

**PURE  
PROTEIN®**

**MET-RX®**

**BODY X FORTRESS®**

Worldwide Sport Nutritional Supplements Inc d/b/a 1440 Foods Company

BUSINESS REQUIREMENTS AND VENDOR COMPLIANCE GUIDE

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## About 1440 Foods

**Worldwide Sport Nutritional Supplements**, together with its affiliates (collectively, “1440 Foods”, “us” or “we”), offers products marketed under a portfolio of brands, including Pure Protein®, MET-Rx®, Body Fortress®, and Balance Bar®, 1440 Foods’s principal executive offices are located at 90 Orville Drive, Bohemia, NY 11716.

### Overview of this Guide

1440 Foods attributes much of its success to the suppliers/contract manufacturers that provide us with the highest quality materials, dedicated services, technical innovations, and competitive pricing.

We have developed this **Business Requirements and Vendor Compliance Guide** (this “Guide”) to provide our suppliers, contract manufacturers, brokers or distributors (collectively, “Suppliers” or “you”) with information about our expectations and practices as part of doing business with 1440 Foods. The content contained herein provides our standards and requirements regarding on-time delivery, receiving, invoicing, quality and other relevant business information. When and where applicable, we reserve the right to amend this Guide and post the most current version of which to our external-facing website located at: <https://vendor.wsnsinc.com>. This Guide, as amended, will be binding upon you if you choose to continue to conduct business with 1440 Foods after such posting. In the absence of a supply or vendor agreement between you and us, this Guide, together with the Purchase Order, constitutes the entire agreement between you and us, with respect to the purchase of Raw Materials, Packaging Components, Co-manufactured items, and Co-packaged items (collectively, “Materials”) as described as part of the applicable Purchase Order.

Suppliers must comply with the procedures and requirements described herein to maintain their position as an ‘approved/qualified’ Supplier, as we only conduct business with the most consistent and reliable of vendors. If you require clarification, or have questions about the guidelines and requirements herein, please contact our Supplier Management Office at [SupplierManagement@1440foods.com](mailto:SupplierManagement@1440foods.com)

1440 Foods has always operated with an “Open Door Policy” for our Suppliers. If, at any time, you feel that you are not being given a fair opportunity, or have a concern about our directions, please contact [SupplierManagement@1440foods.com](mailto:SupplierManagement@1440foods.com)

## Invoicing Guidelines

Inclusion of the following information as part of your invoice will help ensure prompt and accurate payment.

If you have any questions, please contact our Accounts Payable department at [vendorsupport@1440foods.com](mailto:vendorsupport@1440foods.com) Please include the following information on all invoices:

1. Supplier Information:
  - Supplier Name
  - Address
  - City, State, Zip Code
  - Telephone and Fax Number
  - Email address
2. Payment Terms: As stated on the Purchase Order.
3. Purchase Order number
4. Invoice date/ship date
5. Unit Price: The unit cost on the invoice must not exceed the unit cost listed on the Purchase Order. We will not recognize any price increase after the Order Date stated on our Purchase Order.
6. Quantity
7. Part Number
8. Supplier Lot Number
9. Complete description of the Material purchased
10. Unit of Measure (UoM)
11. Supplier 'Remit To' Address
12. If you choose to receive payment via ACH wire transfer, please supply the following:
  - Bank Name
  - Branch Name
  - ABA routing Number
  - Bank Account Number
  - Email address for payment confirmation.

## Submission of Invoices

Suppliers should submit invoices either:

- 1) electronically via [vendorinvoices@1440foods.com](mailto:vendorinvoices@1440foods.com)
- 2) via mail to:  
Worldwide Sport Nutritional Supplements, Inc, dba 1440 Foods  
Attn: Accounts Payable  
P.O. Box 9014 Ronkonkoma, NY 11779  
(631) 244-2065  
For additional vendor support, please  
email:  
[vendorsupport@1440foods.com](mailto:vendorsupport@1440foods.com)

## Vendor Routing Guidelines

Vendor should deliver against the Freight Term indicated on our Purchase Order.

In instances where 1440 Foods will be responsible for shipping costs, shipments will have Freight Terms listed as FOB Origin, Freight Collect and 1440 Foods will select the carrier.

If the shipment is 8 pallets or less or weighs less than 10,000 pounds, Supplier should ship via the preferred carrier referenced in the Inbound Route Guide, the most recent version of which is available at <https://vendor.wsnsinc.com/>.

If the shipment is greater than 8 pallets or weighs more than 10,000 pounds, Supplier should e-mail carrier requests to [SupplierManagement@1440foods.com](mailto:SupplierManagement@1440foods.com)

As part of your e-mail, please provide:

- Origin address
- Contact information
- PO#
- Pallet count
- Weight
- Ready date for pick up
- Destination address
- Any other relevant information

If you do not receive a response to your e-mail within 24 hours, please call (317) 622-4155.

## **Delivery Requirements**

1440 Foods requires all Suppliers of **Materials** to adhere to the following delivery requirements. If Suppliers do not adhere to these requirements, we will be entitled to assess compensable surcharges for non-compliance.

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### **Delivery Requirement #1: Packing List**

Each shipment must be accompanied by a detailed Packing List and be delivered to the location specified on our Purchase Order unless we provide written instructions to do otherwise. Packing List should provide the following information:

- Purchase Order number
  - Part Number(s), as listed on our Purchase Order
  - Unit of Measure
  - Pallet Count and Quantity Breakdown
  - Total Quantity
  - Manufacturer's Name
  - Manufacturer's Lot Number
  - Distributor/Supplier Name (if different than manufacturer)
- 

### **Delivery Requirement #2: Master Case or Trays: (Co-manufacturers/Co-packagers)**

Note: Each case label should be submitted to 1440 Foods for approval prior to shipping.

Each master case or tray shipped to 1440 Foods must be clearly marked with the following information:

- Part Number(s), as listed on our Purchase Order
  - Description of product
  - Quantity per master case, shipper, or carton
  - Manufacturer's Lot Number – must include a scan-able bar code version of the lot number
  - Expiration Date
  - Scan-able version of the 14-digit case code
  - Storage conditions
- 

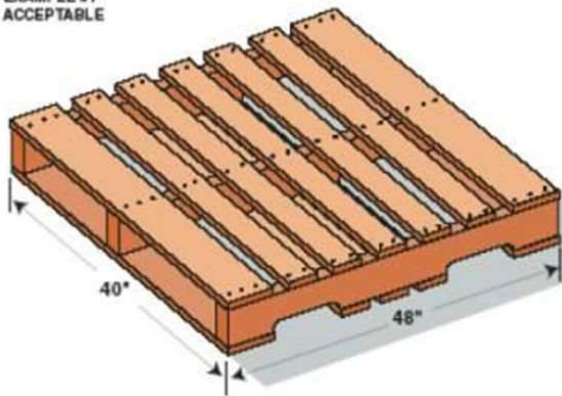
### **Delivery Requirement #3: Pallet Requirements**

In lieu of a mutually agreed upon Packaging Specification, 1440 Foods requires that all pallets shipped into 1440 Foods facilities meet or exceed the following:

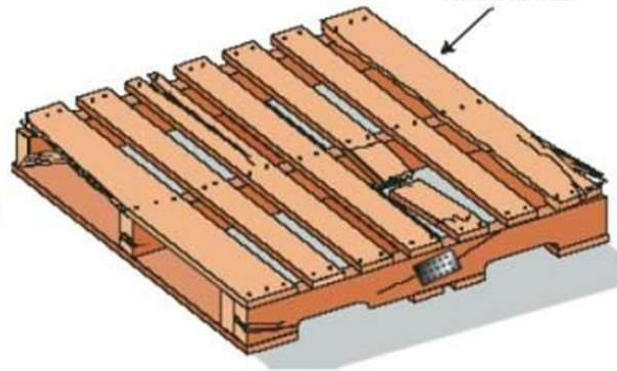
- 1) Pallets meet Grocery Manufacturer's Association (GMA) Grade "A" standards, including:
    - Dimension: 40" x 48"
    - Material: GMA, Group III or IV, hardwood, clean saw
    - Deck Coverage: Top Deck 63%; Bottom Deck 47%
    - Grade: Grade "A", 4-way, flush and non-reversible
      - Sound material, free of knots
-

- Minimum seven (7) top boards, minimum five (5) bottom boards, and three (3) stringers
- 2) No missing or broken boards on top or bottom.
- 3) No double stringers, patched boards or metal repair plates.
- 4) All stringers are solid, not broken and/or having cracks visible from three sides and longer in run than one inch. Weathering cracks that are not continuous and not visible from three sides are allowable.
- 5) Pallets are not required to be bleached white but should be clean and odor free. Clean pallets are free of debris and stains, but discoloration due to aging is acceptable.
- 6) No cracks on the top or bottom boards greater than 1/8" wide and 15" inches in length.
- 7) No exposed splinters greater than 3" inches in length.
- 8) No tapered breaks with a depth greater than 1" inch along a 10" inch or more run. If at the 10" inch distance, the depth is less than 1" inch, the pallet is acceptable. The pallet is unacceptable if the 1" inch depth runs the entire length of the board.
- 9) Nail heads or nail points are not to exceed 1/8" exposure from the surface of the wood. Pallets will not be rejected because of exposed nails unless the top and bottom board surface between nail head and stringer has been destroyed.
- 10) No partial footings. Partial footings occur when 1/4 of a stringer board width or length that connects it to the bottom board has been removed or when securing nail shanks are exposed in the stringer.

EXAMPLE #1  
ACCEPTABLE



EXAMPLE #2  
UNACCEPTABLE



Additionally...

- Unless we agree in writing to vary from the below requirements, total pallet height maximums for all facilities must not exceed the following:
  - Total pallet height (Pallet and Product) for Finished Products & Bulk: \_\_\_\_\_ 48"
  - Total pallet height (Pallet and Product) for Plastic Bottles: \_\_\_\_\_ 94"

**Special note:** Delivery of plastic bottles to 1440 Foods facilities should be on **double-stacked 40" x 48" pallets**, with each pallet individually shrink wrapped, strap banded and skid tagged. The total height of the pallet "tower" **should not exceed 94"** and the entire "tower" should be strap banded for stability (reference Exhibit B). Additionally, each pallet needs to contain the same lot # - no mixed lot #s on the same pallet.

- Total pallet height (Pallet and Product) for Caps and Bottles: \_\_\_\_\_ 76"
- Total pallet height (Pallet and Product) for Corrugated: \_\_\_\_\_ 88"
- Total pallet height (Pallet and Product) for Raw Materials: \_\_\_\_\_ 48"
- Maximum weight on a single pallet must not exceed 2,400 pounds.
- Boxes must not hang off the sides of pallets.

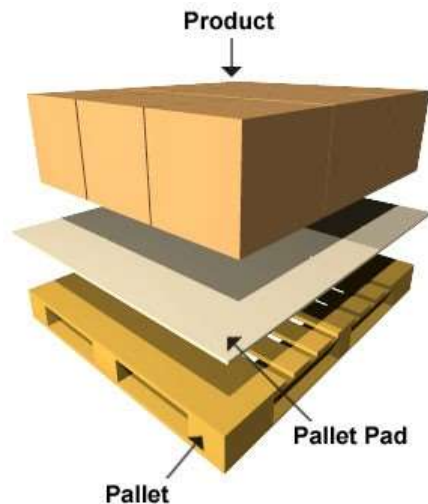


- Other than delivery requirements identified above for plastic bottles, pallets must not be double-stacked without our prior written approval.
  - All pallets must be shrink-wrapped and strapped completely to ensure stability during transit. The load must be secure and stable. Any shipment found to be tipped over or on the trailer floor may be rejected or a surcharge may be assessed to cover re-work costs.
  - You must clearly mark all drums and cartons with a warning to indicate if a desiccant is included in the container.
  - We will not accept **Materials** supplied in drums with wooden lids/covers.
  - If the **Materials** are chemicals, a Material Safety Data Sheet (MSDS) must accompany the initial order.
  - Pallet labels will conform to the sample identified as Exhibit A, and include the following information:
    - Supplier Name
    - Purchase Order Number
    - Part Number(s), as listed on our Purchase Order
    - Product Description
    - Expiration Date
    - Manufacturer's Lot Number(s)
- 

#### Delivery Requirement #4: Use of Slip-Sheet (Pallet Pad) on all Palletized Deliveries

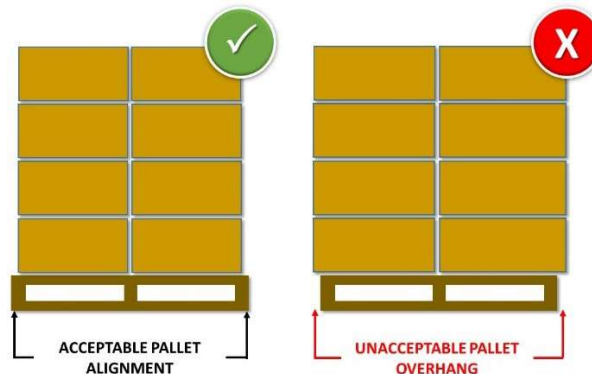
Deliveries of **Materials** on a pallet(s) must include the use of a slip-sheet (pallet pad) to act as a barrier between the pallet and the bottom of the product (box, bag, barrel, etc.). Slip-sheet should adhere to the following (minimum) specifications:

Material: Recycled Chipboard  
Size: 40" x 48" and not over-lapping the pallet  
Gauge / Thickness: 22 point board



#### Delivery Requirement #5: No Pallet Overhang

Deliveries of **Materials** on a pallet(s) must not overhang the physical dimension of the pallet.



#### Delivery Requirement #6: No Split or Partial Shipments

**Materials** should not be delivered in split or partial shipments. Please make arrangements with the delivering carrier to ensure that we receive all items shipped against open Purchase Orders on the same business day. All shipments should consist of a single lot or multiple complete lots to minimize our internal testing requirements.

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#### Delivery Requirement #7: Delivery Shortages and Overages

Each shipment is subject to count and recount and must match against the Packing List. 1440 Foods will not impose a surcharge for shortages. However, we will not pay for **Materials** that we do not physically receive. We will communicate shortage information to Suppliers and we will 'short pay' invoices.

With regards to over shipment of **Materials**, at our option, we may elect to accept over shipments up to 10% of the originally ordered quantity or we may elect to return any/all unauthorized over shipments at Supplier's expense.

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#### Delivery Requirement #8: Return/Disposal of Defective, Non-Compliant or Unusable **Materials**

1440 Foods will notify Supplier of any delivered **Materials**, in full or partial quantities, that are found to be defective, non-compliant and/or unusable as a result of not passing our inspection procedures. All costs associated with the return and/or disposal of non-compliant, defective and/or unusable **Materials** will be at the Supplier's expense.

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## Delivery Requirement #9: On Time Delivery

Supplier should acknowledge receipt of our Purchase Order by providing a confirmed Promise Date (estimated Delivery Date) within 2 business days following receipt of PO.

Specific to deliveries against Purchase Orders listing Freight Terms other than FOB Origin, Freight Collect:

- If, for any reason, supplier expects a delivery against our Purchase Order to arrive outside the acknowledged Delivery Date window (-3 business days to +0 days from the delivery date specified on the Purchase Order), supplier must immediately inform the Company's Procurement department and the Buyer identified on the Purchase Order by phone or email listed on our Purchase Order.
- Company has the right to cancel a Purchase Order if **Materials** are more than thirty (30) days late from the last acknowledged Promised Date of the PO.

Note: Should there be any questions about any terms or conditions on our Purchase Order, such as price, freight or payment terms, Supplier must first advise the Buyer identified on the Purchase Order about the issue by phone or email at least forty-eight (48) hours before scheduled delivery. We will return a Purchase Order, revised to reflect any changes we approve by e-mail. Generally, the Purchase Order number will not change. It is the Supplier's responsibility to follow up with the Buyer to be sure the Supplier receives the revised Purchase Order.

If this process is not followed, deliveries made under our Purchase Order constitute acceptance of all terms, dates, prices and quantities as stated on the original Purchase Order.

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**All Price changes must be communicated to the appropriate Category Manager in writing with ninety (90) days advance notice and should include a detailed explanation for the increase.**  
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## Quality Assurance Requirements

1440 Foods may enter into standalone written quality agreements with its Suppliers (“Quality Agreement”). In the event that a Quality Agreement exists, if the terms and conditions agreed to as part of the Quality Agreement conflict with any terms or conditions contained in this Guide, then, with respect to such conflict, the terms and conditions contained in the Quality Agreement shall take precedence over those listed in this Guide.

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### QA Requirement #1: Delivery and Truck Inspection

1440 Foods does not accept any **Material** until it has passed our inspection procedures. Inspections may include sampling and inspection of the **Material** for any visually observable defects or contamination and verification of the chemical, physical, or microbiological properties required by our specification and the information included in the Certificate of Analysis (“CoA”).

All **Materials** received must be perfectly and absolutely clean. Imperfect or unclean goods will be rejected. All Materials received must be shipped in a clean truck/trailer, clear of any pest infestations, odor and damage.

For LTL (less than truckload) shipments, the **Material** will be shipped with only other food grade materials and no chemicals or toxic substances should be present in the truck/trailer. An inspection of the other products in the trailer will be done prior to receipt to confirm that none of the product would be harmful to 1440 Foods product should a spill occur (ex. Chemicals). If such substances are found, the shipment will not be accepted.

We may require a Standard Information on Dietary Ingredients (SIDI) form confirming the **Material's** “country of origin” as well as all other information required by our specifications. Our Quality Assurance department will notify you if this information is required.

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### QA Requirement #2: Specifications

1440 Foods may revise specifications for future deliveries of **Materials**. Our Procurement department will provide any specification revisions, to which Suppliers must strictly adhere. Suppliers must verify that the **Materials** provided to 1440 Foods conform to our current specifications. 1440 Foods will not accept **Materials** that do not conform to its current specifications.

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### QA Requirement #3: Certificates of Analysis (CoA)

Where required, Supplier must provide a hard-copy Certificate of Analysis (CoA) as part of the delivery of all **Materials**. In addition to providing the hard-copy CoA, Supplier must also email an electronic copy of the CoA concurrently or prior to the delivery of the **Materials**. Electronic copies of the CoA should be emailed to [gsquality@1440foods.com](mailto:gsquality@1440foods.com)

Any CoA arriving later than the day of the delivery of **Materials** may result in the issuance of a surcharge, at our discretion, as well as the issuance of a Supplier Corrective Action Report (SCAR) to allow the Supplier to document corrective and preventative actions moving forward.

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Please note that when submitting an electronic copy of the CoA, the emailed CoA should reference the Purchase Order number within the subject line of the email. For example, if the Purchase Order is listed as No. 248737, please type the following into the subject line of the email.

All CoAs, whether hard-copy or electronic must contain the following information relating to the **Materials**:

1. Supplier name and lot number (and manufacturer's name and lot number if Supplier is not the manufacturer);
2. Expiration date;
3. Manufacturing and packaging dates;
4. Relevant technical data; and
5. Analytical, chemical and microbiological data, as required by our specifications.
  - a. **For Contract Manufacturers of Turnkey or Contract Bulk (Dietary supplements):**
    - i. The Supplier will provide full testing according to the agreed specification on the initial three (3) unique production lots and one additional production lot every year supplied to 1440 Foods. All results must be provided on COA.
    - ii. Microbiological testing will be performed by the Supplier on all lots as defined in the specification and the results will be provided on the COA.
    - iii. For all other production lots received, the testing frequency for analytical/Chemical parameters will be defined on the agreed upon product specification.
  - b. **For Contract Manufacturers of Turnkey or Contract Bulk (Food, Cosmetics):**
    - i. The Supplier will provide full testing according to the agreed specification on the 1<sup>st</sup> unique production lot and one additional production lot every year supplied to 1440 Foods. All results must be provided on COA.
    - ii. Microbiological testing will be performed by the Supplier on all lots as defined in the specification and the results will be provided on the COA.
    - iii. For all other production lots received, the testing frequency for analytical/Chemical parameters will be defined on the agreed upon product specification.
  - c. **For Co-Packed Items:**
    - i. Microbiological testing will be performed by the Supplier on all lots as defined in the specification and the results will be provided on the COA.

All CoAs must be signed and dated by an authorized representative of the company. The name and title of the signatory must be printed on the CoA.

The CoA must be no older than eight (8) months from the date the **Materials** are delivered, as evidenced by the authorized signature date.

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#### **QA Requirement #4: Certificate of Compliance (CoC) for Packaging Components**

Where required, Suppliers must provide a hard-copy Certificate of Compliance (CoC) as part of the delivery of all packaging components. In addition to providing the hard-copy CoC, Supplier must also email an electronic copy of the CoC concurrently or prior to the delivery of the packaging components. Electronic copies of the CoC should be emailed to [gsquality@1440foods.com](mailto:gsquality@1440foods.com)

Any CoC arriving later than the day of the delivery of the packaging components may result in the issuance of a surcharge, at our discretion, as well as the issuance of a Supplier Corrective Action Report (SCAR) to allow the Supplier to document corrective and preventative actions moving forward.

Please note that when submitting an electronic CoC, the emailed CoC should reference the Purchase Order number within the subject line of the email. For example, if the Purchase Order is listed as No. 248737, please type the following into the subject line of the email.

All CoCs, whether hard-copy or electronic must contain the following information relating to the packaging components:

1. Supplier name and lot number (and manufacturer's name and lot number if Supplier is not the manufacturer);
2. Part Number;
3. Component description;
4. Manufacturing dates;
5. Relevant technical data, and
6. Statement assuring compliance with 21 CFR117 and that the item was manufactured under U.S. Good Manufacturing Practices.

All CoCs must be signed and dated by an authorized representative of the company. The name and title of the signatory must be printed on the CoC.

The CoC must be no older than eight (8) months from the date the packaging components are delivered, as evidenced by the authorized signature date.

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#### **QA Requirement #5: Fill Weight Verification for Raw Materials Only**

In adherence to U.S. Food and Drug Administration (FDA) 21 CFR Part111 (sub-part H), 1440 Foods will be conducting verification of the fill weight of raw material containers supplied to us under a Purchase Order. To assist us with the weighing activities of our Raw Material Fill Weight Verification Program, we will require raw material Suppliers to list the container **Tare Weight** and **Net Weight** on all raw material container labels. Such labels will be required to be on each raw material container and not the pallet. Please note that the Tare

Weight should reflect the total weight of the complete shippable container (e.g.: drum, cover, closure ring, etc.).

1440 Foods has established an acceptable Net Weight tolerance range of not less than 0.5% and not greater than 1.0% (-0.5% / +1.0%) of the actual Net Weight of the material versus the Net Weight listed on each raw material container label. If the actual Net Weight of the material in the container does not fall within this tolerance range, 1440 Foods reserves the right to reject the lot and not accept future shipments of the rejected lot. In such cases, 1440 Foods' Quality Assurance department will initiate a Supplier Corrective Action Report (SCAR) to be sent to you to allow you to document corrective and preventative actions moving forward.

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#### **QA Requirement #6: Supplier Corrective Action Response (SCAR) Report**

1440 Foods expects our approved Suppliers to comply with good manufacturing practices applicable to the appropriate U.S. Food and Drug Administration (FDA) 21 CFR Part number and to strive for continuous improvement. If deemed necessary, we will send Supplier a SCAR/NCR when Materials do not meet 1440 Foods' specifications and/or when a Supplier repeatedly disregards the guidelines and requirements listed in this Guide.

Suppliers must respond to our corrective or preventive action request within thirty (30) days from the time of receipt of the NCR/SCAR report, and in no event later than the next delivery of Materials to 1440 Foods. Failure to respond will directly affect the Supplier rating and may jeopardize the Supplier's future business relationship with 1440 Foods.

The Supplier's response to our corrective or preventative action request must completely address the issues presented in the SCAR by performing root cause analysis. Supplier's response must delineate an action plan to prevent future recurrence of the problem. 1440 Foods will carefully evaluate the response for adequacy, potential changes to our processes and products, and completeness of the resolution.

All Supplier corrective action responses must be verified by our site Quality Manager to determine if the response has the potential to alter the chemical or physical nature of our products. We expect Suppliers to self-evaluate all corrective or preventative action responses to ensure that future Material deliveries fully comply with our specifications and this Guide. 1440 Foods may request evidence of such self-evaluation at any time or we may choose to audit your facilities.

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#### **QA Requirement #7: Supplier Qualification Process - Questionnaire, CAPA Responses & Third Party Audit Certifications**

As part of the Supplier Qualification process, 1440 Foods will require all of its Suppliers to submit a complete **Supplier Qualification Questionnaire** (A stand-alone document separate from this Guide but incorporated by reference herein). Upon review and risk assessment of the **Supplier Qualification Questionnaire** performed by 1440 Foods' Global Supplier Quality (GSQ) group, an on-site audit of the facility may be required.

If any deficiencies are noted as part of an on-site audit, the Supplier must submit CAPA responses to these observations. The CAPA responses should be submitted within thirty (30) days after the report is submitted to the Supplier or such other time mutually agreed to in writing by both parties.

1440 Foods requires that all of its Suppliers/Contract Manufacturers are audited and certified for Current Good Manufacturing Practice (“cGMP”) through an accredited independent third-party organization (other than non-regulatory agencies such as FDA, USDA, etc.) and have a valid certification prior to being considered for the qualification process. The Supplier must submit copies of the certifications during the qualification/approval process.

Once qualified, the Supplier must ensure that the certifications are renewed and maintained. A Supplier’s inability to maintain applicable third-party certifications may result in the disqualification of the Supplier.

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#### **QA Requirement #8: Non-Acceptance of Materials on FDA Hold**

1440 Foods will not accept any **Materials** that are on FDA Hold. Suppliers shall make all efforts not to ship **Materials** that are on FDA Hold as such **Materials** will be refused at the point of delivery. Should 1440 Foods inadvertently accept delivery of **Materials** that are later found to have been on FDA Hold at the time of delivery, 1440 Foods will subsequently notify the Supplier to remove the **Materials** at the Supplier’s expense.

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#### **QA Requirement #9: Allergen Control**

Food allergens and any required gluten control shall be managed and labeled in accordance with regulations in local and destination market(s). 1440 Foods requires a letter from Supplier that guarantees the **Materials** that 1440 Foods purchases do not contain undeclared allergens (FALCPA compliance).

Suppliers must have a documented Allergen Control Program with supporting documentation. Elements of an Allergen Control Program must include:

- Risk assessment;
- Ingredient and ingredient Supplier allergen controls including proper segregation, identification, storage and handling of allergens;
- Operational practices such as scheduling, rework, equipment/tool usage and maintenance practices;
- Documented sanitation programs targeted for allergen including allergen, cleaning, and sanitation processes of product contact surfaces between line changeovers qualified and verified at a frequency to demonstrate control;
- Document Corrective Action when an allergen residue is detected via the verification process;
- Labeling and packaging controls; and
- Consumer complaint investigation, training and auditing for management of food allergens.

Supplier will have an Allergen Process Flow diagram - or “Allergen Map” - for each facility to identify where allergenic ingredients and foods exist in each plant and where they are introduced into the process. All documentation must be available to 1440 Foods upon request.

Supplier’s Allergen Control Plan must be reviewed regularly and updated when necessary – especially when new ingredients are added, when processes or protocols are changed, or when new products or equipment

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are introduced into the plant. 1440 Foods requires Supplier to notify 1440 Foods of any changes to the allergen status of the ingredients they supply to 1440 Foods prior to any changes.

Supplier shall ensure that allergenic ingredients are shipped in clearly marked, sealed containers and that the containers are not damaged or broken at time of shipment.

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#### **QA Requirement #10: Bisphenol A (BPA) Absence Continuing Guarantee**

1440 Foods does not accept any packaging components that contain or are processed with Bisphenol A (“BPA”). Through acknowledgement of this Guide and/or fulfillment of any order, Supplier guarantees that any current or future **Materials** that 1440 Foods purchases do not contain and/or are not processed with BPA. Should BPA be found to be present in any **Materials** provided to 1440 Foods, Supplier will be obligated to defend and indemnify 1440 Foods for any claims or expenses that 1440 Foods incurs as a result. Additionally, should 1440 Foods inadvertently accept delivery of **Materials** that are later found to contain or have been processed with BPA, 1440 Foods will subsequently notify the Supplier to remove the **Materials** at the Supplier’s expense.

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#### **QA Requirement # 11: CFR 111, 117 or 210/211 FSMA and FSVP Compliance**

In order to become a qualified Supplier for 1440 Foods, suppliers/contract manufacturers and distributors must be in compliance with the applicable regulations related to the industry they operate in (CFR 111 Dietary Supplements, 117 Food Industry or 210/211 Pharmaceutical/OTC), whichever is applicable, and have a Foreign Supplier Verification Program (FSVP) in place (if applicable).

Food Manufacturers must have the following at their sites prior to being considered as an approved/qualified Supplier:

- Documented Hazard Analysis and Preventive controls (PCHF/Food Safety Plan); and
  - Documented Supply Chain Program.
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#### **Foreign Supplier Verification Program (FSVP)**

Unless exempt, or subject to modified requirements, the Supplier will need to perform the following activities under FSVP:

- Use a qualified individual to develop an FSVP and to perform FSVP activities.
  - Perform a hazard analysis that includes identifying known or reasonably foreseeable hazards associated for each type of food and determining whether they require a control.
    - Potential hazards include biological, chemical and physical.
  - Evaluate risk posed by the food and the performance of the foreign supplier
  - Conduct appropriate supplier verification activities to provide assurance that the hazard requiring a control in the food has been significantly minimized or prevented. This may include:
    - Annual on-site audits (must be performed by a qualified auditor);
    - Sampling and testing of a food;
    - A review of the supplier’s relevant food safety records;
    - Take corrective actions (if necessary) and investigate the adequacy of the FSVP; and
    - Re-evaluate the foreign supplier at a defined frequency.
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- Identify the FSVP importer when filing for entry with the U.S customers and Border Protection.
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### **Additional QA Requirements**

#### **EU, Kashrut (Kosher) Halal, Organic, Gluten-Free Certification Organization (GFCO), Non-GMO etc. Certification Compliance**

When required by the Purchase Order, or 1440 Foods' specifications, Supplier must provide documents evidencing compliance with European Union regulations and directives, or compliance with laws of Kashrut (Kosher), Halal, Organic, Gluten-Free Certification Organization (GFCO), Non-GMO concurrently with or before the delivery of the **Materials**. 1440 Foods' products will be exclusively listed on Supplier's certificate, and none of the Supplier's other customer's products can be listed on Supplier's certificate without Nature Bounty's prior written consent. If 1440 Foods provides its consent, then Supplier will reduce any additional fees previously approved by 1440 Foods relating to such certification. Supplier cannot withdraw any Material from a certification program without Nature Bounty's consent.

#### **Material Shelf Life**

Deliveries of **Materials** must have at least three quarters (75%) of the overall shelf life remaining at time of delivery to our facility.

#### **Change Control and Notification**

After Supplier completes 1440 Foods' qualification/approval process and is approved by 1440 Foods, if there are any changes to the Materials or any raw materials, packaging materials, equipment, manufacturing/packaging processes and records, specifications, test methods, and release requirements related to the Materials, Supplier must provide 1440 Foods team [gsquality@1440foods.com](mailto:gsquality@1440foods.com) advance written notice of such changes and such changes must be approved by 1440 Foods.

#### **Maintaining Qualified/Approval Status**

Suppliers must provide 1440 Foods with updated **Supplier Qualification Questionnaires and Third party Certificates** as requested by 1440 Foods.

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## **Procurement Policy**

1440 Foods greatly values partnerships with our approved Suppliers and strives to maintain and improve these relationships through best-in-class business practices and ethical standards. We are committed to conducting all aspects of our business affairs with the highest degree of professionalism, integrity and honesty. To that end, we have established guidelines for our employees, consultants and partners with purchasing responsibilities.

All of our authorized Buyers and Category Managers are expected to make responsible and informed buying decisions, without prejudice, for the overall benefit of the company. We pride ourselves on being a culture where strong business analytics are leveraged and purchasing decisions are made on the basis of how our needs are best served. We regularly review purchasing requirements, inclusive of quality, service and cost, and evaluate their competitiveness. Generally, if we determine that we can realize a greater benefit through a different Supplier or product mix, we will notify our current Supplier(s) that we are making a change.

We hold all our authorized Buyers and Category Managers to the highest professional standards and require that they conduct business in a professional and honest fashion. When working with our authorized Buyers and Category Managers our approved Suppliers can expect the following.

### **Confidentiality**

- For all pricing, product specifications, strategic planning and proprietary information that you designate as confidential, we will treat that information as confidential, and will not discuss this information with anyone other than authorized employees, consultants and agents, or as may be required by law, regulations or legal process.
- Should you require a confidentiality agreement be in place before sharing information with 1440 Foods, please contact our team (at [WSNSupplierManagement@1440Foods.com](mailto:WSNSupplierManagement@1440Foods.com)) to receive our standard confidentiality agreement.

### **Appointments**

- Our authorized Buyers and Category Managers will make every effort to be prompt and available at the scheduled time and location.
- We are sensitive to the time and expense associated with business travel, and, if the Buyer and/or Category Manager you are scheduled to meet with are unavailable for any reason, we will try to notify you at least thirty-six (36) hours before the scheduled meeting time.
- If we are unable to provide prior notice, another authorized Buyer or Category Manager will attend the scheduled meeting, however you may request a new meeting with the original individual(s) at a later date, if you prefer.

### **Ethics**

- We hold all of our employees to the highest standards of ethics and performance. All transactions with existing or prospective Suppliers will be conducted in an honest and professional manner.
- We pride ourselves on prompt and accurate payment of all agreed upon invoices. Should you have a concern or question about payment, you should contact your authorized Buyers and Category Managers immediately. You can expect a prompt response to your communication.

### **Gift & Entertainment Policy**

- Under our company policies, when dealing with customers, partners, and/or Government officials (as defined below), our employees must ensure they offer, give, and receive gifts, provide meals or

entertainment, and pay for travel only if it is of reasonable value, complies with the recipients' local laws and corporate regulations, is not given with any corrupt intent to improperly influence the person's actions or decisions, and is infrequent. In addition, offering or providing a gift to a Government Official is not permitted, unless express written approval of 1440 Foods' President is obtained. "Government Official" means: (i) any official, officer, employee, or representative of (a) any federal, state, provincial, territory, county or municipal government or any department or agency thereof, (b) any public international organization or any department or agency thereof, or (c) any company or entity owned or controlled by any government; (ii) any political party or party official; and (iii) any candidate for political office.

- For purposes of our policy, a "gift" means any gift, gratuity, favor, benefit, discount, forbearance, or other tangible or intangible item having monetary value for which the recipient does not pay fair market value. A "gift" also includes meals, drinks, entertainment and recreation (tickets, passes, etc.), services, training, transportation, discounts, promotional items, lodging, gift cards or door prizes.
- If any of our employees purchases merchandise directly from you for personal use, or for the personal use of the employee's friend or relative, you must invoice the employee at a price not less than established wholesale prices.
- If you become aware of an employee requesting goods or services for personal gain or consideration in violation of our policy, you are obligated to report this directly to [website](#). Your violation of this policy can result in your being barred from future business dealing with 1440 Foods. Employee violation or abuse of this policy may result in the employee's immediate termination.
- We believe this policy supports our mission to deliver the highest quality nutritional supplements with the best value to our customers.

#### **Labor Law Compliance**

- We only do business with Suppliers that comply with all applicable wage and hour laws, rules and regulations, including all such laws, rules and regulations of the countries in which they do business.
- We only do business with Suppliers that comply with all applicable child labor laws, rules and regulations, including all such laws, rules and regulations of the countries in which they do business.
- We only do business with Suppliers that comply with all applicable laws, rules and regulations regarding slavery, forced and compulsory labor and human trafficking, including the U.K. Modern Slavery Act 2015 and all such laws, rules and regulations of the countries in which they do business.
- We expect our Suppliers to require that the contractors and subcontractors with whom they do business also comply with all applicable wage and hour, child labor, forced and compulsory labor and slavery and human trafficking laws, rules and regulations, including the U.K. Modern Slavery Act 2015 and all such laws, rules and regulations of the countries in which they do business.

1440 Foods shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

1440 Foods shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**If you learn of any violation of this Purchasing Policy, please report it to [website](#)**

## Standard Terms and Conditions

1. **Complete Agreement.** In the absence of a specific, written, fully executed supply or vendor agreement between you and us governing the purchase of **Materials** ("Supply Agreement"), this Guide, together with each Purchase Order, constitutes the entire agreement between you and us, with respect to the purchase of **Materials**. In the event that a Supply Agreement exists, if the terms and conditions agreed to as part of the Supply Agreement conflict with any terms or conditions contained in this Guide, then, with respect to such conflict, the terms and conditions in the Supply Agreement shall take precedence over those listed in this Guide. No terms or conditions of sale set forth in your quotation, order, invoice, or sales acknowledgment, or in any other document or conversation constitute any part of the agreement between you and us concerning our purchase unless we expressly agree to those terms in a writing signed by an authorized officer of 1440 Foods. This Guide governs all past and future transactions between you and us, unless we provide additional or different terms and conditions, in which event those additional terms and conditions will govern if you choose to sell us goods or services after the effectiveness of such terms. Your proceeding in any way with the transactions or deliveries contemplated by the Purchase Order, including acknowledging and accepting an order, or your partial or complete delivery of goods to us, constitutes your acceptance of these terms and conditions.
2. **Payments; Set-Off.** Upon submission of proper invoices in accordance with this Guide, we will pay the prices specified in the Purchase Order for goods and/or services delivered and accepted. We will not allow any additional fees or charges of any kind, including charges for boxing, packing or crating, unless we specifically agree to these fees in writing in advance. We will pay invoices under our standard payment terms after the later of (i) the date we accept the goods, and (ii) the date we receive a proper invoice for the goods in question, unless otherwise provided in the Purchase Order. We have the right (but not the obligation) to set off our claims (liquidated or unliquidated) against payments you claim we owe you or anyone else under the Purchase Order, whether or not the claims arise from the Purchase Order. You represent and warrant to us that no sales tax or use tax is included in the selling price, and, to the extent applicable, you will charge tax as a separate line item and cooperate with us to obtain available tax exemptions. Except as provided above, you further represent that the price in the Purchase Order includes all foreign, federal, state and local taxes. We will not incur interest, late charges or penalties of any nature on payments for shipments that are subject to dispute.
3. **Regulatory Inspections (Ex. FDA) and On-Site Audit by 1440 Foods.**
  - (a) Financial Audit. Supplier shall keep and maintain proper records and books of account relating to the determination of its pricing of **Materials**, and shall retain such records and books for at least five (5) years following the last date on which we purchase such **Materials** from you. Supplier shall, upon request of 1440 Foods, provide 1440 Foods with reasonable access to such records to verify the Supplier's calculation of price. If the audit reveals that pricing charged to 1440 Foods was in excess of what should have properly been charged, Supplier shall, within fifteen (15) calendar days reimburse 1440 Foods for the overcharge revealed by such audit, plus interest at a rate of five percent (5%) per annum or the maximum then permitted by applicable law, whichever is less, from the payment of the overcharge until reimbursed by Supplier. In addition, if the overcharge is greater than five percent (5%), the Supplier shall also reimburse 1440 Foods for out-of-pocket costs of the audit, including the fees and expenses of the independent auditor. Amounts to be reimbursed to 1440 Foods shall be paid in immediately available funds on demand from 1440 Foods or through 1440 Foods offset against any amounts owed by 1440 Foods to Supplier.
  - (b) Regulatory Authority Inspections and Communications. Supplier shall notify 1440 Foods by telephone immediately, and in writing within twenty-four (24) hours after learning of any proposed or

unannounced audit, visit or inspection of its facility by any regulatory authority concerning the **Materials** or related to Supplier's systems, equipment, materials, and/or processes that may impact Supplier's ability to manufacture **Materials** in accordance with this Guide and any applicable law, ruling, regulation, act and order. When the inspection is directly related to the **Materials**, Supplier shall permit 1440 Foods and its respective representatives and agents to be present and participate in such visit or inspection, to the extent reasonably practicable.

- (c) Supplier will immediately notify 1440 Foods and forward, not later than twenty-four (24) hours after receipt, written copies of any documents, reports, correspondence and notices from any regulatory authority relating to the **Materials** or related to Supplier's systems, equipment, materials, and/or processes that may impact Supplier's ability to manufacture **Materials** including (A) audits or requests for audits of its facility or any other facility at which **Materials** is manufactured, (B) inspectional observations (Form FDA 483s), (C) warning letters, (D) recall notices, and (E) any other correspondence, report or other written document that relates directly, or may reasonably be expected to relate, to the foregoing or the **Materials**, any equipment, materials or manufacturing process used in the manufacture of the **Materials**, or any other written communication that may reasonably have an impact on the ability of Supplier to manufacture the **Materials**. Supplier shall consult with 1440 Foods concerning Supplier's response to each such communication that relates directly to the **Materials**, the facility, or any equipment, materials or manufacturing process used in the manufacture of **Materials**, and shall provide 1440 Foods with a copy of all draft and final responses to the regulatory authority for review, comment and approval as soon as possible and not less than five (5) business days prior to Supplier's submission thereof (or such shorter time if necessitated by then applicable circumstances). 1440 Foods shall provide its comments and approval as soon as reasonably practicable following receipt of Supplier's proposed submission, but in any event within five (5) business days (unless a shorter time is necessitated by then applicable circumstances).
- (d) Observation and Audits by 1440 Foods. Supplier shall, upon the request of 1440 Foods, provide 1440 Foods with reasonable access to its facility to permit 1440 Foods and its representatives and agents to observe the manufacturing of **Materials**. In addition, 1440 Foods and its representatives and agents shall have the right to conduct quality audits of the facility from time-to-time, either directly or through a third party auditor, during regular business hours upon reasonable prior notice to Supplier. The costs of such audit shall be borne by the Supplier. The right to such audit includes the right to inspect (a) the materials, (b) the storage facilities for the materials and any **Materials** inventory, (c) the equipment, (d) all records relating to the manufacture of the **Materials** and the facility (copies of which records may be retained by 1440 Foods for post-inspection review and reference), and (e) such other items as may be specified in this Guide. Supplier shall have the right to be present during the inspection and shall in any event cooperate with 1440 Foods' inspectors and will provide 1440 Foods and its representatives and agents with copies of all documents and records that 1440 Foods reasonably requests to perform its quality Audits. Following any inspection, 1440 Foods shall discuss its observations and conclusions with Supplier, and Supplier shall, within sixty (60) days or such other time mutually agreed to in writing by the parties, implement such corrective actions as the parties reasonably determine to be necessary
- (e) Quality Inspections by Supplier. You, or a third party engaged on your behalf, as well as any lower-tier suppliers, will conduct your own quality control inspections and testing on the **Materials** in accordance with the highest industry standards. You will provide us with the results of any such inspections or tests before delivery of the **Materials**. In addition, if you engage a third-party to inspect or test such **Material**, or such inspection is performed by a lower-tier supplier, you will confirm that such third-

party, or such supplier, maintains all reasonable facilities and a quality control systems for such testing and inspection in accordance with the highest industry standards and satisfactory to us.

4. **Rejected Materials.** We, or our agents, will conduct a final inspection and accept or reject **Materials** at our facility designated for delivery, notwithstanding any prior payment, inspection or acceptance. We may, at our sole discretion, reject, and hold at your expense, all **Materials** that (i) fail our inspection, (ii) do not conform to the Purchase Order, (iii) do not conform to our specifications, or (iv) do not conform to the terms of this Guide. Without limiting any of our other rights, we, at our sole discretion, may: (i) require you to replace, at your expense, any rejected **Materials**; or (ii) require you to refund the price of any rejected **Materials**. You may not retender rejected **Materials** unless you notify us, in advance, of such past rejection and we consent in writing to such retender. The inspection and testing by us or our customers or agents of any items or lots thereof does not relieve you from any liability arising from any failure to conform to the requirements of the Purchase Order or this Guide.

5. **Advance Manufacturing or Procurement.** Supplier will not, without our prior written consent, manufacture **Materials** or procure materials for the purpose of manufacturing **Materials** in advance of your normal flow time or deliver in advance of schedule. We may return **Materials** that are shipped to us later than, or substantially in advance of, scheduled delivery dates, at Supplier's expenses and risk of loss. Supplier will not be liable for delays in delivery due to acts of God, floods, fire, war, riot, strikes or damage in transit beyond your reasonable control as long as Supplier exercises due care in the delivery of the **Materials** and provides us with advance written notice of such delay (each an "Excused Delay"). In the event of an Excused Delay, at our option, we may: (i) terminate the Purchase Order without liability to Supplier, or (ii) agree in writing to a revised delivery schedule. Except in the case of Excused Delays, if we accept a delivery of **Materials** after the date of delivery set forth in the Purchase Order, we may direct you to make shipment of such **Materials** to the delivery point set forth in the Purchase Order by the most expeditious means. The additional cost of such expedited shipping and handling will be borne by the Supplier. Acceptance of late deliveries will not be deemed a waiver of any of our rights to hold you liable for any loss or damages resulting from such delay, nor will it modify any of your other obligations to make future deliveries in accordance with the delivery schedule set forth in the Purchase Order.

6. **Representations and Warranties.** Supplier hereby makes the following representations and warranties with respect to this Guide, each Purchase Order and the **Materials** delivered to us, which representations and warranties will be deemed to be repeated and confirmed upon the creation of any new Purchase Order and the delivery of **Materials** pursuant thereto.

- (a) The price of the **Materials** is your lowest price in effect as of the Purchase Order date for comparable quantities of similar items under similar circumstances. If either you or we discover at any time that the price violates this Section 6, you will, within thirty (30) days thereafter, pay to us in cash or credit us, at our option, an amount equal to such difference.
- (b) The **Materials** conform to any specifications contained in the corresponding Purchase Order and to any samples, specifications and descriptions incorporated therein, as described in all marketing and advertising materials provided to us, and as made or referred to in the negotiation or solicitation of the Purchase Order and are free from defect in design, material and workmanship.
- (c) The **Materials** shall be manufactured and packaged in a FDA compliant manufacturing facility with all required permits, licenses and authorizations, and shall be manufactured, packaged and delivered in a manner which complies with the specifications and all applicable industry standards, laws, rules and regulations including cGMP regulations.

- (d) If Supplier is responsible for the design or formulation of the **Materials**, Supplier represents that the **Materials** are fit and sufficient for our intended purposes. Our approval of designs or formulations furnished by Supplier will not relieve Supplier of its obligations under this warranty.
- (e) The warranties set forth herein will inure to us and our customers and will be in effect as to each item of **Materials** furnished for twenty-four (24) months after we accept such item, or for such longer period of time as may be specified in Supplier's standard warranty or any other warranty, whether express or implied, provided by law.
- (f) The **Materials** are free and clear of any security interest or other lien or encumbrance or adverse claim of any kind and the transfer to us is rightful.
- (g) The **Materials** comply with prices, terms of sales and promotional discounts and allowances with the provisions of the Robinson-Patman Act (as the same may be amended from time to time) and all other trade regulation laws and the rules and regulations issued thereunder.
- (h) The **Materials** were produced or provided in compliance with all applicable requirements of the Fair Labor Standards Act (as the same may be amended from time to time) or any successor thereto, and in accordance with all regulations and orders of the United States Department of Labor issued under that act.
- (i) The **Materials** were produced, or provided, in full compliance with the regulations and orders of the administrator of the Wage and Hour Division and the United States Occupation Safety and Health Act of 1970 (as the same may be amended from time to time) or any successor thereto, and the regulations and orders under that act, in each case as in the effect at the time the goods are shipped to us.
- (j) The **Materials** were produced, or provided, in full compliance with the laws regarding slavery and human trafficking of the country or countries of their manufacture.
- (k) The **Materials** comply with the laws of the United States of America (the "US") and each political subdivision thereof governing weights, measures and sizes, are free of defect and contamination, and none of such Materials are adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act (as the same may be amended from time to time) (the "Act"), or within the meaning of any applicable federal, state or municipal law within which the definitions of adulteration or misbranding are substantially the same as those contained in the Act and are not articles which may not, under the provisions of Section 404, 505 and 512 of the Act, may not be introduced into interstate commerce, in each case as in effect at the time such goods are shipped to us.
- (l) All **Materials** comply with all foreign, federal, state and local laws, rulings, regulations, acts and orders, including the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Caustic Poison Act, all import laws and regulations of the US or any political subdivision thereof and all export laws or regulations of any foreign government or any political subdivision thereof (as the same may be amended from time to time) or any successor thereto, in each case as in effect at the time such goods are shipped to us.
- (m) Neither the sale or use of any **Materials** that were manufactured to designs we did not provide, nor the use of such process or method we did not specifically direct, infringes upon any intellectual property rights, including all US and foreign patents, copyrights, trademarks, trade names or any



proprietary interest granted or recognized by the US or any other foreign government, the statutes or the common law of the US, any political subdivision thereof or any foreign jurisdiction.

- (n) The packaging, labeling, and shipping of all containers of hazardous substances and goods constituting a potential health, poison, fire or explosion hazard conform with all applicable foreign, federal and state laws and regulations in effect at the time such goods are shipped to us.
- (o) The **Materials** are merchantable by us, wholesome and fit for human consumption, as determined by the FDA, and free of defect and contamination.
- (p) The **Materials** have been and may be legally transported and sold under the provisions of any applicable federal, state or municipal law.
- (q) The **Materials** have been exposed to only those chemicals or sprays approved by federal, state and municipal authorities, and any residue in excess of the amount allowed by any such authorities has been removed therefrom.
- (r) The **Materials** are not subject to The Safe Drinking Water and Toxic Enforcement Act of 1986, as amended, promulgated by the State of California (commonly known as "Proposition 65").
- (s) Supplier is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is required; Supplier has the full right, power and authority to perform its obligations under this Guide and each Purchase Order; Supplier has complied, and will comply, with all applicable laws, rulings, regulations, acts and orders as they relate to the performance of Supplier's obligations under this Guide and each Purchase Order; the performance of Supplier's obligations under this Guide and each Purchase Order will not violate, conflict with, require consent under or result in the breach of or default under any material agreement of Supplier.

## 7. **Inventory.**

- (a) If Supplier stores Materials for 1440 Foods at any of the Supplier's facilities or warehouses, or any of the Supplier's agent's facilities or warehouses, then Supplier agrees to provide to 1440 Foods reports relating to the Supplier's inventory of such Materials (an "Inventory Report"), in a format and on a frequency requested by 1440 Foods. 1440 Foods may require that each Inventory Report include, among other things, an accounting of all finished products, raw materials, ingredients, packaging supplies and/or other components: (i) processed and packaged by Supplier in the most recent period, (ii) transferred by Supplier to another 1440 Foods supplier during such period, (iii) deemed to be unusable or waste during such period, and (iv) held by Supplier at the end of such period, along with a detailed listing of all applicable expiration dates. Inventory Reports shall be provided by Supplier at no additional expense to 1440 Foods.
- (b) Supplier shall store and safeguard the Materials stored for 1440 Foods to protect it at all times from theft, damage or other loss in accordance with best practices in the industry and in compliance with the terms of this Guide.
- (c) Supplier may not scrap or otherwise destroy any Materials stored for 1440 Foods without 1440 Foods' prior written authorization. In situations where scrapping or destruction is authorized, Supplier agrees to provide 1440 Foods with written documentation assuring that such Materials have been scrapped or destroyed in a timely manner and by a means approved by 1440 Foods.

- (d) Any reports provided or audits or inspections performed in accordance with this Guide will not relieve Supplier of any of its obligations hereunder.

8. **Changes.** At any time, by written notice from our authorized representative, and without notice to sureties or assignees, we may change the general scope of the Purchase Order in any one or more of the following categories: (i) specifications or descriptions, (ii) method of shipping or packing, (iii) place of inspection, delivery or acceptance, and (iv) delivery schedule. If any change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under the Purchase Order, either Supplier or we may request an equitable adjustment in the price, delivery schedule or both within thirty (30) days from the date of that change. The request for adjustment must be accompanied by an estimate of charges for redundant material, work in process, or both. We will have the right to prescribe the manner of disposition of such redundant material. Nothing contained in this section will relieve Supplier from proceeding without delay in fulfilling the Purchase Order as changed within the general scope of the Purchase Order. Supplier will give us at least sixty (60) days prior written notice of all formula, label, insert and other packaging changes, claim changes and addition of claims. Supplier's failure to provide the prior written notice required in the immediately preceding sentence is a material breach of these terms and conditions, and we will have the right to immediately terminate your 'approved' Supplier status. We reserve the right not to purchase or sell any **Materials** after we receive a notification required under this Section 8.

9. **Assignment and Subcontracting.** Supplier may not delegate or assign the Purchase Order nor any duty or right thereunder (including the right to receive monies) without our prior written consent, which we may withhold at our sole discretion. Notwithstanding the foregoing, claims for monies due or to become due under this Purchase Order may be assigned by you to a bank, trust company or other financing institution, including any federal lending agency, without our prior written consent. Supplier must furnish us with two (2) signed copies of any such assignment. Payment to an assignee of any such claim will be subject to setoff or recoupment for any present or future claims we may have against you, or adjustments in price under the terms of the Purchase Order notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee. Supplier will not subcontract the Purchase Order, any portion thereof, or any of your obligations under this Guide, without our prior written consent.

10. **Cancellations and Terminations.** We may terminate a Purchase Order, verbally or in writing, with or without cause, in whole or part, at any time, upon notice to Supplier, except for **Materials** already delivered and accepted.

11. **Use of Property and Data.**

- (a) All information we supply to you in connection with the purchase of the **Materials**, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" including product formulations, pricing, intellectual property (trademarks, artwork, patents copyrights etc.), and all proprietary rights embodied therein, are and will remain our property. Supplier may not use this information for any purpose other than performing your obligations to us. Supplier will not disclose any such information to any Person, including your suppliers, without our prior written consent. If you are required to furnish information to your suppliers for procurement of supplies necessary to the manufacture or delivery of the **Materials**, you will insert the substance of this provision in your order to your supplier. Supplier agrees to (i) return to us all information we supply to you upon request or (ii) destroy all information we supply to you upon request and certify to us in writing, under penalty of perjury, that such destruction has been accomplished. Supplier will not issue any news release, public

announcement, denial or confirmation relating to us or our Purchase Order without our prior written approval that we may withhold in our sole discretion.

- (b) Supplier will furnish all dies, tools, jigs, patterns, equipment, material, and other items specifically developed for and used in the manufacturing of the **Materials** covered by the Purchase Order (the "Special Tooling"). Supplier will keep all Special Tooling in good condition and in compliance with all local, state, federal and foreign rules, laws and regulations. Supplier will replace all Special Tooling when necessary, without expense to us. If any portion of the cost of Special Tooling is included in the price of the **Materials**, at our election, we will be entitled to become the owner and take possession of any or all of such Special Tooling or direct the disposal of such Special Tooling. In that event, we will reimburse Supplier for the unpaid amount of your cost of the Special Tooling, if the price stated on the Purchase Order includes separately the cost of any Special Tooling.
- (c) Supplier will be liable for any loss or destruction or damage to any tooling, article, material or other property furnished to you by us in connection with this Purchase Order. Supplier will be responsible for returning any such tooling, article, material or other property in as good condition as when you received it, except for reasonable wear and tear. Such property will be plainly marked to show that it is our property and will be safely stored apart from all other property. All such tooling, articles, materials or other property will remain our property, unless otherwise expressly provided in writing.

12. **Indemnification.** Supplier agrees to indemnify us and our affiliates, and our and each of our affiliate's respective employees, shareholders, officers, directors, customers, agents and attorneys (collectively, the "1440 Foods Indemnified Parties") and hold each 1440 Foods Indemnified Party harmless against any loss, cost, damage, claim, action, judgment, penalty, liability or expense of any kind paid or incurred by such 1440 Foods Indemnified Parties (including all costs of defense and attorneys' fees and the cost of pursuing any insurance provider and other professional fees and including all investigative costs and all indirect and consequential damages) arising from, out of or relating to, directly or indirectly, any of the following: (i) your breach of any terms of this Guide, any Purchase Order, an applicable Quality Guide, Quality Agreement, Quality Questionnaire, a Supply Agreement, including, without limitation, the breach of any representations and warranties therein; (ii) claims for injuries or other damage arising from the **Materials** covered by the Purchase Order, notwithstanding any actual or alleged defect or hazard inherent in the goods or negligence of any 1440 Foods Indemnified Parties; (iii) any recall, inspection, testing, replacement or correction of the Materials covered by the Purchase Order or goods in which such **Materials** are incorporated, whether required by governmental authority or otherwise, (iv) claims by any of your subcontractors or suppliers, (v) any product liability (including bodily injury and property damage), quality control issues, false advertising claims or any claims regarding efficacy or effectiveness, directly or indirectly, relating to the **Materials**; or (vi) your infringement of any patents, copyrights, trademarks, trade names, trade dress or any other intellectual property rights of a third party relating to the **Materials**. We will notify Supplier of any claim against any 1440 Foods Indemnified Party, if that party intends to seek indemnification from you. We will control the defense and related settlement negotiations relating to any such claim, provided, that we have the right to request at our full discretion that Supplier lead or control the defense. Supplier will cooperate with us in the preparation of such defense and negotiations.

13. **Intellectual Property Rights.**

- (a) If the Purchase Order provides for payment for any research or development work, any data, patents, patentable information or other intellectual property arising out of the work called for by the Purchase Order or related thereto or done with the understanding that the Purchase Order would be awarded will be deemed a "work made for hire" as defined in 17 U.S.C. § 101 for the sole and exclusive benefit

of 1440 Foods and will be our property. To the extent any such work may not be considered works-for-hire, you hereby assign your entire right, title and interest to us and agree to take all actions and submit all documents reasonably necessary to perfect our interest therein, at our expense. You represent and warrant that the price for the **Materials** includes such intellectual property and has not been, and will not be, increased as a result of this provision.

- (b) Supplier will not use for its own benefit or furnish any exclusive **Materials** made according to our own formulation or specifications to any other Person without our prior written consent, which we may withhold in our sole discretion. Where the **Materials** are formulated to our formulation or specification, we own all of the intellectual property arising out of such formulation or specification.
- (c) Supplier hereby grants 1440 Foods a non-exclusive, perpetual, royalty free license to use trademarks, copyright materials and patents associated with the **Materials** purchased from Supplier in all advertising, marketing and other materials associated with any goods or services that include **Materials** purchased from Supplier.

14. **Relationship.** Supplier's relationship to us is that of an independent contractor. Supplier agrees that neither it nor any other persons furnishing material or performing services required by the Purchase Order are employees of 1440 Foods. You hereby acknowledge and agree that we may sell, advertise and distribute the **Materials** by all means of distribution (including via direct marketing, network marketing, retail sales, internet and catalog), in each case without identifying you as the provider of such **Materials**.

15. **International Shipments.** If Supplier ships **Materials** to us from outside the US, S must ship under DDP, as defined in the Incoterms® 2010 rules. This means that Supplier is responsible for (i) the arrangement and cost of international freight, U.S. delivery, and insuring goods in transit; (ii) the entry of the goods into the United States and all regulatory requirements of U.S. Customs and Border Protection and any other U.S. governmental authority having jurisdiction over your **Materials**; (iii) freight forwarding and customs brokerage costs; and (iv) payment of all customs bonds, duties and fees. We will not serve as importer of record for the import of your **Materials**, and we will not accept freight-collect shipments. The unit cost for your **Materials**, as it appears on our Purchase Orders, must include all freight, insurance and entry costs. If Supplier is unable to comply with these requirements, please contact the Buyer listed on the Purchase Order immediately to discuss potential alternative terms of sale, which may be offered at our sole discretion.

16. **Waiver; Severability.** Our failure to insist on strict performance of any of the terms of the Purchase Order or this Guide, or to exercise any rights conferred, will not be construed as a waiver of our rights to assert or rely on any such terms or rights on any future occasion. Our rights and remedies under this Guide are not exclusive, but in addition to any other rights or remedies provided by equity, law or under the Purchase Order or under a master agreement, if any. If any term or provision of this Guide, or any Purchase Order, is held invalid or unenforceable, the remainder of this Guide and such Purchase Order, and any other application of such term or provision, will not be affected thereby.

17. **Disputes and Remedies; Governing Law and Venue.** The Purchase Order, this Guide and the transactions contemplated hereby and thereby will be governed by New York law, without regard to its principles of conflicts of law, and all legal proceedings with respect thereto must be commenced in the New York State Federal or State Courts sitting in Suffolk County, New York. In any legal proceeding, 1440 Foods is entitled to recovery of reasonable attorneys' fees and expenses consistent with Section 12 above. In addition to the provisions set forth in this Guide, the provisions of the Uniform Commercial Code of the State of New York (as amended from time to time), and all warranties, express or implied, included therein and any

other applicable law or regulation, will apply to this Guide and the **Materials** covered by the Purchase Order furnished to Supplier.

18. **Equal Employment Opportunity.** Supplier will comply with all provisions of Executive Order 11246 or by rule or order of the Secretary of Labor, or as otherwise provided by law. Supplier will comply with the provisions of Section 503 of the Rehabilitation Act of 1973, Title 1 of the Americans with Disabilities Act of 1990 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974.

19. **Labor Disputes.** Supplier must immediately give us written notice of and relevant information relating to any actual or potential labor dispute that may delay or threatens to delay performance hereunder. Supplier agrees to include this Section 19 in all subcontracts issued in connection with its performance hereunder.

20. **Anti-Corruption Policy.**

(a) In connection with you providing us with the **Materials** pursuant this Guide and each applicable Purchase Order, and any related agreement or activity:

- i. You agree and understand that you shall comply with all applicable anti-bribery laws and regulations, including the United States Foreign Corrupt Practices Act, and all other applicable laws dealing with bribery, extortion, and kickbacks (collectively, "Applicable Anti-Corruption Laws");
- ii. You represent and covenant that you have not offered and will not offer, directly or indirectly, any illegal bribe, kickback, or other improper or illegal payment to any person;
- iii. You represent and covenant that no payments of money or anything of value have been or will be corruptly offered, promised, paid, or authorized, directly or indirectly, to any Government Official for purpose of: (A) influencing any act or decision of the Government Official in his or her official capacity; (B) inducing the Government Official to do an act in violation of a lawful duty; or (C) inducing the Government Official to use his or her influence with a government or instrumentality thereof, in order to assist you or 1440 Foods in obtaining or retaining business or securing any improper advantage, in connection with any business venture, contract, or agreement in which 1440 Foods is a participant; and
- iv. You represent and covenant that you have not made and will not make or permit any off-the-books accounts, inadequately identified transactions, recording of non-existent expenditures, entry of liabilities with incorrect identification of their object, or the use of false documents.

(b) From time-to-time upon our reasonable request, in connection with the **Materials** you provide to us pursuant this Guide and each applicable Purchase Order, you agree to make your applicable books and accounting available to us for our (or our designated representative's) review in connection with your compliance with the Applicable Anti-Corruption Laws.

21. **Anti-Slavery.**

- a. You will not engage in any Modern Slavery Practice (as defined below) in connection with the production of the **Materials** or providing the **Materials** to us pursuant this Guide and each applicable Purchase Order, and any related agreement or activity. "Modern Slavery Practice"

means any practice that amounts to (1) slavery or servitude (each as construed in accordance with Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 as amended), (2) forced or compulsory labour (as defined by the International Labour Organisation's Forced Labour Convention 1930 (No. 29) and Protocol), (3) human trafficking, (4) the arranging or facilitation of the travel of another person with a view to that person being exploited, or (5) any prohibited activities set out in the UK Modern Slavery Act 2015.

b. The Supplier warrants that it will:

- i. conduct proper and adequate checks on any agency or person used by the Supplier to provide labor, employees, contractors or other persons to undertake tasks for the Supplier (in each case whether on a permanent or temporary basis) to ensure that any such agency or person does not engage in any Modern Slavery Practice;
- ii. provide us with such reasonable assistance and information as we may require from time to time to enable us to conduct due diligence and to measure the effectiveness of the steps we are taking or wish to take to ensure that Modern Slavery Practices are not taking place in our business or supply chains, including providing information on local standards within your jurisdiction; and
- iii. permit us, and any person nominated by us for this purpose and any government or regulatory authority, to have such access on demand to your premises, personnel, systems, books and records as we or the government or regulatory authority may require to verify your compliance with this [Section 21](#).

22. **Notification.** In addition to the other notification obligations set forth in this Guide and the Supply Agreement (if applicable), Supplier shall promptly notify 1440 Foods, in writing, of (a) any and all events that had or may have a material adverse effect on Supplier's business or financial condition, (b) any lease or exchange of a material portion of Supplier's assets, (c) any change in Control (as defined below), and (d) the breach of any material obligations of Supplier to its creditors. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Supplier, whether through the ownership of voting securities, by contract or otherwise.

23. **Construction.** Unless the context of this Guide otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the term "hereof," "herein," "hereby" and similar or derivative words refer to this entire Guide; (iv) the term "paragraph" or "section" refers to the specified paragraph or section of this Guide; (v) the term "Exhibit" refers to the exhibits to this Guide; (vi) this Guide will be deemed to have been drafted by the parties equally; (vii) the word "or" will be deemed to include both its disjunctive and its conjunctive meaning; (viii) the term "including" and similar or derivative words will be deemed to be followed by the words "without limitation;" and (ix) the word "Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, company, trust, bank or similar financial institution, other entity, government, agency, and political subdivision of a government. Whenever this Guide refers to a number of days, that number will refer to calendar days unless business days are specified. As used herein, (a) "business day" means any day other than Saturday, Sunday or any day on which banks located in New York City are authorized or obligated to close, and (b) "affiliate" means, with respect to any person or entity, any other person or entity that controls, is controlled by, or is under common control with, such person or entity.

24. **Notices.** Unless otherwise noted in this Guide, all notices or other communications provided for or permitted herein will be in writing, and delivered by nationally recognized overnight courier, such as FedEx, to the party entitled or required to receive the same, at the address first set forth in the Introduction with respect to us, such address specified in the Purchase Order with respect to Supplier or such other address as either party may designate by written notice given pursuant to this section. All notices and other communications will be deemed given on actual delivery, or first attempted delivery if delivery is refused by the intended recipient.

25. **Non-solicitation.** For so long as you provide us with **Materials** pursuant to the terms of this Guide, Supplier agrees to not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employee or consultant of 1440 Foods or its affiliates or subsidiaries to terminate their relationship with 1440 Foods or its affiliates or subsidiaries, as applicable; provided, however, that nothing in this paragraph shall prohibit the use of a general solicitation in a publication or by other means.

## Minimum Levels of Insurance Coverage

In the absence of a supply or vendor agreement between you and us that addresses the minimum level of insurance coverage, Supplier will obtain and maintain in full force and effect during the course of conducting business with 1440 Foods, at its own expense, policies of insurance with carriers with a minimum AM Best Financial Rating of A-VII, the following insurance coverage lines, as applicable to the business relationship between Supplier and 1440 Foods.

1440 Foods and its affiliates must be named as an Additional Insured and Loss Payee for General Liability coverage in the description of operations box, along with 1440 Foods as Certificate Holder.

**Note:** In the case where a Supplier's current insurance coverage does not meet the levels listed below and the Supplier wishes to request an exception from any of the below coverage levels, an email request should be sent to [vendorinvoices@1440foods.com](mailto:vendorinvoices@1440foods.com). The email should include a copy of the Supplier's current Certificate of Insurance as well as a list of the insurance levels that do not meet 1440 Foods' recommended levels. If the Supplier believes that a specific type of insurance coverage area or level of coverage is not applicable to the business relationship between Supplier and 1440 Foods this should also be explained as part of the email communication. 1440 Foods will promptly review requests for insurance coverage exceptions on a case-by-case basis. Suppliers will be notified of the results of the review and will be required to comply with 1440 Foods' final decision in order to remain an approved supplier. Conformance to our insurance coverage requirements, as applicable to the business relationship between Supplier and 1440 Foods, is required to maintain your approved supplier status.

Insurance Coverage Area	Minimum Limits
<b>General Liability</b>	
Including contractual liability coverage on an occurrence basis for bodily injury, death, "broad form" property damage, advertising injury and personal injury.	\$1,000,000 per occurrence; \$1,000,000 Personal and Advertising Injury; \$3,000,000 General Aggregate; \$100,000 - Damages to premises rented to you
<b>Employer's Liability</b>	
Employer's Liability coverage for injury, disease and death.	Bodily injury by accident - \$1,000,000 each accident Bodily injury by disease - \$1,000,000 policy limit Bodily injury by disease - \$1,000,000 each employee
<b>Product Liability</b>	
This can either be included in the General Liability or via standalone policy. If Self Insured Retention is applicable, the SIR should be noted on certificate and if Claims Made this should be referenced as well (all Accord certs have a box for Claims Made or Occurrence).	\$1,000,000 per occurrence; \$1,000,000 aggregate
<b>Excess or Umbrella Coverage</b>	
Excess or Umbrella Coverage	\$3,000,000 per occurrence; \$3,000,000 aggregate
<b>Workers Compensation</b>	
Workers Compensation as required by law in the state where services will be performed.	Statutory



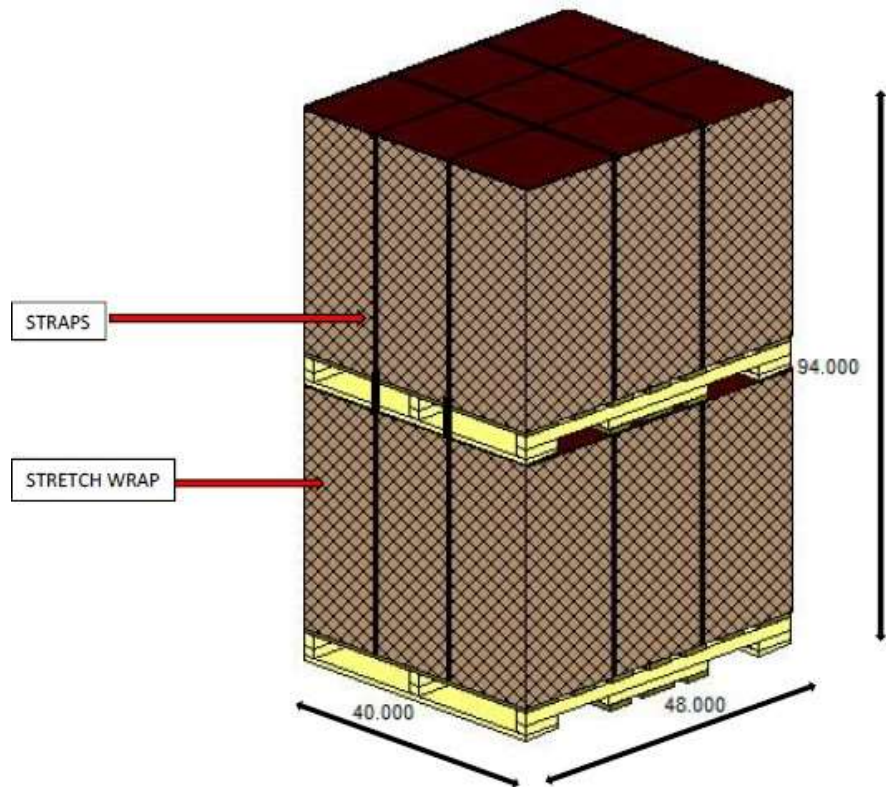
### **Disclosure of Manufacturer Information (for Distributors or Brokers of Materials)**

Distributors or brokers of **Materials** to 1440 Foods must, at the request of 1440 Foods, provide information relevant to the manufacturer of the **Materials** being provided to 1440 Foods, including manufacturer company name, address (including Country of Origin), contact information (phone and email) as well as manufacturer's part number specific to the **Materials** provided. Should distributor or broker elect to change the manufacturing source for **Materials** provided to 1440 Foods, distributor or broker shall provide written notice to 1440 Foods requesting approval for such changes. Distributor or broker will be required to obtain, and submit to 1440 Foods, a completed 1440 Foods' Supplier Qualification Questionnaire from the proposed new manufacturing source for review and approval by 1440 Foods. No **Materials** are to be shipped to 1440 Foods from a new manufacturing source until the site and **Materials** are approved in writing by 1440 Foods. Failure to comply with these guidelines or 1440 Foods' request for manufacturer information may result in the loss of 'approved supplier' status with 1440 Foods. Please refer to the 1440 Foods Supplier Qualification Questionnaire for more detailed manufacturer information required by 1440 Foods.

**Exhibit A: Pallet Label**

<b>Supplier Name</b>	
<b>Purchase Order # Part</b>	
<b>#</b>	
<b>Product Description</b>	
<b>Manufacturer's Lot #</b>	
<b>Expiration Date</b>	
<b>Pallet #</b>	<div><div></div><div>of</div><div></div></div>

## Exhibit B: Plastic Bottle Pallet Pattern Requirements



### PALLET TOWER DIMENSIONS INCLUDING THE BASE PALLET

MAX. PALLET LENGTH – 48"

MAX. PALLET WIDTH – 40"

MAX. PALLET HEIGHT – 94"

MAX. OVERHANG – 0"

UNDERHANG IS ALLOWED IF THE SURFACE AREA IS BEST UTILIZED

BOTH THE PALLETS IN THE TOWER IS STRAPPED TOGETHER IN ADDITION TO THE INDIVIDUAL SINGLE PALLET STRAPS

\* Not applicable to co-manufactured or co-packaged product