accuracy. No merchandise pickup will be authorized for a shipment until all issues or discrepancies have been resolved.
- If merchandise is not available for pickup after arrival of the carrier, any detention, trailer not used, or any other related charges may be charged to the Supplier. All Suppliers need to notify the Colony Brands Transportation Department immediately if merchandise will not be available on the scheduled pickup date.
- Transportation requests must be initiated during regular business hours at least 48 hours prior to the required ship date to ensure capacity availability to meet the delivery requirements set forth in the Purchase Order. Transportation requests can be submitted via phone, fax, or email to the Colony Brands Transportation Department any time Monday through Friday between 8am (CST) and 4pm (CST).
- Failure to provide sufficient lead-time or changes to load information after the initial pickup call could delay the timeliness of the pickup and result in late delivery. It is essential that the information you provide in the [Shipment Control Form](#) is accurate and complete. Any delays resulting from inaccuracies by the Supplier may result in [chargebacks](#).
- In the event of problems with the assigned carrier (late or missed pickups, poor service, etc.), The [Colony Brands Transportation Department](#) needs to be contacted immediately for assistance.
- Please consult the [Standard Purchase Order Requirements – Domestic Shipments](#) document contained in the Appendix for additional information and/or requirements.

Domestic Documentation Standards and Shipping Requirements

Please follow these instructions when shipping merchandise to our distribution centers.

- Record the following on the bill of lading
 1. All purchase order numbers
 2. Aggregate number of cartons and weight for each shipment
 3. Correct merchandise description, including SC numbers and National Motor Freight Classification.
 4. Complete Supplier name and shipping address
 5. Total number of pallets (if palletized)
 6. If there are temperature restrictions, they must be noted on the Bill of Lading
- Suppliers who prepay freight and use carriers that are not approved by Colony Brands are responsible for carrier compliance with our requirements.
- All shipments regardless of size are subject to the provisions of these instructions.
- All purchase orders shipping from the same location on the same day to the same distribution center address must be combined.

- Unauthorized shipments made on consecutive days will be treated as though multiple shipments were made on the same day without consolidating into one.
- Routing instructions do not apply when terms of sale are FOB destination. However, when shipping is prepaid, you must still adhere to the distribution center requirements.
- Please attach a copy of the packing list as per our Packing List Requirements contained in the Packaging and Labeling Requirements section of the manual.

Exception / Special Cargo Routing Instructions

Special routing instructions apply to any portion of the freight charges that Colony Brands pays. Special routing instructions apply to loads exceeding 3,000 pounds or 750 cubic feet, small package shipments, air shipments, extraordinary value shipments, jewelry, loads requiring special equipment or packaging, loads requiring temperature control (heat or cold), and any perishable items.

A. Small Package Consignments of 8 cartons, 110 lbs.

Shipments with a total aggregate of eight (8) cartons (or less) and one hundred ten (110) lbs. (or less) should be shipped to the appropriate warehouse via small package carrier. You must ship via small package carrier only if the carton total and weight are less than the listed limits.

Ship via UPS Ground Commercial Service or DHL/Fed-Ex equivalent. Small package freight charges "only" are to be Prepaid and Added to the Supplier invoice.

Each carton in a small package carrier shipment MUST have a packing list attached and all cartons must be sequentially numbered.

B. Volume Shipments of 3,000 lbs. or 750 cubic feet / Or Any Freight Class 150 or above

You must contact the Colony Brands Transportation Department for special routing instructions on all shipments that exceed 3,000 lbs. or 750 cubic feet.

All shippers/Suppliers must fax or email a copy of the completed [Shipment Control Form](#) (See Appendix) to the Colony Brands Transportation Department at 608-328-8846 or traffic@colonybrands.com. On receipt of the form, the Colony Brands Transportation Department will fill out the form with the appropriate routing information and fax it back to the Supplier. A follow-up phone call may accompany the fax depending on the shipment size, ready date, etc. This process is valid for both Less-Than-Truckload Shipments (LTL) and Truckload Shipments (TL). For TL shipments, please begin coordinating the shipment 48 hours in advance of your planned ship date to assure transportation availability.

Note: VOLUME SHIPMENTS CALLED IN TODAY WILL NOT BE PICKED UP TODAY. No volume shipments will be routed unless all purchase orders are valid, approved, and within the proper ship window. If you report a shipment with invalid, unapproved, early, or late purchase orders, you will be informed that the shipment will not be routed and given the reason why. It is your responsibility to contact the Buyer / Merchandiser for clarification or correction. The shipment cannot be routed until the purchase orders are correct. If more than one trailer is required for a single shipment, you must prepare a separate bill of lading for each trailer.

Volume shipments are to be sorted and loaded by purchase order. Loading is the responsibility of the Supplier. Shipments are "Shipper's Load and Count," unless agreed upon in writing by Colony Brands Transportation prior to shipment.

C. Air Shipments

All air shipments for which Colony Brands pays any portion of the freight, must be approved by Colony Brands prior to shipment. You must request approval through your Merchandiser/Buyer who will in turn make the proper arrangements with the Colony Brands Transportation Department

The actual invoice value of the merchandise must be declared on the Air Bill.

D. Extraordinary Value Shipments / Jewelry / Loads Requiring Special Equipment or Packaging, Loads Requiring Temperature Control (Heat or Cold), or Perishable items

Please contact the [Colony Brands Transportation Department](#) for Routing Instructions

**** For information on [Transportation Chargebacks](#) please refer to the Appendix. ****

Prepaid Transportation Moves / Supplier Delivered Cargo Instructions

Suppliers who are responsible for paying the freight costs of shipments to Colony Brands should use a Colony Brands approved carrier whenever possible.

All Suppliers / trucking companies **must call the Colony Brands Transportation Department for delivery appointments. No merchandise will be accepted without an appointment.**

For prepaid ocean container deliveries, the Supplier or their transportation provider is responsible for providing the Colony Brands purchase order number, Supplier name, destination facility, number of cartons, seal number, and preferably a copy of the Supplier's packing list when making a delivery appointment.

*For truckload shipments, packing lists must be faxed or emailed to the Colony Brands Transportation Department (608-328-8846 or traffic@colonybrands.com) after the truck is loaded.

If the terms of sale on the Purchase Order allow the Supplier to prepay freight charges, you (the Supplier) still must follow these instructions completely. We strongly encourage you to consider a Colony Brands carrier when choosing carriers for your prepaid shipments, as any failure by your chosen carriers to perform to Colony Brands standards will result in a chargeback to your company.

The Colony Brands Transportation Department is the only source authorized to grant exceptions or clarify instructions. Instructions received from any other source, whether written or verbal, which deviate from these instructions is not valid and will not be honored.

Colony Brands Customs-Trade Partnership Against Terrorism (C-TPAT) Requirements – Direct Import Shipments

Please note our Supplier C-TPAT requirements at - <http://www.colonybrands.com/customs>

Please note that all direct import Suppliers/ Manufacturers must provide a completed Colony Brands Supply Chain Security Profile / C-TPAT Supplier Questionnaire for each foreign facility or location where they manufacture and ship goods to us from. This questionnaire should be provided in advance of any product for Colony Brands being produced by a particular manufacturer/facility. This form can be found on-line at - <http://www.colonybrands.com/customs>

Appendix

CONTACT LIST

Department	Name	Phone	Email
Accounts Payable	Denise Huffman, Accounts Payable Manager	608-328-8866	Denise.Huffman@colonybrands.com
Drop Ship	Lynn Mayer, Drop Ship Manager	608-328-8990	Lynn.Mayer@colonybrands.com
Food Merchandising / Product Development			
<i>(Packaging)</i>	Lori Severson, Packaging Design Manager Pam Rote, Sourcing Manager	608-328-8693 608-328-8666	Lori.Severson@colonybrands.com Pam.Rote@colonybrands.com
<i>(Packaging)</i>	Tim Seichter, Package Engineering Manager	608-328-8630	Tim.Seichter@colonybrands.com
<i>(Meats / Ingredients / Miscellaneous Foods / Hard Goods / Imports / Dried Fruit / Plants / Nuts & Snacks / Co-Packing)</i>	Dave Sobeski, Sr. Sourcing Manager Tami Ackerman, Sourcing Manager	608-328-8427 608-328-8477	Dave.Sobeski@colonybrands.com Tamara.Ackerman@colonybrands.com
<i>(Natural Cheeses)</i>	Tammy Miller, Cheese Sourcing Manager	608-324-4138	Tammy.Miller@colonybrands.com
Purchasing			
<i>(Forms / Supplies)</i>	Erin Buhlmann, Corporate Purchasing	608-328-8632	Erin.Buhlmann@colonybrands.com
Quality Assurance			
	Casey Shilling, QA Food Manager	608-324-3012	Casey.Shilling@colonybrands.com
Traffic	Lois Heeren	608-328-8903	Lois.Heeren@colonybrands.com or Traffic@colonybrands.com

Purchase Orders

A copy of a Colony Brands Purchase Order (PO) and a brief explanation of each section have been included below.

- **Invoice to Address:** Colony Brands, Inc., 1112 7th Avenue, P.O. Box 2816, Monroe, WI 53566-8016 ([See Section #10 on the Purchase Order Copy](#))
- **Ship To:** Send your shipments to this address (address may vary with type of merchandise). ([See Section #9 on the Purchase Order Copy](#))
- **Supplier Number:** This number must appear on all your invoices. ([See Section #8 on the Purchase Order Copy](#))
- **PO Number / Contract Number:** These terms are used interchangeably and have the same meaning. (Must appear on all of your invoices.) ([See Section #6 on the Purchase Order Copy](#))
- **Revision Date:** Tells whether the PO has been revised. ([See Section #7 on the Purchase Order Copy](#))
- **Terms of Sale:** The payment terms you've agreed to with our Merchandising department. ([See Section #4 on the Purchase Order Copy](#))
- **Freight Terms:** Indicates who is responsible for payment of freight. ([See Section #5 on the Purchase Order Copy](#))
- **Confirming Order-Do Not Duplicate:** Although, you may have received previous communication with our contract number on it, this is our legally binding PO. Do not use a previous PO copy. ([See Section #17 on the Purchase Order Copy](#))
- **Line Number:** Each line corresponds to a new item number. ([See Section #1 on the Purchase Order Copy](#))
- **Item Number:** Our internal item number. ([See Section #2 on the Purchase Order Copy](#))
- **Description Text:** Includes the supplier reference number, description, weight of the product, tariff number (if imported), and the QA Specification number. ([See Section #3 on the Purchase Order Copy](#))
- **Release Status:** The status of the line, either new or changed. ([See Section #11 on the Purchase Order Copy](#))
- **Quantity Ordered:** The number of units being ordered. ([See Section #13 on the Purchase Order Copy](#))
- **In-House Due Date:** When merchandise is **due at our dock**. ([See Section #12- on the Purchase Order Copy](#))
- **Unit Price:** The price of goods ordered. ([See Section #14 on the Purchase Order Copy](#))
- **Extended Price:** The cost of goods ordered times the number of units ordered. ([See Section #15 on the Purchase Order Copy](#))
- **Text Data:** A section of text that gives individualized instructions to the Supplier (includes QA information, packaging and shipping information, etc.). This may change with every item you supply to us. ([See Section #16 on the Purchase Order Copy](#))
- **Terms and Conditions:** Each new PO will have a section titled Terms and Conditions. We've attached a copy for you to review (Appendix).
- **[Purchase Order Transmittal Letter](#):** (See attached letter in the Appendix)



10. Colony Brands
 1112 7th Avenue
 Monroe, WI 53566
 Tel 608.328.8400

**PURCHASE ORDER
 SC001135**



8. 85727 STYRENE PRODUCTS INC
 STYRENE
 PRODUCTS INC
 5320 FULLER RD
 SCHOFIELD, WI 54476
 Fax: 715-355-5472

Attention: HAHN, DAWN
 715-359-6600

9. Ship To: COLONY
 BRANDS, INC.
 1112 7TH AVE.
 MONROE, WI 53566

6. PO No: SC001135
PO Date: 12/15/17
In House Due Date: 12/29/17
Customer PO Revision:
7. Revision Date:
Planner: Hughes, Diane Phone:
 Diane.Hughes@sccompanies.com

Carrier: Contact SC Traffic
Via: Ground
4. Pymt Terms: Net 30
5. Freight 005 Freight Collect

Items

1. Line Item	2. Item	Supplier Item No	3. Description	11. Status	12. Due Date	13. Order Quantity	14. Unit Price	15. Extended Price
1	05144		25X1 1/2X1/2 FOAM STRIP *CURRENT SPEC FOR SC# 5144 DATED 3/27/95	Firmed	12/29/17	400	\$0.101/EA	\$40.40

Grand Total: **\$40.40**

Notes

16. CORRECT PO RELEASE AND ITEM NUMBERS MUST APPEAR ON PACKAGES, INVOICES, SHIPPING PAPERS AND CORRESPONDENCE. PACKING SLIPS MUST ACCOMPANY ALL SHIPMENTS. CALL 608-328-8903 FOR ROUTING INSTRUCTION AND DOCK APPOINTMENTS.

ACCEPTANCE OF THIS PURCHASE ORDER ("PO") INCLUDES THE ACCEPTANCE OF: OUR TERMS & CONDITIONS, TRANSMITTAL LETTER, AND PO REQUIREMENTS; THE PRODUCT SPECIFICATION(S); AND ALL SUPPLIER MANUAL REQUIREMENTS CONTAINED IN THE LINK BELOW. SHIPPING PER THIS PURCHASE ORDER IS AN ACKNOWLEDGEMENT THAT YOU ARE AWARE OF AND AGREE TO THE CONTENT OF THESE DOCUMENTS. PRODUCT SHIPPED AGAINST THIS PURCHASE ORDER MUST CONFORM TO OUR APPROVED PRODUCT AND PACKAGING SPECIFICATION(S), WHICH MAY BE TRANSMITTED SEPARATELY AND/OR REFERENCED IN THIS PURCHASE ORDER. PLEASE REFER TO THESE CRITICAL DOCUMENTS AND COMPLY WITH THEM TO AVOID UNNECESSARY CHARGEBACKS.

17. PLEASE CONFIRM PURCHASE ORDER WITHIN 48 HOURS OF RECEIVING THIS PURCHASE ORDER TO THE "ISSUED BY" CONTACT ABOVE, BY EMAIL, PHONE, OR BY FAX. IF YOU HAVE ANY QUESTIONS OR COMMENTS REGARDING THE ORDERS, PLEASE FEEL FREE TO CONTACT THE "ISSUED BY" CONTACT ABOVE.

BAKERY RECEIVING, CHEESE OPS, MONROE FULFILLMENT & OUR OFFICE WILL BE CLOSED ON THE FOLLOWING DATES:
 THURSDAY 11/23; FRIDAY 12/22; MONDAY 12/25; MONDAY 1/1/18.

PRODUCT MUST HAVE AT LEAST 65% REMAINING SHELF LIFE AT THE TIME OF DELIVERY TO THE COLONY BRANDS, INC.

PRODUCT SHIPPED AGAINST THIS ORDER MUST BE IN FULL COMPLIANCE WITH THE COLONY BRAND'S QUALITY ASSURANCE SPECIFICATION SUPPLIED BY YOUR COMPANY AND APPROVED BY COLONY BRANDS, INC. IF YOU DID NOT RETAIN A COPY, OR HAVE ANY QUESTIONS REGARDING REQUIREMENTS, IT IS YOUR RESPONSIBILITY TO CONTACT US FOR CLARIFICATION PRIOR TO MANUFACTURE AND/OR SHIPMENT. ALL PRODUCT SHIPPED AGAINST THIS CONTRACT MUST BE INSPECTED TO ASSURE COMPLIANCE WITH OUR QUALITY ASSURANCE SPECIFICATIONS PRIOR TO SHIPMENT. ANY ALTERNATIONS, CHANGES OR DEVIATIONS IN THE QUALITY ASSURANCE SPECIFICATION, OR ANY CHANGE IN YOUR SUPPLIERS ARE STRICTLY PROHIBITED

Notes

WITHOUT WRITTEN NOTICE AND EXPRESS WRITTEN CONSENT FROM THE COLONY BRANDS, INC. FAILURE TO COMPLY WITH PROVISIONS SHALL BE DEEMED BREACH OF CONTRACT AND YOUR COMPANY WILL BE LIABLE TO SU FOR ALL COSTS, EXPENSES AND DAMAGES THAT MAY BE INCURRED. YOU SHALL INDEMNIFY AND HOLD US HARMLESS FROM ANY CLAIM OR PENALTIES RESULTING THERE FROM.

PLEASE NOTE: OUR COLONY BRANDS, INC. SUPPLIER MANUAL IS POSTED ON OUR INTERNET SITE FOR YOUR VIEWING. IT IS LOCATED AT www.colonybrands.com CLICK ON SUPPLIERS AND THEN CLICK ON COLONY BRANDS COMPLIANCE MANUAL. NON-COMPLIANCE WITH THESE REQUIREMENTS WILL RESULT IN CHARGEBACKS, PLEASE READ THEM CAREFULLY TO INSURE COMPLIANCE AND AVOID CHARGEBACKS.

LOT NUMBER, PURCHASE ORDER AND COLONY BRANDS PART NUMBER MUST APPEAR ON ALL INBOUND PAPERWORK. FAX COA TO 800 828 3206 OR EMAIL TO QAMICROLAB@COLONYBRANDS.COM

PLEASE ACCESS TO THE LINK BELOW TO SEE THE TERMS AND CONDITIONS AND SUPPLIER MANUAL. PLEASE REFER TO THIS FOR ANY QUESTIONS FOR ROUTING, DOCK APPOINTMENTS, LABELING, PACKING LISTS, AND ANY OTHER ACCOMPANYING DOCUMENTS.

<http://www.colonybrands.com/colony-brands-supplier-manual>

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Hughes, Diane

STANDARD TERMS AND CONDITIONS (For Purchase Orders of Goods for Resale)

1. **Purchase Order.** Colony Brands ("Buyer") and Supplier ("Seller") hereby agree to the following set of Standard Terms and Conditions (the "Terms and Conditions") for the sale of any goods and/or related services that are part of the goods, unless or until specifically modified in writing signed by both Parties referencing an amendment to these Terms and Conditions, notwithstanding references in any documents from Seller to other terms and/or conditions that conflict with these Terms and Conditions. If custom or private label goods are ordered, the Parties agree to the additional terms to these Terms and Conditions. Seller understands that Buyer may resell such goods to Retailers or Affiliates or their respective customers or liquidators or others for resale via catalogs, mail order, telephone order, online order, outlet stores, wholesale distribution, or other methods of resale.

2. **Order - Acceptance.** The Purchase Order ("PO") from Buyer accompanying or incorporating these Terms and Conditions is an offer to purchase the goods described therein from Seller as an Independent Contractor, not a confirmation or acceptance of any offer to sell; and acceptance of this offer is limited to the terms of that PO, accompanying or referenced documentation and these Terms and Conditions. Upon acceptance, whether expressly, by shipment or provision of goods purporting to conform to that description, or other conduct that recognizes the existence of a contract for such goods, the resulting contract will include: the PO transmittal letter, the PO, the accompanying PO Requirements, the Product Specification(s), the Supplier Compliance Manual (a/k/a Supplier Manual) and these Terms and Conditions (collectively, "Contract Documents"). Buyer hereby objects to and rejects any terms proposed in any of Seller's quotation, order acknowledgement, invoice or other forms or correspondence that add to, vary from, or conflict with the terms of the Contract Documents. If the PO has been issued by Buyer in response to an offer and is construed as a confirmation or acceptance of such offer, such confirmation or acceptance is subject to the express condition that Seller will assent to the additional and different terms of the Contract Documents as the entire agreement between Buyer and Seller with respect to the subject matter hereof. The offer made in the PO may be terminated by Buyer at any time upon written notice to Seller before Seller's acceptance of that offer.

3. **Complete Price Warranty.** The Complete Price will be as specified in the PO, or if no price is specified, at the lowest price quoted to Buyer from Seller. Buyer will have the benefit of any price reduction between the order date and date of shipment. Seller warrants that prices shown on the PO will be complete, and no additional charges of any type will be added without Buyer's written consent. Such specifically listed or otherwise incorporated charges include shipping, packaging, labeling, customs duties, taxes, storage, insurance, boxing, crating and similar charges.

4. **Payment.** Payment will be made per the terms on the face of the PO. Discount period, if any, will begin on the later of the date of receipt of complying goods at destination or Buyer's receipt of Seller's invoice, unless expressly stated otherwise in the PO. In the absence of specific payment terms in the PO, invoices will be paid on a net 30 days basis from receipt of a proper invoice with required information. Seller is responsible for accurately invoicing and correcting any errors in prior invoices sent to Buyer for the goods provided hereunder, which obligations survive any payment for incorrect invoices. Seller may not rely on payment as evidence of accuracy and Seller agrees to return any overpayment of monies paid based on inaccurate invoices.

5. **Delivery, Shipping and Risk of Loss.** Time is of the essence under the PO. Seller will deliver the specific quantity ordered by Buyer, and Seller will notify Buyer before shipping any partial shipments if allowed. Unless otherwise agreed in the PO, all goods and other materials to be provided by Seller per the PO will be delivered to Buyer F.O.B. Buyer's loading dock or, for goods and materials shipped from outside of the U.S., DDP Buyer's loading dock (as defined in Incoterms 2000), regardless of who pays for freight even for Buyer-preferred carriers. Seller assumes all risk of loss and damage until delivery to Buyer at the destination designated in the PO.

6. **Inspection/Testing/Nonconforming goods.** Buyer has the right to inspect and test the goods at Buyer's facility and to reject any nonconforming goods (including defective or excess). Payment by Buyer will not constitute a final acceptance of the goods, or as a waiver or limitation of any of Buyer's rights as set forth herein. Nonconforming goods may be returned to Seller at Seller's expense for a full refund, and, in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. No inspection, acceptance or payment by Buyer relieves Seller from its responsibilities for defects, testing, inspection, quality control, or failure to meet the requirements of the PO.

7. **Termination for Cause.** Buyer may terminate any contract resulting from the PO or the Contract Documents, or any part thereof, for cause if Seller defaults or fails to comply with any of the terms and conditions of the PO or the Contract Documents or is a party in any bankruptcy, liquidation, or insolvency proceeding. Late deliveries, deliveries of goods that are defective or do not conform to the PO or Contract Documents, or failure to provide Buyer, upon request, with reasonable assurance of future performance will allow Buyer to terminate the PO and any resulting contract for cause without Buyer liability.

8. **Termination for Convenience.** Buyer also has the right to terminate any contract resulting from the PO, or any part thereof, without cause at any time prior to delivery with written notice to Seller; and Buyer's liability for such termination will

be limited to Seller's out-of-pocket cost for work and materials applicable solely to work that has been expended as of the time that notice of termination is received by Seller, reduced by the fair market resale value of such work-in-process.

9. **WARRANTIES.** SELLER EXPRESSLY WARRANTS THAT ALL GOODS FURNISHED PER ANY CONTRACT RESULTING FROM THE PO WILL: CONFORM TO ALL SPECIFICATIONS AND APPLICABLE LAWS, REGULATIONS, AND STANDARDS; WILL BE NEW, NOT USED, REFURBISHED OR RECONSTITUTED; WILL BE FREE FROM DEFECTS IN DESIGN, MATERIAL AND WORKMANSHIP; AND THAT SELLER HAS GOOD TITLE AND AUTHORITY TO TRANSFER TITLE TO THE GOODS COVERED BY THE PO. SELLER WARRANTS THAT ALL SUCH GOODS, AND THE DISTRIBUTION, SALE AND USE OF SUCH GOODS, WILL NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHT IN ANY RELEVANT JURISDICTION. SELLER WARRANTS THAT ALL SUCH GOODS WILL CONFORM TO ANY STATEMENTS MADE ON THE CONTAINERS, LABELS OR ADVERTISEMENTS FOR SUCH GOODS, AND THAT ANY GOODS WILL BE ADEQUATELY CONTAINED, PACKAGED, MARKED, AND LABELED. SELLER WARRANTS THAT ALL GOODS FURNISHED WILL BE MERCHANTABLE, AND WILL BE SAFE AND APPROPRIATE FOR THE PURPOSE FOR WHICH GOODS OF THAT KIND ARE NORMALLY USED. IF SELLER KNOWS OR HAS REASON TO KNOW THE PARTICULAR PURPOSE FOR WHICH BUYER INTENDS TO USE THE GOODS, SELLER WARRANTS THAT SUCH GOODS WILL BE FIT FOR SUCH PARTICULAR PURPOSE. SELLER WARRANTS THAT GOODS FURNISHED WILL CONFORM IN ALL RESPECTS TO SAMPLES. INSPECTION, TEST, ACCEPTANCE OR USE OF THE GOODS FURNISHED WILL NOT AFFECT SELLER'S OBLIGATION UNDER THIS WARRANTY, AND SUCH WARRANTIES WILL SURVIVE INSPECTION, TEST, ACCEPTANCE, AND USE. SELLER AGREES TO REPLACE OR CORRECT DEFECTS OF ANY GOODS NOT CONFORMING TO THE FOREGOING WARRANTIES PROMPTLY, WITHOUT EXPENSE TO BUYER, WHEN NOTIFIED OF SUCH NONCONFORMITY BY BUYER, PROVIDED BUYER ELECTS TO PROVIDE SELLER WITH THE OPPORTUNITY TO DO SO. IN THE EVENT OF FAILURE OF SELLER TO CORRECT DEFECTS IN OR REPLACE NONCONFORMING GOODS PROMPTLY, BUYER, AFTER REASONABLE NOTICE TO SELLER, MAY MAKE SUCH CORRECTIONS OR REPLACE SUCH GOODS AND CHARGE SELLER FOR THE COST INCURRED BY BUYER IN DOING SO. EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER MAY NOT LIMIT IN ANY MANNER THE TYPE OR AMOUNT OF DAMAGES TO WHICH BUYER IS ENTITLED FOR BREACH BY SELLER OF THESE WARRANTIES. THE WARRANTIES HEREIN EXTEND TO BUYER, RETAILERS, AND RETAILERS' CUSTOMERS. THE WARRANTIES SET FORTH IN THESE TERMS AND CONDITIONS, AND ANY REMEDIES SPECIFIED IN CONNECTION THEREWITH, ARE CONSISTENT WITH AND IN ADDITION TO THOSE PROVIDED BY THE UNIFORM COMMERCIAL CODE.

10. **Changes.** Buyer has the right at any time to make changes in drawings, designs, specifications, materials, packaging, time or place of delivery, or method of transportation by written notice to Seller, and Seller agrees to comply with such changes if practical. If any such changes cause a material increase or decrease in the cost or the time for the performance, the Parties will make an equitable adjustment and modify the agreement in writing accordingly. Subject to such agreed adjustments, Seller will implement such changes or other modifications.

11. **Buyer's Design or Specification Input.** Buyer's decision to place the PO with Seller was based on Seller's representation that it has expertise in the sale, design and manufacture of the same kind of goods as the goods described therein. Buyer, Retailer or Affiliate may provide input concerning the design or specifications for the goods covered by the PO, independently of or in collaboration with Buyer or any supplier, by reviewing or approving Seller's work-product, submitting its own work-product to Seller, inspecting or testing processes, prototypes or samples of such goods (individually and collectively, "Buyer Input"). In designing the goods covered by the PO and developing specifications therefor, Seller will not rely on any Buyer Input without independently validating all elements thereof to Seller's satisfaction. Unless otherwise stated in an Amendment signed by both parties, Seller assumes sole and absolute responsibility for the design and specifications of the goods covered by the PO, notwithstanding any Buyer Input; and no Buyer Input affects Seller's other responsibilities with respect such goods, whether arising out of warranty, contract, negligence or other tort or strict liability principles.

12. **Rights to Goods and Marketing.** Buyer reserves the right, for itself and Retailers and Affiliates, to advertise, offer the goods for sale, and sell such goods at any U.S. retail facility and/or by any medium, including electronic, catalog, or other non-traditional means. With respect to the goods, Seller grants to Buyer, Retailers and Affiliates, their customers and liquidators the right to use the trademarks for the goods and to photograph the goods for sale in catalogs and online. Any ads of the Parties for the goods will not contain any material that is indecent, misleading, deceptive, fraudulent, libelous, obscene, pornographic, or hate speech.

13. **Force Majeure.** Neither Party will be liable for failure to perform any of its respective obligations hereunder if such failure is caused by an event outside its reasonable control, including an act of God, insurrection, war, natural disaster or act of a third party not under the control of the failing party. The aggrieved party may terminate the PO and any resulting contract or portion thereof without penalties or fees if the other party's inability to perform continues for more than 30 days.

14. **INDEMNIFICATION.** SELLER AGREES TO AND WILL DEFEND (BY COUNSEL ACCEPTABLE TO BUYER), INDEMNIFY AND HOLD HARMLESS BUYER, RETAILERS, AFFILIATES AND THEIR RELATED AND AFFILIATED COMPANIES, AND ALL THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS, ASSIGNS, AGENTS, CUSTOMERS AND USERS OF ITS GOODS (COLLECTIVELY, "BUYER'S BENEFICIARIES"), FROM AND

AGAINST ALL DAMAGES, LOSSES, ROYALTIES, PROFITS, COSTS, CLAIMS, SUITS, ACTIONS, OR LIABILITIES AND EXPENSES INCURRED OR AWARDED (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES OF LITIGATION) ARISING OUT OF OR RESULTING IN ANY WAY FROM: (1) ANY DEFECT IN THE GOODS PURCHASED FROM SELLER; (2) ANY BREACH BY SELLER OF THE PO OR CONTRACT DOCUMENTS; (3) ANY ACT OR OMISSION OF SELLER, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS; (4) ANY VIOLATION OF, OR FAILURE TO COMPLY WITH, ANY APPLICABLE LAW, CODE, REGULATION OR STANDARD BY: (A) SELLER, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS; OR (B) THE GOODS SOLD BY SELLER TO BUYER; (5) ANY UNFAIR COMPETITION BY SELLER, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS IN CONNECTION WITH THE USE, POSSESSION, SALE, MARKETING OR DELIVERY OF ANY GOODS PROVIDED BY SELLER TO BUYER; (6) EACH AND EVERY RECALL OF ANY GOOD, WHETHER VOLUNTARY OR INVOLUNTARY AND ANY RESULTING LOSS TO BUYER, ITS AFFILIATES, RETAILERS, OR THEIR CUSTOMERS; (7) ANY OTHER ACT OR OMISSION AS PROVIDED IN THE CONTRACT DOCUMENTS; AND (8) ANY ACTUAL OR ALLEGED DIRECT OR CONTRIBUTORY INFRINGEMENT OF, OR INDUCEMENT TO INFRINGE, OF ANY UNITED STATES OR FOREIGN PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHT BY REASON OF THE MANUFACTURE, USE OR SALE OF THE GOODS ORDERED, INCLUDING INFRINGEMENT ARISING OUT OF ACTUAL OR ALLEGED MISUSE OR MISAPPROPRIATION OF A TRADE SECRET RESULTING DIRECTLY OR INDIRECTLY FROM SELLER'S ACTIONS OR THOSE FOR WHICH SELLER IS RESPONSIBLE, INCLUDING ANY JUDGMENT, SETTLEMENT AND/OR ATTORNEYS' FEES AND COSTS FOR ENFORCING THIS PROVISION. THIS INDEMNIFICATION IS IN ADDITION TO THE WARRANTY OBLIGATIONS OF SELLER. BUYER MAY BE REPRESENTED BY AND ACTIVELY PARTICIPATE THROUGH ITS OWN COUNSEL IN ANY SUCH SUIT OR PROCEEDING IF IT SO DESIRES, AND THE ATTORNEYS' FEES AND COSTS OF SUCH REPRESENTATION WILL BE PAID BY SELLER.

15. **Product Liability Insurance.** Seller agrees that for a period of at least three years following Seller's last delivery of goods to Buyer, Seller will maintain adequate product liability insurance coverage to cover such liabilities or in the form provided by the certificate of insurance that Seller provided to Buyer.

16. **Recalls.** Seller will promptly advise Buyer and Retailers and Affiliates to stop selling goods subject to a mandatory recall ordered by any governmental agency or a publicly-announced voluntary recall by any supplier of the goods. Seller will provide links to service recalls & safety alerts for U.S. and Canadian consumers. The Parties acknowledge that voluntary or mandatory recalls are costly for online, catalog and mail order sales where customers can be identified after the purchase of a recalled product, and where credit has been provided to customers. In the event of recall of a product (whether voluntary or involuntary), in addition to its indemnification obligations, at Buyer's sole option and discretion, Seller will: (a) at Seller's expense, subject to Buyer's request and approval, (i) prepare and send, or reimburse Buyer and Retailers and Affiliates for preparing and sending, adequate written notification of the recall to Buyer's and Retailers' and Affiliates' customers who purchased such product and/or (ii) provide any other type of notification that may be required by any applicable governmental authority and/or be reasonably required by Buyer, Retailers or Affiliates to provide adequate notice to its customers, and (iii) arrange (in a manner and process acceptable to Buyer, Retailers or Affiliates) and pay for all other costs and expenses associated with the recall and/or exchange of the product and any loss to Buyer, Retailers, or Affiliates or their customers; and/or (b) pay Buyer, Retailers and Affiliates for all their and their customers' actual direct and indirect costs, expenses (including attorney's fees) and damages incurred in connection with (i) Buyer, Retailers and Affiliates providing notification to their customers in a manner Buyer, Retailers and Affiliates reasonably deem necessary, and (ii) the recall and/or exchange of the product and any loss to Buyer, Retailers, Affiliates or their customers. In all recall cases, Seller will cooperate fully with Buyer, Retailers and Affiliates and any applicable governmental authorities concerning the recall and implementing a responsive process to: (i) prevent any loss and minimize any inconvenience to Buyer, its affiliates and their customers; (ii) ensure that payments are made to Buyer, Retailers and/or Affiliates so that it/they may properly account to its/their customers; and (iii) account fully to Buyer, Retailers and Affiliates for all returned products and payments. Retailers and Affiliates may resell products to consumers or others on first party credit, and Seller will directly reimburse Retailers and Affiliates, at their option and discretion unless otherwise government mandated, for the refunds or credit account adjustments to be made by Retailers or its Affiliates to their customers.

17. **Compliance with Laws, Regulations and Industry Standards.** (1) Seller will comply with all applicable federal, national, state, provincial, local and other applicable laws, codes and regulations in effect at the time of shipment of goods. (2) Seller further represents and warrants that all goods covered by the PO have been produced, manufactured, and labeled for interstate sale and comply with all applicable federal, national, provincial, state, local and other applicable laws, codes and regulations (specifically including, but not limited to, the California Safe Drinking Water and Toxic Enforcement Act of 1986, as amended [more commonly referred to as Proposition 65] and anti-corruption laws of the U.S. Foreign Corrupt Practices Act, and with the laws, codes and regulations of the country of origin. (3) Seller will comply with any other applicable laws, codes, regulations or industry standards governing the manufacture, sale, labeling, branding, packaging, shipment, importation, distribution or sale of the goods covered by the PO and the containers of such goods. (4) Seller further agrees that all goods sold comply with the applicable industry standards in effect at the time of shipment of goods, including ASTM, IFA, UL, USP-NF, and/or NIST. (5) To the extent they are applicable to Seller's performance hereunder, Seller hereby

certifies that it and all goods furnished hereunder comply with applicable provisions of the U.S. Fair Labor Standards Act of 1938, as amended; and laws relating to equal opportunity and nondiscrimination in employment.

18. Ingredients or Components Disclosure and Special Warnings and Instructions. If requested by Buyer, Seller will promptly furnish Buyer in such form and detail as Buyer may direct: (a) a bill of materials for or list of all ingredients, components or constituents in the goods purchased hereunder, (b) the amount of one or more ingredients, components or constituents, and (c) information concerning any changes in or additions to such ingredients, components or constituents. Prior to and with the shipment of goods purchased hereunder, Seller agrees to furnish to Buyer sufficient written warning and written notice, including appropriate labels on goods, containers and packaging, of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees as to how to exercise that measure of care and precaution that will best prevent bodily injury and property damage in the handling, transporting, processing, use and/or disposal of the goods, containers and packaging shipped to Buyer.

19. Buyer's Property; Tools, Design Work, Drawings, Specifications and Technical Information. Except as otherwise specifically provided in the PO, Buyer has no obligation to furnish or pay for any design work, drawings, tools, molds, or other equipment required for the performance of the PO or resulting contract. Any design, drawing, specification, photograph, tool or other equipment, material or part or engineering and manufacturing information furnished to Seller by Buyer, or the cost of which is paid by Buyer or included in the Complete Price, whether or not separately itemized, will be and remain Buyer's sole and exclusive property, will be conspicuously identified as such in Seller's records and by physical marking thereon, will be promptly delivered to Buyer upon request, will not be used in processing or manufacturing goods for any person or entity other than Buyer and, while in the possession of Seller, will be Seller's responsibility and adequately insured at Seller's expense for the benefit of Buyer against loss or damage. If Buyer's property is in Seller's possession, Seller agrees to be fully responsible to Buyer for Buyer's property including the responsibility to insure such property against all insurable risks for the full insurable value thereof; and Seller will provide to Buyer a certificate of insurance, naming Buyer as an additional insured, to verify such coverage. No change will be made in any design, drawing, specification, tool or other equipment furnished by Buyer without Buyer's written consent.

20. Assignments and Subcontracting; Retailers; Affiliates. No part of the PO or resulting contract may be assigned or subcontracted by Seller without the prior written approval of Buyer. Any assignment without such approval will be void. The Parties acknowledge that Buyer purchases goods for resale to Retailers and Affiliates and resale by each to their respective customers. All Retailers, Affiliates and their related or affiliated companies are third party beneficiaries of the PO and Contract Documents.

21. Setoff. All claims or rights by Seller for money due, or to become due, from Buyer will be subject to deduction or setoff by Buyer by reason of any sums owed or payable to Buyer, Retailers or Affiliates or claimed by Buyer, Retailers or Affiliates (including, but not limited to Charge-backs) due to Seller's obligations or breach under the Contract Documents or as otherwise arise out of the PO or any other PO transaction(s) between Buyer and Seller and/or such setoffs may be enforced as provided in the Supplier Manual.

22. Expedited Shipment. If Seller can fulfill its delivery obligation only by shipping by a premium method, the premium charges will be prepaid by Seller unless the necessity for such rerouting, expedited handling or increased costs is attributable to Buyer's breach of its obligations hereunder or other misconduct.

23. No Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions of the Contract Documents will not be a waiver of any such term, covenant or condition. Any waiver or relinquishment of any right or power hereunder at any time will not be a waiver or relinquishment of that right or power at any other time.

24. Confidential Information. The PO and all Contract Documents are confidential; and Seller agrees that none of the details connected therewith will be published or disclosed by Seller to any third party without Buyer's prior written permission. All specifications, drawings, technical information, and data furnished by Buyer to Seller remain the property of Buyer.

25. Contract Documents; Entirety; Consistent Interpretation and Cumulative Remedies. The Contract Documents and any mutually agreed written amendments and modifications signed by the parties constitute the entire agreement between the Parties relating to the purchase made thereunder. Buyer is not bound by or liable to Seller for any representation, promise, or inducement not embodied therein. The Contract Documents are intended to be interpreted in a consistent and cumulative manner, and all obligations, rights and remedies provided therein are intended to be cumulative.

26. Electronic Transmission or Signatures Binding. Buyer and Seller agree to allow contract communications and to sign and/or transmit Contract Documents electronically (including e-mail); and the Buyer and Seller agree that they will be bound by, and not contest the validity or enforceability of, any Contract Documents on the basis that they were electronic. Buyer and Seller each represents to the other that the persons signing or transmitting any of the Contract Documents is authorized to bind their respective companies by such actions for such purposes; and such electronic transmittals will constitute valid and binding signatures on behalf of the party transmitting them. Computer maintained records of a party when produced in hard copy form constitute business records and have the same validity as any other business records.

27. Governing Law, Jurisdiction and Venue, Language. The PO and all Contract Documents are governed by the laws of the State of Wisconsin, without reference to its conflicts of laws principles. THE RIGHTS AND OBLIGATIONS OF THE

PARTIES HEREUNDER ARE NOT GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS. To the extent the PO entails delivery or performance of ancillary or related services, such services will be deemed "goods" within the meaning of the Uniform Commercial Code, except when doing so would result in a clearly unreasonable interpretation. Any litigation in connection with the PO or Contract Documents, or the relationship of, or disputes arising between, the Parties related thereto may be filed in either the U.S. District Court for the Western District of Wisconsin or the Wisconsin Circuit Court of Green County; and the Parties hereby consent to jurisdiction and venue of those courts for any such litigation. All Contract Documents, correspondence, packing slips and other documentation provided will be in English.

28. LIMITATION ON BUYER'S, RETAILERS' AND AFFILIATES' LIABILITY. IN NO EVENT WILL BUYER, RETAILERS OR AFFILIATES BE LIABLE FOR ANTICIPATED PROFITS, FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR PUNITIVE OR EXEMPLARY DAMAGES. BUYER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THE PO OR FROM THE PERFORMANCE OR BREACH OF THE CONTRACT DOCUMENTS WILL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS THAT GIVES RISE TO THE CLAIM. BUYER WILL NOT BE LIABLE FOR PENALTIES OF ANY TYPE.

ADDITIONAL TERMS AND CONDITIONS FOR SPECIALLY MADE OR CUSTOM GOODS

THESE ADDITIONAL TERMS AND CONDITIONS APPLY FOR GOODS SPECIALLY MADE TO BUYER'S OR RETAILERS' OR AFFILIATES' SPECIFICATIONS, SELLER WAIVES ANY CLAIM AGAINST BUYER, RETAILERS AND AFFILIATES UNDER THE UNIFORM COMMERCIAL CODE OR OTHERWISE, INCLUDING ANY HOLD HARMLESS OR SIMILAR CLAIM, AND INCLUDING CLAIMS ARISING OUT OF COMPLIANCE WITH SPECIFICATIONS FURNISHED BY BUYER RELATED TO OR ARISING OUT OF SELLER'S USE OF BUYER INPUT:

A. Intellectual Property. Buyer retains all intellectual property rights in connection with the development of specially made goods. Seller hereby assigns to Buyer all right, title and interest in and to all improvements, conceptions, innovations, inventions, processes, machines, manufactures, compositions of matter, methods, techniques, systems, mask works, software, data and information, works of authorship, indications or designations of origin and the goodwill symbolized thereby, whether patentable or susceptible to copyright or trademark protection, that is conceived, created or first fixed in a tangible medium, first made, first used or first reduced to practice in connection with Seller's obligations under the PO, such as further development work, including all rights in documentation and manuals that are packaged with or accompany goods. Further, with respect to any goods required to be delivered to Buyer per the PO that are not covered by the preceding sentence, Seller agrees not to assert any claim with respect to any technical, design, configuration or product information, and grants to Buyer, Retailers and Affiliates a worldwide, nonexclusive, royalty-free, irrevocable license to use, modify, reproduce, decompile, copy, publish, distribute or prepare works based on such goods. This provision supplements, but does not limit, such rights as may exist based on fair use, first sale, exhaustion or related doctrines.

B. Private Label Goods

If Seller is supplying any goods that may be categorized as "private label" in the customary meaning of such term, including using the trademarks of Buyer, Retailers or Affiliates, then, as to such "Private Label Goods," Seller acknowledges, understands, accepts and agrees that, as between Buyer and Seller:

- i. All products supplied to Buyer will not contain dangerous or prohibited substances, minerals or animal components;
- ii. All designs, artwork, specifications, trade names, trademarks, trade dress, labels and tags as supplied by Buyer to Seller or that have been created or developed for Buyer, Retailers or Affiliates in connection with any Private Label Goods (the "Buyer Features") are the exclusive property of Buyer, Retailers or Affiliates;
- iii. Seller will not show or use Buyer Features other than for or on behalf of Buyer and then only per Buyer written instructions. Further, Seller will not manufacture or cause to be manufactured goods bearing Buyer Features for any party other than Buyer, Retailers or Affiliates;
- iv. Seller will not sell, distribute, or deliver or cause to be sold, distributed or delivered to any party other than Buyer, Retailers or Affiliates any goods bearing Buyer Features, including but not limited to overruns, seconds, irregular merchandise and Private Label Goods that Buyer has refused to accept or has returned to Seller (collectively, "Excess Merchandise"). All Excess Merchandise will be disposed of only per the written instruction of Buyer; and
- v. Private Label Goods are intended to be sold in the United States of America.

REV: [03/08/2018]

Purchase Order Transmittal Letter

Letterhead

Supplier Name
Attn: Contact Name

Re: Attached Purchase Order(s)

The enclosed copy of our Purchase Order(s) is the only copy you will receive (unless we issue an amendment). For each Purchase Order, please e-mail or fax written confirmation and acceptance to us within 48 hours that:

- You received all pages transmitted.
- You are able to and will supply the quantity we need.
- You are able to and will meet our requested due date. (Note: The due date on our Purchase Contract is the date we expect to receive your product at our facility. You must adjust your shipping date to assure that we receive your product on the requested due date. As our contract states, "On time delivery is of the essence.")
- The price is correct.
- The Terms and Conditions are acceptable.

Such confirmation or any other action that recognizes the existence of a contract shall constitute an acceptance of each such Purchase Order and result in a Purchase Contract as provided below. Any proposed additional or different quantity, delivery date, price, or other terms in your confirmation will be of no effect unless we issue an amendment to the Purchase Order incorporating any changes approved by us and e-mail or fax this amendment to you.

Each Purchase Order and resulting Contract covered by this transmittal includes and incorporates by reference: the terms described in this transmittal letter; the Terms and Conditions enclosed herewith; the enclosed Standard Purchase Order Requirements documents; the Product Specification(s); and the Supplier Compliance Manual. Additionally, you are required under each Purchase Order and the resulting contract to maintain the requested Product Liability Insurance as long as you supply products to us and to provide us with a current Certificate of Insurance for our files.

Thank you for your cooperation. If you have any questions, please let us know.

Sincerely,

(Signature)

For further information, please contact:

(Name)
(Address)
(City State Zip)
(Email)
(Fax)

Note: To view the latest version of the Supplier Manual, visit www.colonybrands.com

Standard Purchase Order Requirements Domestic Shipments

Delivery Dates: The date on the Purchase Order is the expected delivery date at our dock. Contact your Buying Team if this date cannot be met.

QA Requirements: The items that are the subject of each Purchase Order must strictly conform to the Product Specification(s) approved by the Supplier. The Supplier must adhere to the current Product Specification number and date listed in the item description. Any alteration, change, or deviation from the Product Specification, or any change in your suppliers, is strictly prohibited without prior notification to us and receipt of our express prior written consent. Failure to comply with this provision shall be deemed to be a breach of contract for which your company will be liable to us for all costs, expenses, and damages; and you agree to defend (by counsel acceptable to Buyer), indemnify, and hold Buyer and its successors and their representatives harmless from any resulting claims, damages, costs, expenses (including reasonable attorney's fees), or penalties.

Proper Labeling: We have mandatory labeling requirements. Please refer to the Supplier Compliance Manual for specifics.

- **Retail Price Labeling:** Product must be free of retail price labels – please refer to the Supplier Compliance Manual for specifics.

Routing Instructions: Please contact the Corporate Transportation Department for routing instructions.

Phone: 608-328-8903

Fax: 608-328-8846

Email: traffic@colonybrands.com

- Call 48 hours or more in advance for routing and/or scheduling delivery appointments.
- See the Supplier Compliance Manual and Shipment Control Form (Domestic Cargo) for additional contact information and routing procedures.

Packing Lists: A Packing List must be included with all shipments. For UPS/RPS shipments, a Packing List must be attached to each carton. For less than truckload or truckload shipments, a Packing List must be attached in a visible location to one of the pallets / cartons in the shipment. In addition, please provide the carrier with a copy of the Packing List with the Bill of Lading. Please refer to the Supplier Compliance Manual for further Packing List requirements.

NOTE: We reserve the right to cancel any Purchase Orders and/or Releases or the resulting Contracts or to reduce the quantities purchased for any shipments that arrive past our in-house due date unless we granted prior written approval for the delays associated with those quantities. We will not be responsible for any costs associated with reduced or canceled Purchase Orders, contracts and/or Releases that result from late shipment and delivery by your company.

REV: 20110215

Standard Purchase Order and Invoice Requirements International Import Shipments

Invoicing Procedure: Commercial/Electronic invoices (E-Invoices) will be generated based on Importer Security Filing (ISF) and booking information entered in Expeditors' Order Management Booking (OMB) tool.

- GlobalCompliance@colonybrands.com will email a copy of the E-Invoice to the PO contacts 24 hours after shipment is confirmed on board (COB) a vessel, for supplier approval.
 - Actual factory that produces the goods must be used as the manufacturer for ISF.
 - Suppliers **MUST** make updates to booking (i.e. quantities) prior to COB.
 - Payment will be processed based on this information, so accuracy is critical to ensure timely and accurate payment.
 - If changes need to be made to the E-Invoice, please highlight the changes made and notify Global Compliance in your email confirmation.
 - Please add a "Vend Ref Number" if you would like your own unique invoice number for payment tracking purposes.
- Please approve commercial invoice by email confirmation.
 - Include approved invoice and packing list in your response to GlobalCompliance@colonybradns.com within 72 hours of tendering your freight or within 48 hours of the confirmed-on board date.
 - Include any other requested or necessary information (i.e. APHIS, price/weight breakdowns, etc.)

Forwarders Cargo Receipt should include the following:

Notify Party:

Colony Brands, Inc.
1112 Seventh Avenue
Monroe, WI 53566 USA
TEL: 1-608-324-6024
CTC: Stephanie Huber

Also Notify Party:

Expeditors International
849Thomas Drive
Bensenville, IL 60106 USA
TEL: 1-630-616-2593
CTC: Aaron Engebretson

Consignee:

Colony Brands, Inc.
1112 Seventh Avenue
Monroe, WI 53566 USA

Routing Instructions: Please contact your Production Manager should you have any questions regarding your Purchase Order / shipment instructions.

- See the Supplier Compliance Manual for additional contact information and routing procedures.

Proper Labeling: We have mandatory labeling requirements. (i.e. product must be free of retail price labels) Please refer to the Supplier Compliance Manual for specifics.

QA Requirements: All items that are the subject of each Purchase Order must strictly conform to the Product Specification(s) approved by the Supplier. The Supplier must adhere to the current Product Specification number and date listed in the item description. Any alteration, change, or deviation from the Product Specification, or any change in your suppliers, is strictly prohibited without prior notification to us and receipt of our express prior written consent. Failure to comply with this provision shall be deemed to

be a breach of contract for which your company will be liable to us for all costs, expenses, and damages; and you agree to defend (by counsel acceptable to Buyer), indemnify, and hold Buyer and its successors and their representatives harmless from any resulting claims, damages, costs, expenses (including reasonable attorney’s fees), or penalties.

NOTE: We reserve the right to cancel any Purchase Orders and/or Releases or the resulting contracts or to reduce the quantities purchased for any shipments that arrive past our in-house due date unless we granted prior written approval for the delays associated with those quantities. We will not be responsible for any costs associated with reduced or canceled Purchase Orders, contracts and/or Releases that result from late shipment and delivery by your company.

Example E-Invoice: Please see below E-Invoice example with the highlighted sections that must be confirmed upon receipt.

1. Full legal company name and address
2. Invoice # can be replaced with your invoice number or you can add your number to the Vend Ref Number field
3. Confirm Qty, Unit Price USD and Total USD (Note: if you make changes, make sure total invoice adds up correctly)
4. Confirm Manufacturer(s) name and address is the actual facility where the goods were produced (Note: do not provide company headquarter address)

ABC COMPANY
 ATTN: JANE SMITH
 1112 7TH AVENUE
 MONROE, WI 53566

Commercial Invoice

Invoice Number: 1829
Vend Ref Number:
 Invoice Date: 4/23/2016
 Consignee Name: Colony Brands, Inc.
 1112 7th Avenue
 Monroe, WI 53566

House Bill Number: 61N000123

PO #	PLN #	SC #	Item Descr	CoO	Manufacturer Name	Construction	Material	Gender	Set Breakdown	Qty	Unit Price USD	Total USD
7CN123456	123456	ABCD4	ABC COMPANY ITEM DESCRIPTION	CN	ABC MANUFACTURING COMPANY					400	\$10.00	\$4000.00
7CL123456	123456	ABCD5	ABC COMPANY ITEM DESCRIPTION	CN	ABC MANUFACTURING COMPANY					500	\$15.00	\$7500.00
											Invoice Total:	\$11,500.00

Manufacturer(s):
 ABC MANUFACTURING COMPANY
 1112 7TH AVENUE
 SOME CITY, SOME TOWN, CHINA

We will make payment based on payment terms calculated from the day we receive the product or invoice, whichever is later. Invoices that do not follow the process listed above may be returned for

correction/clarification, which could result in delayed payment; provided, however, the availability of discount terms will run from the day that we receive any necessary correction/clarifications.

In addition to foregoing requirements, specific types of merchandise may require more detail. If you would like more information regarding invoicing requirements, please do not hesitate to contact us.

REV: 20171201

SHIPMENT CONTROL FORM – USA Domestic Shipments Only

Supplier Name: _____ Contacts Name: _____
 Street Address: _____ Phone # _____
 City: _____ State: _____ Zip _____ Fax # _____
 Pickup Address & Phone # if Different from Above: _____

Shipping Hours:	0 Floor Load	0 Supplier Load	0 Driver Load
Ready to Ship Date:	0 Pallets	0 Driver Count	0 Driver Assist
In-House/Due Date:	0 Pallet Exchange	0 24 Hr. Notice	0 Appointment Only
Temperature Restrictions	0 Cooler 35-38 Degrees	0 Freezer 0 Degrees	0 Other

Purchase Order #	SC #	Description	Cartons	Weight (Lbs)	Pallets/ Cube	Freight Class
TOTALS						

The Top Section To Be Completed by Supplier / Shipper

The Bottom Section To Be Completed by The Colony Brands Transportation Department

Carrier: _____ Contact: _____

Phone Number: _____ Pickup Date / Time: _____

(If Applicable)

- Please Call Carrier For Pickup Colony Brands has already contacted carrier

****Please Attach Copies of the Packing List to the Freight and to the Carrier's Bill of Lading****

**Please Fax or Email Form To
 The Colony Brands Transportation Department
 Fax Number: 608-328-8846 or Email: traffic@colonybrands.com**

For a downloadable, please visit -- <http://www.colonybrands.com/colony-brands-supplier-manual>

Chargebacks

Our Requirements

We have developed the following non-compliance charges or fees ("Chargebacks") to recover certain extra costs or damages to us for handling merchandise at our Distribution Centers when a violation by a Supplier occurs in connection with certain procedures or terms set forth in the Supplier Compliance Manual or in the Contract Documents. [For Quality related Chargebacks, please see **Quality Assurance, Defective Products, Warranty Violations, and Product Specification Violation Chargebacks.**] Keep in mind that we want to work with you to avoid these situations since the ultimate loss to both our companies is lost sales and customer dissatisfaction.

It is in everyone's best interest to comply with these requirements. We plan to work with you, our valued Suppliers, to achieve this objective. Please contact us with questions and concerns regarding these charges.

There are five main groups of potential Procedural Violations. Chargebacks will be calculated depending on the level of the violation. Note that the below charts only summarize the five main groups of potential Colony Brands Distribution Center Handling Charges / Chargebacks and should only be utilized for general purposes. Please consult each section of the Supplier Compliance Manual for more detailed information regarding our requirements.

Colony Brands Distribution Center Handling Charges / Chargebacks

Effective Date: March 1st, 2009

Packing List Violations	Explanation	Charge
No packing list (and/or)	Packing list not sent with merchandise	\$200/shipment
No or incorrect Purchase Order on packing list (and/or)	Correct Purchase Order must be on packing list	
Packing list not detailed per manual (and/or)	Packing list must include the same level of detail as listed in the manual.	
Packing list(s) not consolidated on the outside of lead carton	Packing list(s) must be consolidated on the outside of the lead carton, placed in easily removable pouch	
Packing lists not attached to each carton in a Small Package Carrier shipment	Cartons sent through Small Package Carrier must have a packing slip attached to each carton and cartons must be sequentially numbered 1 of 3, 2 of 3, etc.	\$200/shipment

Packing Violations	Explanation	Charge
Oversized/Undersized/Too Tall Pallet	Pallet size/pallet height/do not meet requirements	\$50/hr
Oversize master carton	Cartons cannot exceed 36" long, 26" wide, 30" tall & weigh more than 35 lbs.	\$200/shipment
Undersize master carton	Cartons cannot be less than 9" long, 9" wide, 4" tall & weight less than 5 lbs.	\$200/shipment
Multiple POs Shipped in a Carton	No more than one purchase order should be placed in a carton	\$200/shipment

Inconsistent counts per carton	Standard counts are required for master cartons, with the exception of one partial per sku that must be clearly marked as a partial.	\$200/shipment
Multiple Items(SKUs) / Code Dates / Lot Codes Shipped in a Carton	Only one item/code date/lot code should be placed in a Carton. (Multiple items can be on one pallet if separated and clearly marked.)	\$50/hr

Labeling Violations	Explanation	Charge
Master Carton Label	Must contain all required information and be clearly visible.	\$200/shipment
Pallet Label	Must contain all required information. NOTE: Applicable only to pallets containing one or more purchase orders, skus (or code dates/lots for same sku).	\$200/shipment

PO Violations	Explanation	Charge
Canceled Order	You shipped a Purchase Order cancelled by Colony Brands	\$200.00 / purchase order
Late Shipment	Your shipped merchandise was received after our in-house due date on Colony Brands purchase order.	<u>USA Domestically Sourced Product</u> (Based on Due Date) · If between 4 and 15 days late – 5% of Invoice Value · If 15 days or more late – 10% of invoice or \$8.00 per backorder, whichever is greater <u>Direct Import / Internationally Sourced Product</u> (Based on the Confirmed Ship Window) · If between 4 and 15 days late – 5% of Invoice Value · If 15 days or more late – 10% of invoice or \$8.00 per backorder, whichever is greater
Substitutions	You shipped flavors, varieties, colors, styles, or sizes not listed on the PO	\$200/shipment goods are returned at your freight expense

Supplier Transportation Violations	Explanation	Charge
Unauthorized carrier substitution	Failure to use designated carrier as per the routing guide	\$200 plus all freight charges
Misdirected freight	Merchandise shipped to the wrong address	\$200 plus all freight charges
Failure to make appointment for Supplier routed and/or delivered freight	All freight deliveries need to be coordinated with the transportation department	\$200 per incident

Supplier Product Liability Insurance

Our Requirements

It is the policy of Colony Brands, Inc. that a supplier must submit proof of product liability insurance meeting our stated requirements **before a purchase order can be issued. No new Purchase Orders will be issued until a current Certificate of Insurance is received.**

We must, at all times, have a current Certificate of Insurance in our file, which states the following:

1.

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

2. Reference of **COLONY BRANDS, INC., AND ITS SUBSIDIARIES AND AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES** as an Additional Insured as respects your General Liability policy and Excess Liability, if it is necessary to maintain the requested Limits of Liability.

Reference as an Additional Insured - Supplier is not sufficient to satisfy our requirements and will result in delay and non-issuance of a Purchase Contract for your products.

3. Type of Insurance for General Liability must be marked as "occurrence". "Claims-made" is not sufficient.

4. Cancellation: 30-day's notice must be provided and the following phrases must be removed from the standard cancellation language provided by the Certificate of Insurance, as referenced in the sample.

"endeavor to"

"but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives."

5. Certificate holder's name must be read as follows:

COLONY BRANDS, INC. AND ITS SUBSIDIARIES AND AFFILIATES, AND ALL THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES
 1112 7th Avenue
 Monroe WI 53566-1364

6. **Overseas suppliers must include all coverage within stated coverage territory. IE: "Worldwide Coverage Territory".**

7. **Suppliers who may be on site or driving vehicles to a Colony Brands' site must supply Automobile Liability policy numbers.**

Certificates of Insurance should be sent to the attention of Colony Insurance, Fax 800-420-1356 or email to colonyinsurance@colonybrands.com.

If you have any questions, please contact Colony Insurance at 608-324-9504.