

Supplier
Compliance
Manual –
Non-Food
Division



**1112 7th Avenue
Monroe WI 53566**

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Table of Contents

<u>Introduction</u>	
Evaluation and Approval Process (Sample Process).....	<u>5</u>
Colony Brands Contact List.....	<u>6</u>
<u>General Information & Requirements</u>	
Our Objective.....	<u>7</u>
Important Colony Brands Documents.....	<u>7</u>
Accounting Invoice Requirements.....	<u>7</u>
Sourcing / Production Management Requirements.....	<u>7</u>
Quality Assurance Requirements and Product Specifications.....	<u>8</u>
Colony Brands Furniture Assembly Instruction Specifications.....	<u>9</u>
Colony Brands Minimum Furniture Standards.....	<u>10</u>
Note On The Consumer Product Safety Improvement Act (CPSIA).....	<u>10</u>
Periodic Testing Requirement and Undue Influence Training.....	<u>11</u>
Quality Assurance Violations.....	<u>14</u>
Set-Off and Payment Hold.....	<u>16</u>
Drop Ship Supplier Purchase Orders and Procedures.....	<u>16</u>
<u>Packaging, Labeling, & Package Testing Requirements</u>	
Our Objectives.....	<u>17</u>
Supplier Responsibilities.....	<u>17</u>
Packaging Testing Requirements.....	<u>18</u>
General Packaging Requirements.....	<u>19</u>
Single Unit Packaging.....	<u>20</u>
Master Carton Packaging.....	<u>21</u>
Merchandise Specific Packaging.....	<u>21</u>
General Package Labeling Requirements.....	<u>23</u>
Palletizing/Unitizing Labeling Requirements.....	<u>23</u>
Packing List Requirements.....	<u>24</u>
Colony Brands Packaging Terminology.....	<u>24</u>
<u>Shipping and Transportation Requirements</u>	
Our Objective.....	<u>26</u>
International Import Instructions (USA Imports).....	<u>26</u>
Domestic Transportation Instructions.....	<u>27</u>
Exception / Special Cargo Routing Instructions.....	<u>28</u>
<i>Small Package Shipments, Air Shipments, Jewelry, Temperature Control, etc.</i>	
Prepaid Transportation Moves / Supplier Delivered Cargo Instructions.....	<u>30</u>
Colony Brands Non-Food Division Purchase Order Prefixes.....	<u>30</u>
Colony Brands Customs-Trade Partnership Against Terrorism (C-TPAT) Requirements	<u>30</u>
<u>Appendix</u>	
Purchase Orders.....	<u>30</u>
Standard Terms & Conditions.....	<u>33</u>
Additional Terms and Conditions for Specially Made or Custom Goods.....	<u>36</u>
Colony Brands' Supplier Code of Conduct.....	<u>39</u>
Purchase Order Transmittal Letter.....	<u>41</u>
Includes Standard Purchase Order Requirements (Both Domestic and International Imports)	
Shipment Control Form.....	<u>45</u>
Sample Packing List.....	<u>46</u>
Domestic Transportation Map of the U.S.....	<u>47</u>
Chargebacks.....	<u>48</u>
Colony Brands Distribution Center Handling Charges / Chargebacks.....	<u>48</u>
Supplier Product Liability Insurance.....	<u>50</u>

Introduction

Colony Brands, Inc. (“Colony Brands”) purchases general merchandise for 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 companies (each a Retailer) presently include: Seventh Avenue, Inc., Montgomery Ward, Inc., Ginny’s, Inc., Country Door, Inc., Midnight Velvet, Inc., Monroe & Main, Inc., Ashro, Inc., The Swiss Colony, LLC (including its The Tender Filet division), and Midwest Catalog Brands, LLC (including its The Wisconsin Cheeseman division). Colony Brands shall be the buyer from Suppliers, and all invoices shall be submitted to Colony Brands. The Retailers have several general merchandise and food mail order and online catalogs that are committed to providing their customers with quality products, gifts and services. Each 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 food products or ingredients to us, please refer to the separate Colony Brands Supplier Compliance Manual - Food Division <https://www.colonybrands.com/companies/brands-affiliates/suppliers/food-suppliers/>. If you are providing drop shipping to us, please refer to the separate Colony Brands Drop Ship Supplier Manual <https://www.colonybrands.com/companies/brands-affiliates/suppliers/> - Scroll down to Resources and select Drop Ship Supplier Manual.

In some cases, we may employ the services of SC Global Sourcing, Inc. and/or its subsidiary, SC Global Sourcing, Co. Ltd. (collectively, “GSO”) to provide us with various services in the procurement process and to act as intermediary for certain matters with some Suppliers, especially overseas Suppliers. All Suppliers must cooperate with the GSO in connection with the procurement process.

Thank you for being a part of our Supplier family. Our Supplier relationships have always played a very valuable part in our business. Over the past several years, Retailers have experienced growth in product offerings and sales activity. Because of this growth, 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 alliance relationships 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 Retailers 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 upon receipt and to fulfill Retailers’ 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.

The 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, 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 the Retailers 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 distribute/share this Supplier Manual with the appropriate parties within your company and/or companies you represent. If a shipment is received that does not conform to our requirements, chargebacks could result. Our intent is to help you avoid chargebacks whenever possible by ensuring your company understands our business requirements.

Please review carefully with the appropriate people within your organization and proactively reach out to your Colony Brands business partners with any question

For an electronic copy of this manual visit our Web site:

<https://www.colonybrands.com/companies/brands-affiliates/suppliers/non-food-suppliers/>

Evaluation and Approval Process (Sample 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 Sourcing Team will obtain your company's 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 our Sample Request, asking you to send a sample of your product(s) to the following address: (Note some samples are requested verbally.)

**Attention: Sample Coordinator
Colony Brands Design Center
424 W. 8th Street
Monroe WI 53566**

- 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 sale, someone from the Sourcing Department 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. You will also need to provide proof that Colony Brands and its subsidiaries and affiliates and their respective officers, directors, agents and employees are listed as additional insureds on your Product Liability Insurance for an amount not less than \$2 million.
- Once we have your final photo sample, our Quality Assurance (QA) Department will work with you to approve a QA Product Specification that both companies will review, approve, and sign. Subsequent shipments of your product, sent to our receiving warehouse, must match this Specification.
- You will receive a copy of this Product Specification for your approval before the Purchase Order is placed. Any variations of your product from this specification must be approved in writing by Colony Brands prior to shipping.
- We will send you a copy of the text our copywriters have developed for your product. If we have not described your product accurately, please tell us so by making the necessary corrections. Since correct copy translates to fewer returns and increased customer satisfaction, accuracy will benefit both of us.

NOTE: For International samples, please select the correct service depending on the weight of the shipment.

- FedEx International Freight service should only be used for shipments over 150 pounds actual weight.
- FedEx International Priority service should not be used without written preapproval for each shipment since it represents a significant cost premium and very little transit time benefit.
- In an effort to increase efficiency, we request that you use FedEx International Economy service for all product samples shipped to and billed directly to Colony Brands or its subsidiaries and affiliates, including Seventh Avenue, Ashro, and SC Global Sourcing.

Colony Brands Contact List

Department	Name	Phone	Email
Accounts Payable	Wendy Schmoldt, Accounts Payable Manager	608-328-8917	Wendy.Schmoldt@colonybrands.com
Certificates of Insurance	Lisa Conley, International Freight Coordinator	608-324-5218	ColonyInsurance@colonybrands.com
Drop Ship	Pam Shaughnessy, Drop Ship Manager	608-328-8990	Pam.Shaughnessy@colonybrands.com
Production Management	Multiple Purchase Order Contacts	608-328-8400	See General Comments Section on Purchase Order
International Shipments –Global Compliance	Renae Bartels, Broker, Trade Compliance	608-324-6024	GlobalCompliance@colonybrands.com
Letters of Credit	Renae Bartels, Broker, Trade Compliance	608-328-8586	Renae.Bartels@colonybrands.com
Merchandising	Multiple Contacts	608-328-8400	Multiple Contacts
Sourcing	Multiple Contacts	608-328-8400	Multiple Contacts
Packaging - Small Goods, Home Accessories, Jewelry, Clothing, Shoes & Accessories, Children's Items	Matthew Budreau, Packaging Engineer	608-328-8816	Matthew.Budreau@colonybrands.com
Packaging - Large Goods, Furniture, Bedding and Drop Ship	Matthew Budreau, Packaging Engineer	608-328816	Matthew.Budreau@colonybrands.com
Package Labeling and Packing Slips	Becky Buri, NF Pkg. Assistant	608-324-6010	Matthew.Budreau@colonybrands.com
Packaging Ship Test Reports and inquires please email:			NonFoodPkgTestReports@colonybrands.com
Packaging Specification Forms and inquiries please email:			NonFoodPkgSpecs@colonybrands.com
Packaging General Inquiries please email:			NonFoodPkgSpecs@colonybrands.com
Packaging LABEL Inquiries please email:			NonFoodPkgLabels@colonybrands.com
Quality Assurance	Bill Schager, Specialist, Regulatory Standards and Testing	608-328-8492	Bill.Schager@colonybrands.com
	Ann Levia, Manager, NF Product QA	608-324-5206	Anna.Levia@colonybrands.com
Sales Tax Information	Phil McConnell, Director Financial Planning/Analysis	608-328-8789	Phil.McConnell@colonybrands.com
Traffic	AJ Schuchart, Inbound Logistics Manager	608-324-5094	Traffic@colonybrands.com

General Information & Requirements

Our Objective

Our goal is to inform our Suppliers, in advance, about our documentation, invoicing, packaging standards, and quality assurance requirements. We believe that by giving our Suppliers a clear idea of our needs, we help to 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 the Standard 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 and Invoice 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. PLN # (Package Label Number)
3. Item # (ex. 56ABC or 599AB)
4. Quantity shipped of each item
5. Unit Cost of each item
6. Total product dollars for each item
7. PO Number / Contract number
8. Supplier / Vendor number
9. Supplier / Vendor item number
10. Manufacturer's Name and Address (for international shipment only)

We will make payment based on payment terms calculated from the day we received the product or invoice, whichever is later. For direct imports, the basis for payments should be FCR/FOB date – not receipt of goods. Invoices that do not include numbers 1 through 9 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.

Sourcing / Production Management Requirements

1. **Size charts** - must be furnished for both clothing and linens.
2. **Purchase Order Verification**
 - If you did not receive a copy of our Purchase Order Terms and Conditions, please contact our Non-food Production Management department.
 - Upon receipt of our Purchase Order, it is very important that you acknowledge your acceptance of it and confirm your ability to comply as required. If the details are not accurate, contact the appropriate Colony Brands Production Manager and resolve the issue(s) prior to shipping.
3. **Distribution Ready** - All merchandise must be received distribution ready unless specifically authorized by the Production Manager or with approval from Packaging and Labeling. **Distribution Ready** means 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. (A chargeback fee will be assessed if you are non-compliant.)
4. **Automatic Returns**

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

- Is received 10 days past the Purchase Order due date,
 - Does not have a valid purchase order,
 - Does not meet our purchase order specifications of style, color, size, quantity/quality,
 - Does not match original packaging specification as outlined on the Purchase Order or per Supplier provided information on package testing report, or
 - Does not match the Quality Assurance Specification.
- 5. Parts Replacement** – It is expected that Suppliers will perform sufficient inspection to assure the product we purchase contains all required parts and that it is packaged to withstand the small parcel-shipping environment. If our customers receive product that has missing parts or is damaged, Suppliers will be required to promptly ship replacement parts to assure full customer satisfaction.
- 6. 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 will be required to sort part or all of the shipment. Defective product will be sent back to you at your cost as agreed upon in advance. Any applicable labor costs will be charged back to the Supplier.
- 7. No Packaging Changes** – It is expected that each shipment from a Supplier will use the same packaging materials as that tested under the provisions of this standard and applied in the same manner as the test sample that passed the test.
- 8. 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, Retailers and their customers when a product they ordered is not available to ship. Since you play an integral part in the 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 agreed upon date.
 - b) It is your responsibility to monitor and meet the due date.
 - c) If you cannot 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 0 and 15 days late – 5% of Invoice Value
- If 16 days or more late – 10% of invoice or \$10.00 per backorder, whichever is greater

Direct Import / Internationally Sourced Product (Based on the Confirmed Ship Window)

- If between 0 and 15 days late – 5% of Invoice Value
- If 16 days or more late – 10% of invoice or \$10.00 per backorder, whichever is greater

Quality Assurance Requirements and Product Specifications

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 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 of extraordinary circumstances, **Supplier approval of the Product Specification must be received prior to issuance of a Purchase Order.** (On occasion, in our sole discretion, we may issue a Purchase Order contingent on your approval of our Product Specification prior to you shipping the product.)

Our Quality Assurance department also takes steps to verify that your products meet the Terms and Conditions stipulated on the Purchase Order, although 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 Documents,

which require return, additional re-work and/or sorting by Colony Brands personnel will result in the assessment of an expense-offset/chargeback fee.

Colony Brands Furniture Assembly Instruction Specification

To ensure consistency in the Colony Brands furniture assembly instructions, we are providing our suppliers with the below listed **minimum** requirements that **must** be used when creating furniture assembly instructions. As a supplier, if you want to add in other components (i.e. how many people required for assembly, etc.), that is acceptable, but not a requirement. We ask for your assistance in providing our customers with assembly instructions that are easy to follow and provide the clearest directions.

To assist in developing instruction manuals, we have posted a comprehensive guide on the Colony Brands website. [Colony Brands' Guidelines for Developing Instructions](#)

Requirement	Evaluation Method	Criteria
Print quality	Visual	Print must be complete and dark
Font size	Ruler	Minimum font size if 1/8"
Paper quality	Visual/Scale	Paper must be clean, no tears
Language	Visual	Written in English
Cover image/photo	Visual	Must show an isometric view of assembled product
Table of contents	Visual	Must include a table of contents with correct page numbers for each topic
Caution statements	Visual	Must include all required caution and warning statements related to this product
Parts list	Visual	Must list all parts and show an image/diagram of each. All screws, nuts, nails and washers must be shown in life size
Tool list	Visual	List all tool required for assembly and include images
Part labels	Peel label	All part labels must stay on during transport and assembly but must be able to peel off without leaving adhesive
Assembly instructions	Visual; Assemble product using instructions	Must be presented in a logical order
Sub assembly	Visual	List of hardware required for each step; show exploded view of subassembly; no more than 2 assembly images per 8 ½" by 5 ½" page

Colony Brands Minimum Furniture Standards

Requirement	Standard	Criteria
Durability-Seating (chairs, benches, sofas, ottomans)		
Minimum weight capacity-Chair	ANSI/BIFMA x 5.1	Drop test, dynamic at 300 lbs. from 6" height
Minimum weight capacity-Sofa	ANSI/BIFMA x 5.1	Drop test, dynamic at 300 lbs. from 6" height, in each seating position.
Backrest strength	ANSI/BIFMA x 5.1	Backrest strength test-static
Backrest durability	ANSI/BIFMA x 5.1	Backrest durability test - cyclic type II & III. (18,000 cycles)
Armrest strength, both vertical and horizontal	ANSI/BIFMA x 5.1	Horizontal and vertical load
Leg strength	ANSI/BIFMA x 5.1	75 lbs. horizontal
Minimum weight capacity—Outdoor chairs	AJSI/BIFMA x 5.1	Drop test, dynamic at 250 lbs. from 6" height
Minimum weight capacity--storage ottoman and storage bench	ANSI/BIFMA x 5.9	Drop test, dynamic at 200 lbs. from 3" height
Durability-Beds		
Bed	UL962 F2014	Static--Evenly distribute 500 lbs. over each lying position.
		Dynamic-Drop test, 300 lbs. from 6" height, in each lying position.
Stability-dressers, chests, bureaus over 30" tall		
Stability with open drawers and doors	ASTM F2057- vers.17	Static load of 50 lbs.
Warning label	ASTM F2057- vers.17	Must include warning label which is permanently affixed and visible when in use. (For example, inside top drawer or on back of dresser--NOT on top or front of product.)
Wall Anchors	ASTM F2057- vers.17	Must include wall anchors which comply with ASTM 3096

Note On The Consumer Product Safety Improvement Act (CPSIA)

On August 14th, 2008, the Consumer Product Safety Improvement Act became law. It is Colony Brands' expectation that all Suppliers are knowledgeable of the CPSIA and well versed in the regulations that are directly associated with the products they sell. It is the Supplier's sole responsibility to conform to the CPSIA regulations.

The implementation of the law is an ongoing process, and while certain requirements are subject to change, compliance throughout is mandatory for Colony Brands and its Suppliers. Information pertaining to each specific regulation may be found on the CPSC website at <https://www.cpsc.gov>.

Colony Brands will communicate specific instructions on its internal requirements to comply with the CPSIA as they are developed. Communication may be provided via the Supplier Compliance Manual, Product Specification, mass email communications, etc. At any time, the Supplier is unclear or unsure of Colony Brands' requirements, it is the sole responsibility of the Supplier to contact Colony Brands for clarification.

Periodic Testing Requirement and Undue Influence Training

Colony Brands requires that all of its Suppliers are knowledgeable of and comply with the Periodic Testing Requirements of the CPSC. Periodic testing means third party testing that must be conducted on the continuing production of children's products. This testing is in addition to the testing that was conducted when a children's product was initially tested for certification or when the product was retested and certified following a material change. Periodic testing must be performed by a CPSC-accepted third party laboratory. The requirement was effective on February 8, 2013.

Periodic testing should be conducted frequently enough to provide the Supplier a high degree of assurance that continuing production of the children's product complies with all applicable children's product safety rules. **Colony Brands requires product to be tested by a CPSC accredited third party lab on a yearly basis at a minimum.**

A supplier is expected: (a) to know the best way to achieve compliance of its product, and (b) to use its expertise about the product's design and manufacturing process to create a written periodic testing plan. A "periodic testing plan" must be in writing, and no particular format is required by Colony Brands. At each manufacturing site, the manufacturer must have a periodic testing plan for each children's product manufactured at that site. A periodic testing plan must include: the tests to be conducted; the intervals at which the tests will be conducted; and the number of samples tested.

In addition, Suppliers are required to comply with the Undue Influence Requirements. The Undue Influence requirements prohibit Suppliers from exercising undue influence on a third-party conformity assessment body (i.e., a CPSC-accredited, third-party testing laboratory). Colony Brands will not tolerate any efforts to unduly influence third-party conformity assessment bodies by its Suppliers.

The CPSC requires each manufacturer to implement procedures to safeguard against undue influence on a third-party accredited lab. Undue influence is defined as any action taken by manufacturer personnel that could undermine the integrity of laboratory test data used in the certification of children's products. Suppliers are required to make sure "that every appropriate staff member receive training on avoiding undue influence and sign a statement attesting to participation in such training." Suppliers must also inform their employees that allegations of undue influence may be reported confidentially to the CPSC, and manufacturers must tell their employees how to make such confidential reports. At a minimum, the procedures must include a written policy statement and staff training. Each manufacturing site requires a policy and training. Manufacturers must maintain records of training for five years. **By accepting a Colony Brands Purchase Order, you attest that you comply with these requirements.**

Please refer to the CPSC's website at <https://www.cpsc.gov/Business--Manufacturing/Testing-Certification/Third-Party-Testing/FAQs-Certification-and-Third-Party-Testing/> for further information on the Periodic Testing and Undue Influence rule.

United States Regulations and Industry Standards by Product Category

Product Category Description	Required Markings	Regulatory Agent	Regulation and/or Standard Reference(s)
Live Plants	Country of Origin	USDA	7 CFR Part 352 Plant Quarantine Safeguards; 7 CFR 1551-1611 Federal Seed Act
Home Accessories, Collectibles, Decorations, Gifts & Small Accents	Country of Origin	CPSC	16 CFR part 1303 Ban of Lead Paint; ASTM F 2417 Fire Safety for Candles; Safety assessment for all items that hold an open flame.
Food Gifts, Cosmetics, Dinnerware and other food contact items	Country of Origin, Contents	FDA , FTC	21 CFR Food and Drugs; Federal Food, Drugs and Cosmetics Act; 15 CFR Fair Packaging and Labeling Act
Electrical (ie. Personal Care, Entertainment, Home, Office & Kitchen Equipment, etc.)	Country of Origin, UL	CPSC, FCC	Applicable UL Standard; 47 CFR part 15 Radio Frequency Devices; California Electronic Waste Recycling Act of 2003
Furniture	Country of Origin, Legal and Flammability Tags (Padded Furniture)	CPSC	16 CFR part 1303 Ban of Lead Paint; 16 CFR part 1632 and 1633 Flammability of Mattresses, Mattress Pads and Sets; California Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation Technical Bulletin 117-2013
Children's Items (Furniture, Toys, Games, etc.)	Country of Origin, Age, Safety Warnings, Legal and Flammability Tags (Padded Furniture), State Registration (Stuffed Toys)	CPSC, FCC	Consumer Product Safety Improvement Act; ASTM F 963 Toy Safety Standard; 16 CFR part 1303 Ban of Lead Paint; 16 CFR 1505 Requirements for Electrically Operated Toys or Other Electrically Operated Articles Intended for Use by Children; 16 CFR part 1512 Requirements for Bicycles; 47 CFR part 15 Radio Frequency Devices; California Bureau of Home Furnishings Technical Bulletin 116 and 117; ASTM F 1912 Safety of Bean Bag Chairs
Jewelry & Watches	Country of Origin, Carat Weight, Trademark	CPSC, FTC	CFR 15 Ch 39 Fair Packaging and Labeling Act; CFR 16 part 23 Guides for Jewelry
Exercise Equipment, Camping Items	Country of Origin, Legal and Flammability Tags (Padded Equipment), Safety Warnings	CPSC	16 CFR part 1303 Ban of Lead Paint; California Bureau of Home Furnishings Technical Bulletin 116 and 117; Industrial Fabrics Association International Standard CPAI-84 Specification for Flame Resistant Materials used in Camping Tentage
Clothing, Linens & Textiles, Apparel Accessories, Shoes	Country of Origin, Fiber Content, Care Instruction, Registration Number	CPSC, FTC	16 CFR Parts 24 Guides for Select Leather; 300 Wool Product Labeling Act; 301 Fur Products Labeling Act; 303 Textile Fiber Products Identification Act; 423 Care Labeling Of Textiles; 1608 Flammable Fabric Acts and 1610 Flammability of Clothing; 1630 Flammability of Carpets and Rugs; 1631 Flammability of Small Carpets and Rugs.
Finished Goods Made of Composite Wood	Compliance Label, Country of Origin	California Air Resources Board (ARB)	California Code of Regulations sections 93120-93120.12, title 17 Airborne Toxic Control Measure (ATCM) to reduce formaldehyde emissions from composite wood products

Material Safety Requirements

Material	Colony Brands Policy	Authority	Reference
Lead			
Substrates total lead – Adult Products	200 PPM	Prop 65	
Surface Coatings – Children’s products	40 PPM	CPSC – 16 CFR 1303 (90 PPM)	
		CPSIA/ASTM F963	
		Illinois State law requiring labeling (40 PPM)	
Surface coatings furniture	90 PPM	CPSC – 16 CFR 1303 (90 PPM)	
Surface all other adult products	200 PPM	Prop 65	
Cadmium			
Surface Coatings	75 PPM	ASTM 963	
Arsenic			
Surface Coatings	25 PPM	ASTM 963	
Mercury			
No intentional introduction	Banned	Various state laws	
Chromium			
Surface Coatings	60 PPM	ASTM 963	
Antimony			
Surface Coatings	60 PPM	ASTM 963	
Selenium			
Surface Coatings	500 PPM	ASTM 963	
Barium			
Surface Coatings	1000 PPM	ASTM 963	
Phthalates			
DEHP, BBP, DBP, DINP, DIDP, DNOP	1000 PPM Aggregated	Prop 65/CPSIA Mouthable Toys	
Formaldehyde			
Wood and particle board products	Wood with particle board product must comply with all requirements of California Air Resource Board (CARB) ATCM	Products offered for sale in California containing or composed of <u>wood</u> : Hardwood Plywood – veneer Core, - Hardwood Plywood – Composite core, - Particleboard, Medium Density fiber board (MDF), - Thin medium density fiber board – must comply with all requirements of California Air Resource Board (CARB) ATCM	
Liquids, Pastes, Putties, Powders and Gels			
Must be tested to comply with ASTM D4236	Must be tested to comply with ASTM D4236	US Law	

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.
 - Per US Customs' requirements, all direct import product (product imported under FOB terms by Colony Brands) must be properly labeled with the applicable country of origin.
 - For US Customs' purposes, all direct import product (product imported under FOB terms by Colony Brands whether in ship alone or master carton packaging) must have the country of origin visibly displayed in English on the outside of each carton.
- 2) Documentation – It is the expectation the Supplier will provide the Quality Assurance department the following documents within 48 hours:
 - Signed Product Specification
 - Prop 65 Compliance Statements
 - General Certificate of Compliance per CPSIA
 - SDS Sheets (When Requested)
 - Installation Instructions (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; however, Supplier is nevertheless 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.
- 5) Electrical products must be labeled in accordance with an accredited independent testing lab (UL, ETL FC etc.) marking requirements. Product must meet all listed safety requirements. The EXACT model number to be purchased by Colony Brands must be shown on the certification certificate or listed on the testing lab product listing database. In the event a change is made, Colony Brands MUST be notified.
- 6) Supplier shall notify Colony Brands without undue delay about any material security incident, malware, or ransomware attack that may affect payment in any way, or Supplier will take responsibility for any misdirected payment.

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 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.ecfr.gov> (Code of Federal Regulations)

www.cpsc.gov/CPSC (Consumer Product Safety Commission)

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

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

www.astm.org (American Standards for Testing and Measures)

www.arb.ca.gov/homepage.htm (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 Suppliers provide safe and regulatory compliant products to Colony Brands, the Retailers and their 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

Product Specification Violations	Explanation
Fumigation Required	Containers arriving with any signs of insects, mold, etc. will require fumigation of the entire container and its contents. All costs incurred for this service will be billed back to the Supplier.

Soft Goods Violation Chargebacks (Apparel, Linens, and Textiles)

Under no circumstances are these chargebacks to be paid directly to any Colony Brands or GSO employees. All chargebacks will be handled directly through a deduction on your current wire transfer or as a deduction to your next letter(s) of credit or invoice payment(s) until fully satisfied.

Other Supplier Compliance Manual Violation Chargebacks

We also have implemented other schedules of charges or fees (“Chargebacks”) 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 groups. Procedural Violations include six groups: Packing List Violations, Packing Violations, Labeling Violations, PO Violations, Packaging Violations, and Supplier Transportation Violations. A 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. Additional non-QA chargeback information can be found in the Chargeback Section.

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 Vendor, please view the manual at www.colonybrands.com in the supplier section. If you still need a copy of the manual, please contact our Drop Ship Team, attention Pam Shaughnessy at DL-DropShip@sccompanies.com.

Packaging, Labeling, & Package Testing Requirements

Our Objective

The Non-Food Retailers conduct their businesses as e-commerce and catalog mail order companies. They ship to their customers via small parcel carriers throughout the United States. Packaging of each product must survive the small parcel shipping environment without damage to ensure customer satisfaction. We utilize available technology to gain efficiencies and improve performance within the supply chain to enhance our service to Retailers for the benefit of their customers. We believe that this can be accomplished if each Supplier provides merchandise “distribution ready” per the guidelines in our supplier manual.

Supplier Responsibilities

All merchandise is subject to the following packaging and package labeling requirements unless specific exemptions have been agreed upon between your company and our Packaging Engineer prior to shipment. Specific exclusions must be approved and documented in writing.

- Products are expected to be delivered in distribution ready packaging.
- Product packaging that requires package testing must pass the Colony Brands Package Test.
 - Please see the table below for testing requirements by product type to determine if your product requires package testing.
 - Package testing is required prior to your first shipment.
 - Additional re-testing is required if there are alterations to the item design, structure or components OR changes to the packaging or any of its components.
- Package test reports on items meeting large criteria are required to be submitted prior to shipment.
 - Test reports must be emailed to NonFoodPkgTestReports@ColonyBrands.com
- Package test reports on items meeting small criteria must be received prior to shipment when requested in writing by Colony Brands Non-Food Packaging Department.
 - Test reports must be emailed to NonFoodPkgTestReports@ColonyBrands.com
- Package test reports requested in writing after receipt of inventory must be received within 72 hours.
- Packages meeting Ship Alone size requirements must be in Remainers.
- Master Cases must be packed with one PLN per carton only. (Some exceptions may apply, please contact our packaging department.)
- Each supplier/factory must submit unit and master carton package labels for approval at least 10 days prior to shipment of your first order or use our designated preferred label provider.
- Each Master Case must be labeled per the Colony Brands Non-Food Label Specifications.
- Each Single Unit package must be labeled per the Colony Brands Non-Food Label Specifications.
- Packaging specification forms sent to the supplier for completion must be received in a timely manner. **Complete and return this form within 5 business days after receipt of the form.**

*** Please visit the main supplier web page at www.ColonyBrands.com (Non-Food) for additional packaging related guides, strategies and protocol specifics. ***

Package Testing Requirements

*** See the Package Testing Procedures document link on the Non-Food Supplier web page for detailed information on these test procedures. ***

It is the responsibility of the Supplier to meet all the requirements as outlined in the Package Test Procedures. Failure to meet the requirements as outlined in each package test procedure may result in chargebacks for Supplier non-compliance.

Package tests help to determine the ability of the packaging to adequately protect the merchandise against the hazards of the distribution and handling system from our distribution center to the ultimate customer via small parcel distribution (UPS, USPS, FedEx, etc.). The tests were developed based on industry data, internal analyses, and established testing standards. Each test procedure consists of a series of drop, vibration, and impact tests designed to simulate distribution hazards. Products that pass these tests provide the benefits of reduced damages and product loss, and increased customer satisfaction. *** See the “Package Tests Required by Product” chart below to assist in determining if your product requires a package test to be performed and submitted to Colony Brands. Note that this does not exempt your company from providing packaged product that will survive small parcel shipping per the information documented in this supplier manual and on the supplier web site; and does not exempt you from charges related to corrections made to packaging which will allow it to ship by small parcel carriers within satisfactory ship damage limits. ***

Packaging Test Requirements by Product

*NO PACKAGE TEST	PACKAGE TEST REQUIRED
Beauty and Cosmetics	Basket and Bath Sets in remailers
Bulk Packed or Retail Packaged Candles	Collectibles and Figurines
Cameras	Cookware in remailer
Clothing	Fitness Equipment
Clothing Accessories	Furniture, Indoor
Gadgets	Furniture, Outdoor
Garlands and Wreaths Without Glass Components	Garlands and Wreaths with Glass
Jewelry	Home Accessories and Home Décor
Luggage	Household and Kitchen appliances
Personal Care Items	Kitchen Housewares
Phones	Serving Accessories
Retail Basket and Bath Sets	
Retail Packaged Cookware	
Rugs	
Shoes	
Silverware, Knives and Utensils	
Stereos	
Textile/Bedding	
Tools	
Toys and Games	
Travel and Auto	
TV's	
Wicker, Grass, Hemp or Rafia Baskets	

***Unless requested or listed on your PDR.**

Last Updated: 04/2018

Colony Brands reserves the right to independently test any product. Compliance with these tests does not in any way relieve the Supplier from costs associated with rework required due to package test failures or high product damage complaints.

Packaging Engineering must approve alternative methods of testing prior to the actual test. 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 failure.

Small Items:

- Items meeting small package size criteria must have the package test reports with cover sheet submitted, prior to receipt of the inventory, when these have been requested in writing by the Colony Brands Non-Food Packaging Department.
 - Test reports must be emailed to NonFoodPkgTestReports@ColonyBrands.com

Large Items:

- Items meeting large package size criteria must have the package test reports received prior to shipment
- Package test reports with cover sheets are required to be submitted prior to shipment.
 - Test reports must be emailed to NonFoodPkgTestReports@ColonyBrands.com

*** Test Reports will not be accepted and are considered invalid without a cover sheet. Chargebacks may result if inventory is received without the required forms and full and complete passing test reports. ***

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, compliance with California Proposition 65, California Toxins in Packaging Act, CONEG, etc., and meet established FTC Guidelines with respect to packaging content labeling.

Unit Carton / Package Requirements

Suppliers are expected to deliver merchandise in packaged units exactly as Colony Brands will be selling to the Retailers and they will be selling to their customers (1 Each, 1 Set, 1 Item). All items require packaging that will protect them during distribution, storage, handling, and shipment through the small parcel distribution environment.

Cartons can 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. Note: The carton can also be printed or labeled with information necessary to meet customs' requirements, weights, or other pertinent information.

To minimize postage impacts and accessorial charges by our carriers we ask that you:

- Work to develop packaging that best fits the size of the item, minimizes dead space, and over packaging.
- If this is not possible, the outside dimensions of the package should be machinable according to shipping standards while still providing adequate protection against damage in the small parcel shipping environment.
- Whenever possible keep the Length under 130 inches.
- Whenever possible keep the package's weight less than 70 lbs.
- All shipping cartons must be sealed to prevent tampering or loss of product.
- Staples or Plastic or Metal Straps are not allowed on any shipping carton.

The small parcel shipping industry has established standards that recommend the following:

- For lightweight items 60 pounds and under – it is best to use individual shipping cartons with a minimum 200 pounds per square inch corrugate burst strength.
- For heavyweight items over 60 pounds – It is best to use individual shipping cartons with a minimum 275 pounds per square inch corrugate burst strength.
- The packaging and package testing standards established by the shipping industry have been proven effective in reducing financial losses due to damaged product.
- At Colony Brands, we suggest using a minimum single-wall or multi-wall corrugate to meet these industry recommendations, as well as inner packaging designed to protect the item from damage during transport and delivery to our customers.

Colony Brands Acceptable Package Formats: Single Selling Unit Packages

Polybagged Items

- Polybags of 1.5 mil or greater may be used for only textile items and that will not break during handling. The polybag must be a minimum of 1.5 mils thick and must be closed securely with heat seal or tape. All items must be protected from dust, dirt, scratching, scuffing, etc. No product should be open to the environment. If necessary, the bag can be vented using flutter, butterfly, or Y-vents.
- All polybags with a thickness of less than one mil (1/1000 inch) having an opening size of five inches or more, the following warning statement will meet the requirements of all state and local laws: "Warning: To avoid danger of suffocation, keep this plastic bag away from babies and children. Do not use this bag in cribs, beds, carriages, or playpens. This bag is not a toy."

Type size is as follows:

Total Length and Width of Bag Combined	Minimum Type Size
Less than 25 inches	10 point
25 to 39 inches	14 point
40 to 59 inches	18 point
60 inches or more	24 point
** The Virginia law only applies to dry cleaning bags, and requires at least 36 point type.	

Hard Goods (Boxed – Fragile and Non-Fragile Items)

- Boxes may be made from chipboard or corrugated material. The type of box along with internal packaging materials should protect the product from damage due to shock, vibration, or crushing encountered in small parcel distribution, handling, and shipping environments. The box must be sealed to prevent tampering or loss of product. If the product is exposed, or items can fall out during handling, a polybag that is securely closed with heat seal or tape, shrink film or over-box must be used. Some items may be suitable for clamshell or bubble pack style packaging.
- Items that can easily break must survive normal small parcel distribution, handling, and shipping environments. In addition to the box, other packing materials should be used to protect the product from damage. These include Styrofoam foam, foam-in-place, corrugate pads, bubble wrap, tissue, newspaper, or shredded paper.
- Only items packaged in corrugate remailer cartons and larger than 9 x 9 x 4 inches may be delivered without a master carton.

Ship-Along Item Packaging and Remailers

Packaged items greater than 26" in length, **or** 15" in width, **or** greater than 1.50 cubic feet must be sent to the warehouse in single unit Remailers. These items will be sent directly to the Retailer's customer. Colony Brands will provide no additional packaging. Ship-Alones may be packed in master cartons.

- All size Remailer packages are required to pass the package testing as noted in the Package Testing section of this manual.
- Remailers cannot have tuck style flaps.

Rugs and Mats

- Rugs and mats can be packed in a carton or rolled (with the backside of the rug facing outward) and placed in a mailbag and sealed. The film thickness must be a minimum of 4 mil (0.004") for rugs under four feet long, 6 mil (0.006") for rugs up to seven feet long, and 8 mil (.008") for longer rugs. Rugs that cannot be rolled and meet ship alone size criteria must be bagged and placed in a carton.

Colony Brands Acceptable Package Formats: Master Carton Packaging Requirements

A master carton is a carton that contains 2 or more packaged single unit items. Packaged items **less than** Ship Alone size (see criteria for ship alone above) should be shipped to the distribution centers in master cartons.

The master carton can 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. Note: The carton can also be printed or labeled with information necessary to meet Customs requirements, shipping marks, weights, or other markings for direct import shipments, mark each carton / master carton with the Country of Origin per U.S. Customs Regulations 19 CFR Part 134.

When packing into a master carton, you must follow these steps:

- Each master carton contains only one purchase order and shipping destination.
- Each master carton contains only one Package Label Number (PLN).
- Each master carton can contain only one Color or Pattern or Size.
 - Limit mixed multiple colors, patterns or sizes in a master carton to **1 (one) carton per shipment**.
 - Label this master carton with **“MIXED MASTER”**.
- All master cartons for the same PLN in the same shipment need to have a constant piece count per carton.
 - Limit short quantity master cartons to **1 (one) carton per shipment**.
 - Label this master carton with **“SHORT QUANTITY”**.

Master Cartons should meet minimum and maximum requirements, as shown below.

	Longest	Middle	Smallest	Weight
Minimum	9 inches	9 inches	4 inches	5 pounds
Maximum	36 inches	30 inches	26 inches	50 pounds

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 and/or Inventory Manager.

Toys and Children’s Items

- Per the CPSIA, all children’s items manufactured on and after August 14th, 2009, are required to have tracking labels. For further regulation requirements please see the Lot Tracking section in the Quality Assurance Requirements section.
- Each single unit package must have the lot code in accordance with CPSIA Section 103.
- Each product must be permanently labeled with a lot code in accordance to CPSIA Section 103.
- Children’s items that have exposed surfaces must be covered with a polybag and sealed.

Clothing

- Items must be individually packed in a sealed plastic bag. The item is to also include all special packaging such as hangers, collar support, paper board insert, or printed bag as negotiated between your company and our Sourcing team. These requirements are also stated on the QA specification document you receive.
- All garments must be individually packed in 1.5 mil or greater polybags, with venting if necessary.
- **Neatly fold garments to the smallest size**, while at the same time remaining flat. Please avoid rolling or bunching of the garment in the bag. Do not use pins. Bag must be appropriately sized for the folded item without excess.
- If the garment is on a hanger, the hanger must be the appropriate size and weight to hold the garment without breaking or falling off.
- The polybag should fit the garment as closely as possible. There should be a fold over measuring approximately 2” at the top/bottom of the bag.
- The bag must be sealed using clear plastic tape or heat seal. **DO NOT** use labels to seal the bag.

- For more information please see the Soft Good Packaging Strategy Guide on the main supplier web page.

Jewelry

- Items must be individually polybagged or placed in special jewelry packaging, such as ring or watch boxes or flocked foam as negotiated between your company and our Sourcing team.
- Please note the instructions for shipping jewelry and watches contained in the Exception / Special Cargo Routing Instructions Section (Shipping & Transportation Requirements).
- Refer to the purchase order for additional requirements that are jewelry specific.
- For more information please see the Soft Good Packaging Strategy Guide on the main supplier web page.

Footwear

- All footwear must be packed into the Supplier's shoebox.
- Shoe boxes must fit the shoe as closely as possible without excess space.
- The Supplier is accountable for using other packaging materials such as tissue, polybags, vented boxes, or desiccants to protect the product.
- For more information please see the Soft Good Packaging Strategy Guide on the main supplier web page.

Textiles

- Comforters, bed sets, and other large bedding items should be supplied in single unit Remailers.
- Small bedding such as blankets, sheets, pillow and curtains must be in vinyl bags or poly bagged and sealed and may not have any exposed surfaces.

Hard Goods

- Single selling units are to be packed in a carton with inner packaging as needed to protect the item from damage during small parcel shipment.
- Some items may be suitable for clamshell or bubble pack style packaging.
- If the item meets the size definition of a Ship-Alone it must be packed in a remailer. (See criteria for ship alone above)
- Single selling units must be tested per the Small Package or Large Package test requirements as outlined in the Package Testing section. See the Package Testing section and the Packaging Chargebacks in the Appendix. **Note the Small and Large package protocols can be found on the main Supplier web page.**
- For product delivered by an LTL carrier (less than truckload) to the Retailer's customer (the consumer), the Supplier is responsible for packaging the product in accordance with the product's National Motor Freight Classification packaging specification. The Supplier accepts liability for all costs incurred by us when the product is not packaged accordingly.
- For products where the individual package weight exceeds 70 pounds, it is recommended that the Supplier consider packing the item into two (2) cartons. This will reduce handling hazards and ship damage complaints.
- Any detachable item, hardware, glass/mirrors, fittings, etc. should be packaged separately to protect the item and contents of the package. If there are many pieces, consider using inner cartons to better protect them from damage.
- All glass must be tempered and packaged sufficiently to prevent damage when shipped individually or as a component of the furniture piece.

*** Failure to meet the above guidelines may result in a chargeback to the Supplier. See the Packaging Chargebacks in the Appendix. ***

General Package Labeling Requirements

*** See the Package Label Specification Document link on the Non-Food Supplier web page for detailed information on ordering or generating package labels. ***

Please note all questions related to *product* labeling, such as warnings, tracking label / lot number, care instructions, product information, country of origin, etc. should be directed to the Quality Assurance section of this manual.

Do not reference the name Colony Brands, any Retailer or your Company Name on any inner or outer packaging of any single unit package unless instructed to do so in writing by a Colony Brands representative.

- Exceptions
 - The shipper/consignee label for USA domestic shipments
 - When shipping small quantities via small parcel carriers such as USPS, FedEx or UPS

If you have any questions regarding these important labeling requirements, please call or email the Packaging and Labeling contact as identified in the contact list.

Unit Packaging PLN Label Requirements

For each single selling unit provided in a carton, polybag, or other package we require labeling that identifies our Package Label Number (PLN) and includes a Code 128 Barcode. Label must be visibly placed anywhere on the largest flat surface of the package of each selling unit. Label may not cover the package seam, be placed over existing barcodes, or be placed next to existing barcodes.

Master Carton Label Requirements

For each Master Carton (cases that contain 2 or more packaged single units) we require labeling that identifies the details of the carton contents. These labels include a Code 128 Barcode and must be placed in the upper right corner of the carton or may be printed directly on the Master Carton.

*** Failure to produce and apply unit PLN and/or Master Carton labels according to the Package Label Specifications will result in a chargeback to the Supplier. See the Packaging Chargebacks in the Appendix. ***

Palletizing/Unitizing Requirements

If you place your shipments on pallets, make sure they meet the below requirements:

- Use 4-way entry pallets that are 48 inches x 40 inches in size, good quality and comply with Grocery Manufacturing Association (GMA) standards.
- Master cartons should not hang over the edge of the pallet.
- If your merchandise is placed on pallets, ensure there is no freight overhanging the edge of the pallet. Pallet overhang is not acceptable. Two-Thirds of the overall compression strength of the container is based on the four-corner support of the container. Overhang as little as 1" can result in a 32% or more loss in top to bottom compression of the container. Overhang can lead to damaged product.
- If the configuration exceeds 48" x 40 please use larger pallets to prevent overhang. If you are still having difficulty, please contact the Colony Brands Packaging Department for guidance.
- Please orient the packages on the pallet in the arrow up position.
- Palletize by purchase order. Keep one purchase order per pallet when carton volume allows. Keep one PLN per pallet where volume allows. If items ordered under multiple POs must be placed on a

pallet, layer the items according to their respective POs, keeping all cartons for a given PO together. (Don't spread items ordered by multiple POs across multiple pallets).

- Each pallet/unitized load may contain either individual boxes or master cartons, and each must contain only ONE Package Label Number (PLN). The only exception allowed is if small quantities of two or more PLNs are ordered from one manufacturer, and each would not completely fill the 48" x 40" pallet. These PLNs may be placed on the same pallet if the PLNs are separated and clearly marked. However, each master carton still must contain only one PLN.
- Secure all cartons to the pallet with stretch-wrap (minimum of three wraps of stretch wrap holding the items together). Ensure all sides and the tops of the pallet are securely covered.
- For direct import shipments, use ISPM 15 compliant materials & provide the required declaration with your commercial invoice. Please flag at the time of booking.
- Label each pallet with the purchase order number and Colony Brands PLN (found on purchase order), and number of cartons contained within the pallet.
- For master cartons on a pallet stack most cartons with labels facing out so they can be easily read and/or scanned.

Packing List Requirements

A detailed packing list must accompany every shipment. Prepare **one packing list per purchase order**, per shipment.

You must prepare packing slips that include the following information:

- Supplier name/address
- Colony Brands purchase order number
- Colony Brands package label number (PLN)
 - If multiple PLN's separate each by line item and include quantity units and quantity of cases.
 - Each line must include the Colony Brands item description including style, color, and size information (this information may be abbreviated).
- Date shipped/via
- Total quantity of units
- Total number of cartons for purchase order
- 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 a small quantity carton via UPS or FedEx, a copy of the packing slip must be attached to each carton.

Colony Brands Packaging Terminology (Brief Definitions of Key Terms)

- **Carton / Package** – The packaging material that protects an individual item, i.e. 1.5 mil polybag, corrugate box, etc.
- **Distribution Ready** – Your shipment is accurate, received according to our specifications (including required tests being completed), may be moved through our distribution facility with **minimal merchandise preparation, and is capable of withstanding the small parcel distribution environment.**
- **Item** – Any unique manufactured or purchased part. This is the product we purchase from your company that is eventually shipped to the customer as the package label number (PLN).
- **Large Package** – Any packaged item where the package is equal to or greater than 45 pounds, equal to or greater than 45 inches in length, or equal or greater than 4.5 cubic feet.
- **Master Carton** – A carton that contains 2 or more single unit packaged items -- Example: a master carton could contain twelve cartons or twelve packages.
- **Package Label Number (PLN)** – The Colony Brands number that identifies the item that is shipped to the Retailer's customer. This number is referenced on our Purchase Orders.

- **PO Number** – Purchase Order Number.
- **Reshipper or Remailer** – A single unit carton with **Outer AND Inner protective packaging** able to withstand the distribution, storage, handling, and shipment through the small parcel distribution environment (UPS, USPS, etc.) without any additional packaging or preparation supplied by Colony Brands to ship to Retailer's customer.
- **Selling Unit /Single Selling Unit** – The product packaged and shipped as described in the catalog or website. One (1 each, 1 set, 1 item) selling unit as packaged.
- **Ship-Along** – A packaged item that is greater than 26" in length, or 15" in width, or greater than 1.50 cubic feet. (See Ship-Along Packing Requirements section for more information.)
- **Small Package** – Any packaged item where the package is less than 45 pounds, less than 45 inches in length, or less than 4.5 cubic feet.
- **Small Parcel Distribution** – Distribution environment managed by small parcel carriers, such as UPS, USPS, FedEx, etc.
- **Supplier Compliance Manual / Supplier Manual / Vendor Manual** --These terms are used interchangeably and have the same meaning.
- **Supplier / Vendor / Seller**—These terms are used interchangeably and have the same meaning.
- **Truck Ship Products** – Items that must be shipped via LTL / motor carrier to the final customer. These are packaged items that are greater than 165 inches length + girth and/or greater than 150 lbs.
- **Unitized** – The boxes or cartons that are part of a pallet and/or shipment.

*** Please see Distribution Chargebacks in the Appendix ***

Shipping & Transportation Requirements

Our Objective

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-TPAT Requirements Link at:
<https://www.colonybrands.com/companies/brands-affiliates/suppliers/non-food-suppliers/>

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 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.

Booking Procedure:

- **Destination should always show Chicago, IL or Oakland, CA (if sending to our Reno facility). Do not use the "Ship To" address on the Purchase Order. Colony Brands will be responsible for getting all orders to the final destinations.**
- **Bill of Lading (BL) type should be Sea Way Bill to Consignee and FCR to Shipper.**
- **Nominated Freight Forwarder on the Purchase Order will review and monitor bookings for accuracy and notify Colony Brands, Inc. and/or the shipper if corrections are needed.**

Invoicing Procedure:

Ocean Shipments: 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.
 - The basis of payments should be FCR/FOB date – not receipt of goods.
 - 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@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.)

Air Shipments: Commercial/Electronic invoices (E-Invoices) will not be generated out to Suppliers, as they are for Ocean Shipments due to the shortened shipping timeframe.

- Suppliers need to email their invoice and packing list to Globalcompliance@colonybrands.com within 24 hours of tendering your freight.
 - Supplier's Invoice and Packing List must include Name, Address, and PO number.
 - The Packing List must include the carton count and net weight information.
 - One of the submitted documents must include actual factory that produces the goods, this must be used as the Manufacturer and name and address must be included.
 - Include any other necessary information (i.e. APHIS, Price/weight breakdowns, etc.)
 - 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.
 - The basis of payments should be FCR/FOB date- not receipt of goods.

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 email it back to the Supplier. A follow-up phone call may accompany the email depending on the shipment size, ready date, etc. This process is valid for both Less-Than-Truckload Shipments (LTL) and Truckload Shipments (TL).

- 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.
- Merchandise must be ready to ship when requesting routing.
- 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 prior to the required ship date to ensure capacity availability to meet the delivery requirements set forth in the Purchase Order.
 - For East coast and West coast shipments, please schedule & ship 2 weeks (14 days) prior to our required purchase order delivery date
 - For Mid-West shipments, please schedule & ship 1 week (7 days) prior to our required purchase order delivery date.

Transportation requests must be submitted via email to the Colony Brands Transportation Department any time Monday through Friday between 8am (Central Time) and 4pm (Central Time).

- 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.

- **East & West coast shipments**

All shipments should be scheduled with Colony Brands Traffic Department to ship 2 weeks (14 days) prior to the required in-house delivery date listed on the purchase order.

- **Mid-West shipments**

All shipments should be scheduled with Colony Brands Traffic Department to ship 7 days prior to the required in-house delivery date listed on the purchase order.

- 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 PLN numbers and National Motor Freight Classification. (For anything with multiple sizes and/ or colors, please provide a PLN # range - i.e. 6751234 – 6756789)
 4. Complete Supplier name and shipping address
 5. Total number of pallets (if palletized) or cube size
- 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 this 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 small package moves, loads exceeding 3,000 pounds or 750 cubic feet, air shipments, extraordinary value shipments, jewelry, loads requiring special equipment or packaging, loads requiring temperature control (heat or cold), and any perishable items.

A. Air Shipments

All air consignments for which Colony Brands pays any portion of the freight, must be approved by Colony Brands prior to shipment, and use our nominated forwarder. You must request approval through your Production Manager who will in turn make the proper arrangements with Colony Brands' Global Logistics Department at globalcompliance@colonybrands.com.

- Note: Freight Forwarder noted in the Purchase Order is the only approved forwarder to handle Colony Brands, Inc. shipments. If supplier is responsible for the Air Freight charges, they are required to Pre-pay these charges with the Freight Forwarder directly.

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

B. Jewelry / Watches

There are 3 different receiving facilities for jewelry (based on the purchase order):

- a. Peosta Fulfillment Center – Peosta, IA (Purchase Orders with a 7CL,7PE & 7PJ Pre-fix)

We require that you do **NOT** use security tape. Use tamper evident plain gummed, pressure-sensitive, or reinforced paper shipping tape. All freight charges (based on the terms of sale) should be prepaid and added to the commercial invoice.

- b. Clinton Fulfillment Center – Clinton, IA (Purchase Orders with a 7WW, 7CN & AS Pre-fix)

We require that you do **NOT** use security tape. Use tamper evident plain gummed, pressure-sensitive, or reinforced paper shipping tape. All freight charges (based on the terms of sale) should be prepaid and added to the commercial invoice.

- c. Sun Prairie Fulfillment Center – Sun Prairie, WI (Purchase Orders with a 7SP Pre-fix)

We require that you do **NOT** use security tape. Use tamper evident plain gummed, pressure-sensitive, or reinforced paper shipping tape. All freight charges (based on the terms of sale) should be prepaid and added to the commercial invoice.

C. Extraordinary Value Shipments / 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 (See Contact List – Page 6)

**** 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 emailed to the Colony Brands Transportation Department (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 an approved 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. Contact Traffic@colonybrands.com to get more information on the best carrier option.

Colony Brands Transportation 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 Non-Food Division Purchase Order Prefixes

7CL, 7PE, 7PJ Purchase Order Prefixes – Final Destination: Colony Brands Peosta, IA Facility

7WW, 7CN, AS Purchase Order Prefixes – Final Destination: Colony Brands Clinton, IA Facility

7SU, 7SP, Purchase Order Prefixes – Final Destination: Colony Brands Sun Prairie, WI Facility

7SW, SW Purchase Order Prefixes – Final Destination: Colony Brands Monroe, WI Facility

7RN Purchase Order Prefixes – Final Destination: Colony Brands Reno, NV Facility

7CMC Purchase Order Previses – Final Destination: Colony Brands Design Center Monroe, WI Facility

*For all other purchase order prefixes, please contact the Colony Brands Corporate Traffic group for consignment instructions.

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

Please note our Supplier/Vendor C-TPAT requirements at – <https://www.colonybrands.com/companies/brands-affiliates/suppliers/customs/>

Please note that all Suppliers/Vendors must provide a completed Colony Brands Supply Chain Security Profile / C-TPAT Supplier Questionnaire for each 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 -

<https://www.colonybrands.com/companies/brands-affiliates/suppliers/customs/>

Appendix

Purchase Orders

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

- **PO Number / Contract Number:** These terms are used interchangeably and have the same meaning. (Must appear on all your invoices.) (Section 1)
- **Amendment Number:** Tells whether the PO is an original or amendment with number of times the order has been amended. Do not duplicate. (Section 2)
- **Invoice to Address:** Colony Brands, Inc., 1112 7th Avenue, P.O. Box 2815, Monroe, WI 53566-8015 (Section 3)
- **Vendor Number:** This number must appear on all your invoices. (Section 4)
- **Ship To:** Send your shipments to this address (address may vary with type of merchandise). (Section 5)
- **Terms of Sale:** The payment terms you've agreed to with our Sourcing department. (Section 6)
- **Freight Terms:** Indicates who is responsible for payment of freight. (Section 7)
- **Ship Via:** The shipping method indicating how the order should ship. Contact the Production contact listed in the General Comments section on the PO if you have any questions. (Section 8)
- **Text Data:** A section of text that gives individualized instructions to the Supplier (includes Shipping information, and any applicable Allowances, as well as Purchase order contact name). This may change with every item you supply to us. (Sections 10 & 21)
- **Line Number:** Each line corresponds to a new item number. (Section 11)
- **Release Number:** If we ask for multiple shipping dates on a PO, you will have multiple release numbers for Domestic shipments. Direct Import Purchase orders will include new line numbers for split shipments. (Section 12)
- **Package Label Number:** This is the number used by our warehouses to pull and ship merchandise to our customers. The Package Label Number (**PLN**) is located next to our Item Number and is next to the item description. ([See Distribution Center Requirements Section for more details.](#)) (Section 13)
- **Item Number:** Our internal item number, next to PLN number. (Section 13)
- **Description Text:** Includes the vendor reference item number and description. (Section 14)
- **Release Status:** The status of the line, either new or changed. (Section 15)
- **Release Quantity:** The number of units being ordered. (Section 15)
- **Balance Due:** You will see a balance due if you had sent in a partial shipment, and we had to amend the PO. (Section 16)
- **In-House Due Date:** When merchandise is due at our specified ship to facility. (Section 17)
- **Unit Price:** The price of goods ordered. (Section 18)
- **UM:** Unit of measure (19)
- **Extended Price:** The cost of goods ordered times the number of units ordered. (Section 20)
- **Quantity Received:** The number of units received to date (only applicable on amended PO's).
- **Date Received:** The date the merchandise was received (only applicable on amended PO's).
- **General Comments: Confirming Order - Do Not Duplicate:**
Includes confirmation requirements and Colony Brands PO contact information. 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. (Section 21)
- **Terms and Conditions:** Each new PO will have a section titled Terms and Conditions. We've attached a copy for you(Appendix).
- **Purchase Order Transmittal Letter:** (See attached letter in the Appendix)



PURCHASE ORDER

1. PO Number	7CN417358
2. Amendment	ORIGINAL
PO Date	02/03/22
Page	1

3. Invoice To:
 COLONY BRANDS, INC
 1112 7TH AVENUE
 PO BOX 2816
 MONROE WI 53566-8016

Seller/Supplier Info		Ship To:
ANY SUPPLIER #12345 4.		COLONY BRANDS, INC
123 MAIN STREET		RECEIVING DEPARTMENT - CLINTON
ANYTOWN WI 51234		2000 HARRISON DR SUITE 300
		CLINTON, IA 52732
6. Terms of Sale		7. Freight Terms
WIRE TRANSFER		SEE BELOW
		8. Ship Via
		SEE BELOW (TRAF NOTE)

9. CORRECT PO RELEASE AND ITEM NUMBERS MUST APPEAR ON PACKAGES, INVOICES, SHIPPING PAPERS AND CORRESPONDENCE. PACKING SLIPS MUST ACCOMPANY ALL SHIPMENTS
 ACCEPTANCE OF THIS PURCHASE ORDER ("PO") INCLUDES ACCEPTANCE OF: THE ACCOMPANYING TERMS CONDITIONS TRANSMITTAL LETTER, AND PO REQUIREMENTS; THE PRODUCT SPECIFICATION S ; AND ALL SUPPLIER MANUAL

10. REQUIREMENTS. 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 CHARGE BACKS.

REQUESTING SHIP WINDOW 5/5-5/12/2022. 1X40 CONTAINER
 FOB: SHANTOU, CHINA

FREIGHT FORWARDER FOR SHENZHEN, CHINA: EXPEDITORS INTERNATIONAL CHINA PVT. LTD.
 F31,BLOCK A, REITH BUILDING,NO.1002 YANHE NORTH ROAD LUOHU DISTRICT
 SHENZHEN 518003 PEOPLE'S REPUBLIC OF CHINA CONTACT: TEEN.BAO@EXPEDITORS.COM
 BACK UP CONTACT: EMMA.HE@EXPEDITORS.COM PHONE: 08675525838000
 FAX: 86 755 2588 1097

PLN # / Item #	Description	Line Status for Line # 01: OPEN						
6797891 / AQ8D2 13.	#PC003254 ENGINE WORKSHOP W RC CAR KEY/RED/							
11. Line/Release #	12. Status	15. Release Qty	16. Balance Due	17. In House Due Date	18. Unit Price	19. UM	20. Extended Price	
01001	NEW	855	855	07/25/2022	25.33000	EA	\$21,657.15	
3% DEFECTIVE ALLOWANCE WILL BE DEDUCTED FROM INVOICE								

21. General Comments
 PLEASE CONFIRM RECEIPT OF THIS PURCHASE ORDER AND CONFIRM SHIP WINDOW QUANTITY AND UNIT PRICE WITHIN 1 WEEK VIA EMAIL. CONTACT INFORMATION LISTED BELOW:
 MELISSA WUEBBEN MELISSA.WUEBBEN@COLONYBRANDS.COM
 IF THERE ARE ANY PROBLEMS WITH MEETING THE REQUESTED SHIP WINDOW PLEASE NOTIFY US IMMEDIATELY
 IMPORTANT - PLEASE REFER TO OUR ONLINE VENDOR MANUAL FOR NEW UPDATES REGARDING PACKAGE LABELING

By
 Purchase Order acceptance is to be confirmed by Seller to buyer and a copy emailed to melissa.wuebben@colonybrands.com or faxed to ()
 This Purchase Order is subject to the terms and conditions above and the terms and conditions in any of the Contract Documents accompanying or attached to this PO or described or referenced herein.

(Authorized Signature)

Agreed to and accepted by seller

Confirmed Date _____

Confirmed By _____

STANDARD TERMS AND CONDITIONS, rev. March 2018 (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 and 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]

Colony Brands' Supplier Code of Conduct

Colony Brands, Inc., and its retail subsidiaries, (hereinafter collectively referred to as Colony Brands), among other things, are in the business of buying and/or selling merchandise. Colony Brands does not own, operate, or manage any of the factories that manufacture its non-food merchandise – but instead purchases goods from hundreds of independent Suppliers in the United States and throughout the world.

In selecting Suppliers, Colony Brands tries to identify reputable companies that have the willingness and ability to conduct their businesses with high ethical, legal, and socially responsible standards as identified by Colony Brands. This Supplier Code of Conduct sets forth the commitment of Colony Brands to do business only with those Suppliers that share its commitment to fair and safe business practices.

While Colony Brands recognizes that there are different cultural and legal environments in which its Suppliers may operate throughout the world, this Supplier Code of Conduct sets forth the basic minimum requirements Suppliers are expected to meet in order to do business with Colony Brands. Additionally, this Supplier Code of Conduct provides the foundation for Colony Brands' on-going evaluation of Supplier compliance with these requirements. Failure to adhere to these requirements by a Supplier may result in the cancellation of all outstanding purchase orders and/or termination of the Supplier's business relationship with Colony Brands.

Note that Suppliers are also referred to or are defined as vendors or manufacturers, and include any of their respective contractors, subcontractors, or other suppliers, sources, and agents or others in the supply chain who provide Colony Brands with contracted goods or services.

Please review the below Supplier Code of Conduct. Should you have any questions, please feel free to contact your respective Drop Ship Team, or the Colony Brands Global Compliance Group.

Compliance with Applicable Laws & Regulations: Suppliers will comply with all applicable local and national laws and regulations of the jurisdictions in which they are doing business. In addition, Suppliers will comply with all applicable United States Laws, Codes, Regulations, and Industry Standards governing the manufacture, sale, labeling, branding, packaging, shipment, importation, and distribution of product for any of Colony Brands.

Forced & Indentured Labor – Suppliers will not permit the use of forced or involuntary labor of any kind including indentured, bonded, prison, or otherwise. All work must be voluntary, and workers shall be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government issued identification, passports, or work permits as a condition of employment.

Child Labor – Suppliers will not engage in the use of child labor. The minimum admission to employment or work shall not be less than the age of completion of compulsory education, normally not less than 15 years or 14 where the local law of the country permits. Colony Brands will not accept product from Suppliers who use or permit the use of child labor.

Harassment or Abuse – Suppliers shall commit to a workplace free of harassment. Suppliers will not threaten, use, or permit the use of corporal punishment, physical, sexual, psychological, or verbal harassment, threats of violence, or other forms of physical or mental abuse, intimidation, or coercion

Health and Safety – Suppliers will follow all relevant legislation, regulations, and directives in the countries in which they operate to ensure their workers have a clean, safe, and healthy work environment. Suppliers will also ensure these same standards apply to residential facilities, if provided. Additionally, Suppliers must comply with all applicable laws and regulations regarding occupational health and safety.

Non-Discrimination – Suppliers will employ workers on the basis of their ability to perform a job, rather than on the basis of gender, age, sexual orientation, disability, nationality, social or ethnic origin, political affiliation, opinion, race, cultural or religious beliefs, maternity, marital beliefs, or similar factors.

Women's Rights – Suppliers will ensure that workers who are women receive equal treatment in all aspects of employment.

Freedom of Association & Collective Bargaining – Suppliers will recognize and respect the rights of employees to peacefully and freely associate, organize, and bargain collectively in accordance with the laws of the countries in which they are employed. Suppliers shall not interfere with, obstruct, or prevent legitimate related activities. Workers shall not be subject to intimidation or harassment in the peaceful exercise of their legal rights to join or to refrain from joining an organization.

Wages and Benefits – Suppliers will fairly compensate their workers by complying with all local and national wage and hour laws and regulations of the jurisdictions in which they operate, including those pertaining to minimum wages, overtime wages, piece rates, and other elements of compensation. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations, or if no legal requirement exists, the employee at minimum will be compensated at their regular hourly rate. All legally mandated benefits must be provided.

Working Hours - Suppliers will limit the hours employees may work on a regularly scheduled basis to the legal limit on regular and overtime hours established by local laws and regulations in the jurisdiction in which they operate or, if no legal requirements exist, to sixty (60) hours in a seven (7) day work period. All overtime must be voluntary and must be fully compensated in accordance with the requirements of local law, and except in extraordinary circumstances, employees must be entitled to at least one day of rest in every seven-day period. Suppliers shall comply with all applicable laws that entitle workers to vacation time, leave periods, and holidays.

Ethical Standards - Suppliers are expected to be committed to the highest standards of ethical conduct when dealing with workers, suppliers, manufacturers, and customers. Corruption, extortion, and embezzlement, in any form, are strictly prohibited. Suppliers shall not violate the Foreign Corrupt Practices Act (FCPA), any international anti-corruption conventions, and applicable anti-corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, extortion, or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage. Suppliers must uphold fair business standards in advertising, sales, and competition.

U.S. Customs & Border Protection – Suppliers will comply with all applicable U.S. Customs & Border Protection laws and regulations governing the importation of product into the United States and will establish and maintain programs and documentation to support such regulations. Suppliers will educate themselves regarding both U.S. Customs & Border Protection and Colony Brands Customs -Trade Partnership Against Terrorism (C-TPAT) security recommendations and requirements and take the necessary steps to comply. Each Supplier facility (whether production or warehousing) must have written security procedures and maintain documented proof of the adequate controls implemented to guard against the introduction of non-manifested cargo into the supply chain.

Environment – Suppliers will comply with all applicable legislation and regulations regarding the protection of the environment. Suppliers shall commit to reducing the environmental impact of their designs, manufacturing processes, and waste emissions. Factories shall work to eliminate the use of toxic and hazardous substances from the production process. Colony Brands encourages Suppliers to reduce excess packaging and to use non-toxic, environmentally friendly materials whenever possible. Colony Brands' policy specifically prohibits the use of ozone depleting substances and requires compliance with the United States Endangered Species Act of 1973.

Subcontractors – Any subcontractors retained by Colony Brands' Suppliers must also comply with this Supplier Code of Conduct. Each Supplier is responsible for ensuring its subcontractor's compliance and will be held accountable for any breaches in policy.

Record Keeping / Monitoring – All Suppliers will maintain documentation to demonstrate compliance with the above Code and shall make it available for review purposes at any time. Each factory agrees to allow Colony Brands and its agents or representatives (including third parties) to engage in assessment activities including unannounced inspections with or without prior notice.

Colony Brands' representatives have been asked to look for violations of the enclosed Supplier Code of Conduct on visits to factories or manufacturing facilities and to report questionable business practices to management for follow up and potential corrective action.

See also [Colony Brands' Policy on Combatting Forced Labor in the Supply Chain](#).

For questions or comments regarding the above, please contact legal@sccompanies.com
To report a suspected violation of this Supplier Code of Conduct contact the Colony Brands Legal Department. Email legal@sccompanies.com, or write to Colony Brands, Inc.,
Attn: Legal
Department, 1112 7th Avenue, Monroe, Wisconsin 53566 USA

Purchase Order Transmittal Letter

Letterhead

Supplier Name
Attn: Contact Name

Re: Attached Purchase Order(s) **[Please Note--FORM REVISED]**

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 <https://www.colonybrands.com/companies/brands-affiliates/suppliers/>

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. Questions, please email: nonfoodpkglabels@colonybrands.com

- **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

Email: Traffic@colonybrands.com

- All shippers/Suppliers must 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. For East coast and West coast shipments, please schedule & ship 2 weeks (14 days) prior to our required purchase order delivery date. For Mid-West shipments, please schedule & ship 1 week (7 days) prior to our required purchase order delivery date. See [map](#) in the appendix for further clarification. 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). See the Supplier Compliance Manual and Shipment Control Form (Domestic Cargo) for additional contact information and routing procedures. If you haven't received a response within 24 hours - request an update.

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 and send both documents to your designated Production Contact listed on the Purchase Order. 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: 20180413

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@colonybranddns.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: 1-608-324-5094
CTC: AJ Schuchart

Also Notify Party:

Expeditors International
849Thomas Drive
Bensenville, IL 60106 USA
TEL: 1-630-227-4701
CTC: Robert Slettvet

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.

Notice of Security Incident, Breach, or Ransomware: Supplier shall notify Colony Brands without undue delay about any material security incident, malware, or ransomware attack that may affect payment in any way, or Supplier will take responsibility for any misdirected payment.

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. For direct import shipments, the FCR / FOB date will be the basis of calculation for payment. 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: 20180523

SHIPMENT CONTROL FORM – USA Domestic Shipments Only

Supplier Name: _____ Contacts Name: _____

Street Address: _____ Phone # _____

City: _____ State: _____ Zip: _____ Shipping Hours: _____

Pickup Address & Phone # if Different from Above: _____

Additional Instructions and/or Pick-Up Number: _____

Ready to Ship Date:	Floor Load <i>OR</i> Palletized: <input type="checkbox"/> LOOSE <input type="checkbox"/> PALLETS	Supplier Load <i>OR</i> Driver Load: <input type="checkbox"/> SUPPLIER <input type="checkbox"/> DRIVER
In-House/Due Date:	Stackable Pallets: <input type="checkbox"/> YES <input type="checkbox"/> NO	Driver Count: <input type="checkbox"/> YES <input type="checkbox"/> NO
Temperature Restrictions: <input type="checkbox"/> COOLER 35° -38° <input type="checkbox"/> FREEZER 0° <input type="checkbox"/> NO	24 Hour Notice Required: <input type="checkbox"/> YES <input type="checkbox"/> NO	Appointment Needed: <input type="checkbox"/> YES <input type="checkbox"/> NO

Purchase Order #	Package Label #	General Item Description	Total Cartons	Weight (Lbs.)	Pallets/ Cube	Pallet/Carton Dimensions	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 Information:

PLEASE NOTE:

- Copies of the Packing List must be attached to both the Freight and to the Bill of Lading.
- Bill of Lading must include the Freight Class as well as the NMFC # and/or item description.
- Revisions must be submitted to Traffic@colonybrands.com for reassessment before shipping.

**** Failure to comply may result in chargebacks. ****

Please Email Form to Colony Brands Transportation Department:
Traffic@colonybrands.com

For a downloadable copy, please visit -- <https://www.colonybrands.com/companies/brands-affiliates/suppliers/non-food-suppliers/>

Sample Packing List

Selling Company Inc.

Company Address
 City, State ZIP Code
 Phone Number Fax Number

Customer No. 95840000
Customer P.O. 7CL003934
Ship Date 07/20/2020
Cancel Date 08/20/2020

Packing List

Sold To: Colony Brands, Inc. Receiving Department 2000 Harrison Drive Clinton, IA 52732	Ship To: Colony Brands, Inc. Receiving Department 2000 Harrison Drive Clinton, IA 52732
------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------

Bill of Lading Number	Freight Terms	Freight Carrier
SCB-8456523	Collect	Watkins Motor Express

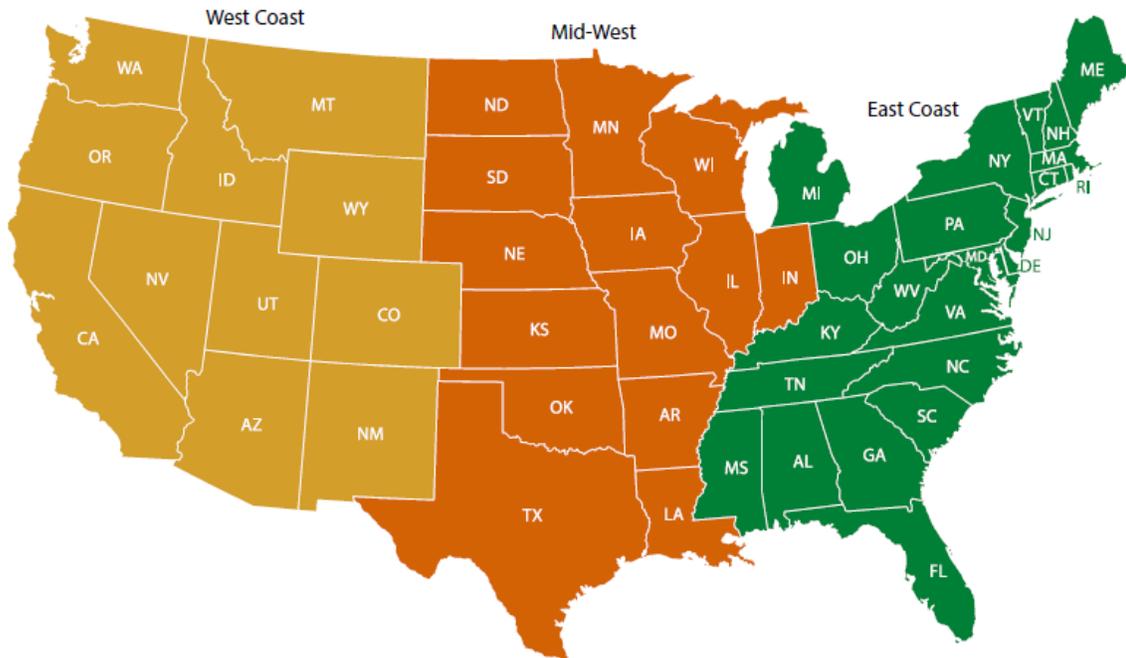
Line #	PLN #	Lot Number	Description	Quantity			Number of Cartons
				Ordered	Shipped	B/O	
1	676626	123XYZ	Toaster Deluxe 4SL WHT PLN # 676626	100	100	0	50

Message / Terms	No Packages	Commodity Description	Weight
Customer requests that packing list be inserted into a packing list envelope and attached to the last box on trailer (tail). A duplicate copy to be given to the carrier.	50	Toasters	756
	50	Total Amounts	756

Original

Domestic Transportation Map of the U.S.

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 email a copy of the completed [Shipment Control Form](#) (See Appendix) to the Colony Brands Transportation Department at traffic@colonybrands.com. For East coast and West coast shipments, please schedule & ship 2 weeks (14 days) prior to our required purchase order delivery date. For Mid-West shipments, please schedule & ship 1 week (7 days) prior to our required purchase order delivery date. See map in the appendix for further clarification. 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).



West Coast — Gold
Mid-West — Orange
East Coast — Green

Chargebacks

Our Requirements

We 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 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 **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 interests 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.

Chargebacks are calculated depending on the level of the violation. Note that the below charts only summarize the main non-QA 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

Packing Slip Violations	Explanation	Charge
Incorrect or Missing Packing Slip	<ul style="list-style-type: none"> - Correct Purchase Order must be on packing slip. - Packing Slip must include the same level of detail as listed in the manual. - Packing Slip must be consolidated on the outside of the lead carton, placed in an easily removeable pouch. - Cartons sent through RPS or UPS must have a packing slip attached to each carton. - No packing slip included with shipment (domestic shipment) 	\$200 / shipment

Packaging Labeling Violations	Explanation	Charge
Incorrect Unit Labeling	<ul style="list-style-type: none"> - Unit PLN labels were not applied to the single unit packaging. - Master carton and/or Unit PLN labels had incorrect barcode format or barcode was not included on the label. - Barcode scan contains incorrect PLN# or includes text, leading or ending zeros or other excess or invalid information. - Minimum bar density per barcode specifications has not been met. - Unit label was not placed in the center of the largest flat surface. 	\$.85 / piece
Incorrect Master Carton Labeling	<ul style="list-style-type: none"> - Barcode scan contains incorrect PLN# or includes text, leading or ending zeros or other excess or invalid information. - Master Carton BARCODE was not placed in the upper right corner of the master carton. 	\$200 / shipment

Package Test/Damage Violations	Explanation	Charge
No Large package test report supplied.	Failure to supply a Large package test report prior to first shipment of merchandise.	\$500 per incident
No small package test report supplied.	Failure to supply a Small package test report within 72 hours of request.	\$200 per incident
Package test failure on delivered merchandise.	Merchandise shipped to our warehouse failed the internal package test and the packaging is not per supplied test report or no test report is available.	\$50 per hour labor rework charges plus cost of materials.
High level of damages on merchandise shipped to our customers.	Merchandise shipped to our customers has an unacceptable damage rate and the packaging is not per supplied test report or vendor provided no test report.	\$50 per hour labor rework charges plus cost of materials. Additionally, charges related to sending replacements to customers as a result of receipt of damaged items.

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 distribution center	\$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

PO Violations	Explanation	Charge
Canceled order	You shipped a Purchase Order canceled by Colony Brands	\$500 per shipment, and all costs associated with return of product
Partial Shipment	Partial order shipped without approval	\$500 per shipment. Any partial shipment must require prior approval
Over-shipment	You shipped additional quantity than stated on Colony Brands purchase order	\$500/shipment or right to refuse & all costs associated with return of product Any over shipment must require prior approval
Late Shipment	Your shipped merchandise was received after our <u>in-house</u> due date on Colony Brands purchase order	<u>USA Domestically Sourced Product</u> (Based on Due Date) · If 1 – 15 days late – 5% of Invoice Value · If 16 days or more late – 10% of invoice or \$10.00 per backorder, whichever is greater <u>Direct Import / Internationally Sourced Product</u> (Based on the Confirmed Ship Window) · If 1 – 15 days late – 5% of Invoice Value · If 16 days or more late – 10% of invoice or \$10.00 per backorder, whichever is greater
Substitutions	You shipped colors, styles, or sizes not listed on the PO	\$500/shipment or right to refuse & all costs associated with return of product

Supplier Product Liability Insurance

Our Requirements

It is the policy of Colony Brands that 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 Additional Insureds 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 their respective officers, directors, agents and employees
 1112 7th Avenue
 Monroe WI 53566-1364

6. **Overseas vendors 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 Brands Insurance, **Fax 800-420-1356** or email to colonyinsurance@colonybrands.com.

If you have any questions, please contact Colony Brands Insurance at 608-324-6024.