

Supplier  
Compliance  
Manual



**Colony**<sup>®</sup>  
BRANDS, INC.

**1112 7<sup>th</sup> Avenue  
Monroe WI 53566**

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## Table Of Contents

<b>Introduction</b>	
Sample Evaluation and Approval Process.....	3
<b>General Information &amp; Requirements</b>	
Our Strategy.....	5
Important Colony Brands Documents.....	5
Accounting Invoice Requirements.....	5
Purchasing / Buyer Requirements.....	5
Quality Assurance Requirements.....	6
Quality Assurance Violations.....	9
Set-Off and Payment Hold.....	10
Drop Ship Supplier Purchase Orders and Procedures.....	10
<b>Packaging and Labeling Requirements</b>	
Our Strategy.....	11
Supplier Partner Responsibilities.....	11
Terminology.....	11
General Packaging Requirements.....	12
General Labeling Requirements.....	15
Packing List Requirements.....	16
Palletizing/Unitizing Requirements.....	17
<b>Shipping and Transportation Requirements</b>	
Our Strategy.....	18
International Import Instructions (USA Imports).....	18
Domestic Transportation Instructions.....	20
Exception / Special Cargo Routing Instructions.....	21
<i>Small Package Shipments, Air Shipments, Jewelry, Temperature Control, etc.</i>	
Prepaid Transportation Moves / Supplier Delivered Cargo Instructions.....	22
<b>Appendix</b>	
Contact List.....	23
Purchase Orders .....	24
Terms & Conditions.....	26
Purchase Order Transmittal Letter.....	31
<i>Includes Standard Purchase Order Requirements (Both Domestic and International Imports)</i>	
Shipment Control Form.....	35
Colony Brands Distribution Center Handling Charges / Chargebacks.....	36
Supplier Product Liability Insurance.....	38

## Introduction

Colony Brands, Inc. (“Colony Brands”) is a Specialty Foods and Select Hard Goods mail order catalog that is committed to providing our customers with quality products and services. We take pride in the design and quality of our products, our customer service, and our satisfied customers.

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

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

This Supplier Compliance Manual is designed 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. **Please read this manual carefully. If a shipment is received that does not conform to our requirements, rejection and/or chargebacks could result.**

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

\*\*\*\*\* **IMPORTANT** \*\*\*\*\*

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

## **Evaluation and Approval Process**

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

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

**Attention: Buyer's Name  
Colony Brands, Inc.  
1112 7<sup>th</sup> Avenue  
Monroe, WI 53566-1364**

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

## General Information & Requirements

### Our Strategy

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

### Important Colony Brands Documents

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

### Accounting Invoice Requirements

Invoices must at the minimum include the below information:

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

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

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

### Purchasing / Buyer Requirements

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

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

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

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

## **Quality Assurance Requirements and Product Specifications**

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

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

## **Note On The Consumer Product Safety Improvement Act (CPSIA)**

On August 14<sup>th</sup>, 2008, the Consumer Product Safety Improvement Act became law. It is Colony Brands' expectation that all of its 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 at any moment, compliance throughout is mandatory for Colony Brands and its Suppliers. Information pertaining to each specific regulation may be found on the CPSC website at <http://www.cpsc.gov/about/cpsia/cpsia.html>.

Colony Brands will communicate specific instructions on its internal requirements to comply with the CPSIA as they are developed. Communication will 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.

### **United States Regulations and Industry Standards by Product Category**

**(NOTE: Not All-Inclusive)**

<b>Product Category Description</b>	<b>Required Markings</b>	<b>Regulatory Agent</b>	<b>Regulation and/or Standard Reference(s)</b>
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 Home Furnishings Technical Bulletin 116 and 117
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

### **Supplier Expectations**

- 1) Each Supplier must comply with all local, state, provincial, US, and other national laws and regulations (in addition to any other applicable laws and regulations). Colony Brands expects the Supplier to understand and uphold accountability to complying with all laws and or standards that relate to its products.
- 2) Documentation – It is the Supplier's responsibility to provide the Quality Assurance department with the following documents within 48 hours of request:

- Signed Product Specification
  - Prop 65 Compliance Statements
  - Certificate of Conformance per CPSIA
  - MSDS 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; Supplier is fully responsible for knowing and complying with all legal requirements and industry standards whether or not they are included in the Product Specification. Upon Supplier approval (a.k.a. signing of the Product Specification) the Supplier acknowledges the product meets the quality, regulatory and/or industry standards specified on the Product Specification and that are otherwise applicable.

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

[www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html) (Code of Federal Regulations)  
[www.cpsc.gov](http://www.cpsc.gov) (Consumer Product Safety Commission)  
[www.cpsc.gov/about/cpsia/cpsia.html](http://www.cpsc.gov/about/cpsia/cpsia.html) (Consumer Product Safety Improvement Act)  
[www.oehha.org/prop65.html](http://www.oehha.org/prop65.html) (California Prop 65)  
[www.astm.org](http://www.astm.org) (American Standards for Testing and Measures)  
[www.arb.ca.gov/homepage.htm](http://www.arb.ca.gov/homepage.htm) (California Air Resources Board - CARB)

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

Any merchandise marketed for children requires special focus. Caution categories will include, but not be limited to, toys, children's furniture, children's clothing, and other furniture items.

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

### **Non-Food Children's Items and Toys - Lot Tracking**

Per the CPSIA, effective August 14<sup>th</sup>, 2009 all children's items and toys manufactured on and after this date are required to have permanent tracking labels that consist of the following information:

- 1) The manufacturer's name
- 2) The date and location of the manufacturer
- 3) Identifiable information about the product (i.e. lot code, batch number, etc.)

Colony Brands & Seventh Avenue policy require all suppliers to provide an alpha numeric lot code of 12 characters or less with no special characters (i.e. \*,@,#, etc.). **For further information on lot code and packaging requirements for Children's Items and Toys please refer to the [Seventh Avenue's Supplier Compliance Manual Packaging, Labeling, and Package Testing Requirements Section](#).**

To mitigate risks associated with product recall, we strongly recommend Suppliers provide Colony Brands with the definition of their product lots and lot traceability mechanisms. If product lots are not defined by Supplier, Quality Assurance may re-define lots based upon shipments of incoming merchandise or utilize other industry standard practices for such definition of lots for our own internal traceability systems.

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

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

### **Quality Assurance Violations**

#### **Defective Products, Warranty Violations and Product Specification Violation Chargebacks**

We have developed the following non-compliance charges or fees ("Chargebacks") as a way 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 the violation of the warranty or Product Specification or other quality related problems under the terms set forth in the Supplier Compliance Manual or in the Contract Documents. All of the violations noted in the chart below will have a Supplier chargeback of \$50.00 per hour. **Note that any product variation requiring a guide be inserted into a product will have a Supplier chargeback of \$.10 per guide plus the applicable hourly sorting charge.**

##### ***Hard Goods (Not Applicable for Apparel, Linens, and Textiles)***

<b>Product Specification Violations</b>	<b>Explanation</b>
Product Variation	Products do not conform to approved Product Specification requirements (i.e. color, size, appearance, labeling, regulations, packaging, etc.)
Defective Product	Product is either defective or has defects (i.e. broken, non-functioning, missing parts, scratched, dented, torn, etc.)

**All Product – Both Hard Goods and Soft Goods**

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)**

Sort charges for clothing, apparel, linens, and textile product are based on a per piece charge (2 piece suits are counted as 2 pieces – not 1).

The following punitive charge applies when a product sort is required:

0-6% defects	- No charge to the vendor
6.01% - 25% defects	- USD\$.85 cents per piece
25.01% - 40% defects	- USD\$.85 cents per piece charge and 25% additional penalty (or \$1.06 per piece)
40.01% - 60% defects	- USD\$.85 cents per piece charge and 50% additional penalty (or \$1.28 per piece)
60.01% - 100% defects	- USD\$.85 cents per piece charge and 100% additional penalty (or \$1.70 per piece)

The number of defects is based on the sorted quantity.

**Other Supplier Compliance Manual Violation Chargebacks**

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

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

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

**Set-Off and Payment Hold**

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

**Drop Ship Supplier Purchase Orders and Procedures**

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

## Packaging and Labeling Requirements

### Our Strategy

Our goal is to utilize available technology to implement efficiencies, improve management within the supply chain, and enhance our service to our customer. We believe that this can be accomplished by each Supplier providing merchandise that is “production and/or distribution ready.” Our definition of “ready” means your shipment is accurate, received according to our specifications, and can be moved through our production and/or distribution facilities with minimal additional handling required.

### Supplier Partner Responsibilities

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

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

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

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

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

**Hard Goods** – Non Food Product that could conceivably be sold as a stand-alone item or could be combined with food and resold. Examples: cutting board, ceramic bowls, tins.

**Item/Stock Keeping Unit (SKU)** – Any unique manufactured or purchased part. This is the product we purchase from your company that is eventually shipped to the customer as is, or as a component of a finished pack. See [General Packaging Requirements](#) for specifics.

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

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

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

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

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

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

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

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

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

**Colony Brands Number** -- Our internal Colony Brands part number. This number is located on the Purchase Order and is the number that pertains to the Item/Stock Keeping Unit (SKU) we purchase from your company.

**Unitized** – The boxes or cartons that are part of a pallet and/or shipment.

## **General Packaging Requirements**

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

### **1) Carton / Package Requirements**

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

#### **a) Polybagged Items**

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

#### **b) Boxed, Non-fragile Items**

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

#### **c) Protective Packaging – Fragile Items**

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

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

NO Wire Ties

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

#### **d) Hard Goods Ship-Along Packaging (If designated by our Packaging Engineer)**

These items will be sent directly to the customer and will not be over-boxed. This carton goes directly to our customers, and therefore **needs to have NO outer markings other than the individual Colony Brands PLN number**. The carton must be marked with any symbols that pertain to the item, such as Fragile, Glass, This Side Up, or Storage Requirements using the recognized International Symbols. The carton can also be printed or labeled with information necessary to meet US Customs' requirements. Colony Brands will provide no additional packaging. The ship-alone packaged product must satisfactorily pass the ISTA 3A ship tests. The material construction of ship-alone cartons is based on the fragility and weight of the item. Ship-Alones can be packaged in master cartons.

- For smaller, lightweight items, use a single-wall corrugate with minimum burst strength of 200 pounds (lbs) per square inch, and inner cushioning as appropriate, to pass the ship test. If the item scratches easily, it should be wrapped in the appropriate material to prevent scratching, such as tissue paper, thin foam or plastic film.
- For products from over-seas and heavier or larger items, a single-wall or double-wall corrugate with minimum burst strength of 275 lbs per square inch with vertical fluting, and inner packaging as appropriate to pass ISTA test 3A. The cartons should be securely sealed to prevent tampering or loss of product.
- Textiles should be bagged and sealed.

## **2) Master Carton Packaging Requirements**

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

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

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

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

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

- Mark the outside of the master carton with the word "Masterpack".
- Attach the packing slip to the outside of the master carton.

### 3) Merchandise Specific Packaging Requirements

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

#### Food

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

#### Roll Stock Items

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

#### Hard Goods

- All textiles must be folded and individually packed in 1.5 mil or greater polybags, with venting if necessary. Neatly fold textiles to the smallest size, while at the same time remaining flat. Please avoid rolling or bunching in the bag. Do not use pins. The polybag should fit the garment as closely as possible. There should be a foldover measuring approximately 2" at the top of the bag. The bag must be sealed using clear plastic tape or heat seal. Do not use labels to seal the bag. All polybags must contain the following caution statement: WARNING: TO AVOID DANGER OF SUFFOCATION KEEP AWAY FROM BABIES AND CHILDREN. DO NOT USE IN CRIBS, BEDS, CARRIAGES, OR PLAYPENS.
- Gifts and Collectible products can be either master cartoned or individually packaged. If individually packaged, the product must be packaged so our company, without additional packaging, can safely reship it to our customer.
- Product and packaging must pass pre-shipment test procedures and container performance requirements as outlined by appropriate testing procedures.
- If master cartoned, each individual product must be packaged with sufficient protective packaging to allow for safe shipment to the customer in our shipping carton with void fill.

### **Summarized Packaging Requirements**

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

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

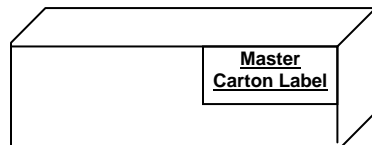
### **General Labeling Requirements**

#### **Item / Product Labels**

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

#### **Pallet / Master Carton Labeling Requirements**

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



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

See label sample below.

**Master Carton Label Sample:**

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

**Master Carton Label**

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

Font: Times New Roman  
Font Size Minimum: 14

**Packing List Requirements**

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

- Prepare packing lists in addition to master carton labels.
- Prepare one packing list per purchase order.
- For Small Shipment carrier shipments, a packing list must be attached to each carton.
- Packing List must include this information:
  1. Colony Brands company name/address
  2. Supplier name/address
  3. Colony Brands purchase order number (Must be Easily Visible)
  4. Colony Brands SC# (Item number)

5. Colony Brands item description
  6. Date shipped/via
  7. Bill of lading number
  8. Total quantity of units (For Food only, total by code date/lot number)
  9. Total number of cartons (For Food only, total by code date/lot number)
  10. Total weight of shipment
- Insert packing lists into a removable pouch and SECURELY attach it to one carton of each purchase order. Indicate "PACKING LIST ATTACHED" on two adjacent sides of the carton. For trailer load shipments, the pouch must be attached to the last carton loaded on the trailer.
  - When shipping multiple cartons via UPS or FedEx, a packing slip must be applied to each carton
  - When shipping multiple cartons via UPS or FedEx, please also include the following on the packing slips: Sequential number of each carton as part of the total shipment (i.e., 1 of 5; 2 of 5; 3 of 5, etc)

### **Palletizing / Unitizing Requirements**

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

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

## Shipping & Transportation Requirements

### Our Strategy

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

### International Import Instructions (USA Imports)

#### International Freight Forwarder Selection

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](#))

Please consult Colony Brands's C-TPAT Requirements Link at --  
<http://www.theswisscolony.net/swisscolonycustoms.htm>

#### U.S. Customs Invoicing Standards & Colony Brands Inc. 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 your Suppliers in order to comply with U.S. Customs Regulations.

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

A.) Section 141.86, Customs Regulations, includes the following requirements:

- 1.) Name of Seller & Address
- 2.) Name or Purchaser & Address
- 3.) Detailed description of the merchandise:
  - a.) Name by which each item is known
  - b.) The grade or quality
  - c.) The marks, numbers and symbols under which sold package
  - d.) Quantities in appropriate weights and measures
  - e.) Purchase price of each item in the currency of the purchase
  - f.) All charges (i.e. packing, royalty fees and freight if applicable)
  - g.) All discounts (note, certain rebates are not allowed as a non-dutiable charge)
  - h.) Country of origin
  - i.) Goods or services furnished for production of each item: not already included in the invoice price (i.e. assists such as tools or molds and materials)
  - j.) Any "free of charge" items must have a fair market value listed per unit.
- 4.) Invoiced in English, or a translation to English
- 5.) Packing list
- 6.) Name of responsible individual who has the knowledge of the transaction

B.) Section 142.6, Customs Regulations requires:

- 1.) Adequate description of the merchandise
- 2.) Quantities being imported
- 3.) Value of the Merchandise
- 4.) Appropriate eight-digit Harmonized Tariff Schedule (HTS) number
- 5.) Name and complete address of foreign individual or firm responsible for invoicing the merchandise

The information required by 142.6 must be furnished before release of the merchandise is authorized.

C.) Section 12.130(f), Customs Regulations, essentially states:

- 1.) A manufacturer's declaration for all textile shipments subject to section 204, textile or textile products which are wholly the growth or assembly, produced or manufactured of a single foreign territory or country, or insular possession of the U.S. shall be identified in a Single Country of Origin Declaration. This declaration is required from all countries and must be furnished at time of entry.
- 2.) The information required by 12.130(f) must be submitted before the release of the merchandise is authorized.

Additional special invoice requirements may be required for specific types of merchandise. If you would like more specific information regarding invoicing requirements please do not hesitate to contact us.

In addition to all the standard items on a commercial invoice, Colony Brands requires (Please consult the [Standard Purchase Order and Invoice Requirements – International Import Shipments](#) document contained in the Appendix for additional information and/or requirements.):

- A set of original documents must be sent to us at the following address before the arrival of the goods into the US:  
Colony Brands, Inc.  
1112 7<sup>th</sup> Avenue  
Monroe, Wisconsin 53566 USA  
Attn: Sunshine Mergen / Global Compliance Group  
Phone: 608-324-4406
- Please e-mail a copy of all documentation to [mergen@sccompanies.com](mailto:mergen@sccompanies.com) or fax it to (866)-540-9984 within 7 days of the confirmed on board sailing date (ocean) or within 24 hours of the departure date for air freight shipments.
- Bill of Lading: If applicable, an original Bill of Lading must be in our freight forwarder's possession before it will release the shipment.
- Fumigation certificate, if applicable. If not applicable, invoice must state "Fumigation Certificate not Applicable."
- No solid wood packing materials (SWWP) associated with this shipment. If applicable then a fumigation certificate must be attached.
- Original signed Commercial Invoices stating: "We certify that Merchandise conforms to: The Colony Brands, Inc. purchase order number \_\_\_\_\_ and/or \_\_\_\_\_ and further certify that packing slip has been included with shipment." The Commercial Invoice must show the Colony Brands Item Number (s) and Purchase Order number(s).
- Each full container "must" have one copy of the packing slip attached to the last carton loaded before it is sealed.
- The Country of Origin should be listed on the documents. Also the manufacturers name and address is to be listed on all documents for clearance through U.S. Customs.
- Copy of originally signed Certificate of Origin or Certificate of Origin GSP Form A, if applicable. If not applicable, the Commercial Invoice must state: "Certification of Origin and Certificate of Origin GSP Form A are not required".
- Any and all changes to the approved purchase order should be immediately communicated to the Direct Import Department. This will avoid any charge backs.
- Late shipments: Presentation of any transport document/cargo receipt evidencing late shipment is a discrepancy and may result in a 5% deduction from the value of the purchase order pertaining to the shipment listed on the bill of lading. Good communication is the key for not being assessed a late fee.
- Additional special invoice requirements may be required for specific types of merchandise. If you would like more specific information regarding invoicing requirements please do not hesitate to contact us.

## **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@sccompanies.com](mailto:traffic@sccompanies.com). On receipt of the form, the Colony Brands Transportation Department will fill out the form with the appropriate routing information and fax it back to the Supplier. A follow-up phone call may accompany the fax depending on the shipment size, ready date, etc. This process is valid for both Less-Than-Truckload Shipments (LTL) and Truckload Shipments (TL). For TL shipments, please begin coordinating the shipment 48 hours in advance of your planned ship date to assure transportation availability.

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

### **Domestic Documentation Standards and Shipping Requirements**

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

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

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

### **Exception / Special Cargo Routing Instructions**

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

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

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

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

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

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

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

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

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

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

#### **C. Air Shipments**

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

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

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

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

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

#### **Prepaid Transportation Moves / Supplier Delivered Cargo Instructions**

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

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

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

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

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

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

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

Please note our Supplier/Vendor C-TPAT requirements at - <http://www.theswisscolony.net/swisscolonycustoms.htm>.

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

## Appendix

### CONTACT LIST

Department	Name	Phone	Email
<b>Accounts Payable</b>	Jan Sniff, Accounts Payable Manager	608-328-8512	<a href="mailto:sniff_j@sccompanies.com">sniff_j@sccompanies.com</a>
<b>Drop Ship</b>	Lynn Mayer, Drop Ship Manager	608-328-8990	<a href="mailto:mayer@sccompanies.com">mayer@sccompanies.com</a>
<b>Food Merchandising / Product Development</b>			
<i>(Packaging)</i>	Pam Rote, Assistant Sourcing Manager	608-328-8666	<a href="mailto:rote@sccompanies.com">rote@sccompanies.com</a>
<i>(Packaging)</i>	Tim Seichter, Package Engineering Manager	608-328-8630	<a href="mailto:seichter@sccompanies.com">seichter@sccompanies.com</a>
	Pat Hubbard, Packaging Supply Technician	608-328-8462	<a href="mailto:hubbard@sccompanies.com">hubbard@sccompanies.com</a>
<i>(Meats / Ingredients)</i>	Dave Sobeski, Sr. Sourcing Manager	608-328-8427	<a href="mailto:sobeski@sccompanies.com">sobeski@sccompanies.com</a>
	Tami Ackerman, Supply Specialist	608-328-8477	<a href="mailto:ackerman_t@sccompanies.com">ackerman_t@sccompanies.com</a>
<i>(Dried Fruit / Plants / Nuts &amp; Snacks / Co-Packing)</i>	Sheila Ruegsegger, Merchandise Manager	608-324-4493	<a href="mailto:ruegsegger_s@sccompanies.com">ruegsegger_s@sccompanies.com</a>
	Joyce Krumwiede, Merchandising / Supply Specialist	608-328-8776	<a href="mailto:krumwiede@sccompanies.com">krumwiede@sccompanies.com</a>
	Tami Esser, Assist. Supply Specialist	608-328-8770	<a href="mailto:esser@sccompanies.com">esser@sccompanies.com</a>
<i>(Hard Goods / Miscellaneous Foods / Imports)</i>	Lisa Christiansen, Merchandise Manager	608-324-6037	<a href="mailto:christiansen_l@sccompanies.com">christiansen_l@sccompanies.com</a>
	Joyce Krumwiede, Merchandising / Supply Specialist	608-328-8776	<a href="mailto:krumwiede@sccompanies.com">krumwiede@sccompanies.com</a>
	Tami Esser, Assist. Supply Specialist	608-328-8770	<a href="mailto:esser@sccompanies.com">esser@sccompanies.com</a>
<i>(Natural Cheeses)</i>	Mark Nearman, Sr. Sourcing Manager	608-328-8854	<a href="mailto:nearman@sccompanies.com">nearman@sccompanies.com</a>
<b>Purchasing</b>			
<i>(Forms / Supplies)</i>	Deb Johnson, Buyer	608-328-8774	<a href="mailto:johnson_deb@sccompanies.com">johnson_deb@sccompanies.com</a>
	Brenda Broge, Secretary	608-328-8632	<a href="mailto:broge@sccompanies.com">broge@sccompanies.com</a>
<b>Quality Assurance</b>			
	Vanita Baumgartner, Food QA Manager	608-328-8797	<a href="mailto:baumgartner@sccompanies.com">baumgartner@sccompanies.com</a>
	Kathi Winker, Lab Manager	608-328-8853	<a href="mailto:winker@sccompanies.com">winker@sccompanies.com</a>
<b>Traffic</b>	Lois Heeren	608-328-8903	<a href="mailto:heeren@sccompanies.com">heeren@sccompanies.com</a> or <a href="mailto:traffic@sccompanies.com">traffic@sccompanies.com</a>

## **Purchase Orders**

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

- **Invoice to Address:** Colony Brands, Inc., 1112 7<sup>th</sup> Avenue, P.O. Box 2816, Monroe, WI 53566-8016 ([See Section #10 on the Purchase Order Copy](#))
- **Ship To:** Send your shipments to this address (address may vary with type of merchandise). ([See Section #9 on the Purchase Order Copy](#))
- **Vendor Number:** This number must appear on all your invoices. ([See Section #8 on the Purchase Order Copy](#))
- **PO Number / Contract Number:** These terms are used interchangeably and have the same meaning. (Must appear on all of your invoices.) ([See Section #6 on the Purchase Order Copy](#))
- **Amendment Number:** Tells whether the PO is an original or the number of times it has been amended. ([See Section #7 on the Purchase Order Copy](#))
- **Terms of Sale:** The payment terms you've agreed to with our Merchandising department. ([See Section # 4 on the Purchase Order Copy](#))
- **Freight Terms:** Indicates who is responsible for payment of freight. ([See Section #5 on the Purchase Order Copy](#))
- **Confirming Order-Do Not Duplicate:** Although, you may have received previous communication with our contract number on it, this is our legally binding PO. Do not use a previous PO copy. ([See Section #13 on the Purchase Order Copy](#))
- **Line Number:** Each line corresponds to a new item number. ([See Section #14 on the Purchase Order Copy](#))
- **Item Number:** Our internal item number. ([See Section #15 on the Purchase Order Copy](#))
- **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 directly above the item description. ([See Distribution Center Requirements Section for more details.](#)) ([See Section # 15 If Applicable on the Purchase Order Copy](#))
- **Description Text:** Includes the vendor reference number, description, weight of the product, tariff number (if imported), and the QA Specification number. ([See Section # 16 on the Purchase Order Copy](#))
- **Release Number:** If we ask for multiple shipping dates on a PO, you will have multiple release numbers (most POs have only one release). ([See Section #18 on the Purchase Order Copy](#))
- **Release Status:** The status of the line, either new or changed. ([See Section #18 on the Purchase Order Copy](#))
- **Release Quantity:** The number of units being ordered. ([See Section #18 on the Purchase Order Copy](#))
- **Quantity Received:** The number of units received to date (only applicable on amended PO's). ([See Section # 18 on the Purchase Order Copy](#))
- **Date Received:** The date the merchandise was received (only applicable on amended PO's). ([See Section # 18 on the Purchase Order Copy](#))
- **Balance Due:** You will see a balance due if you had sent in a partial shipment, and we had to amend the PO. ([See Section # 18 on the Purchase Order Copy](#))
- **In-House Due Date:** When merchandise is **due at our dock**. ([See Section #19 on the Purchase Order Copy](#))
- **Unit Price:** The price of goods ordered. ([See Section #20 on the Purchase Order Copy](#))
- **Extended Price:** The cost of goods ordered times the number of units ordered. ([See Section #21 on the Purchase Order Copy](#))
- **Text Data:** A section of text that gives individualized instructions to the Supplier (includes QA information, packaging and shipping information, etc.). This may change with every item you supply to us. ([See Section # 22 on the Purchase Order Copy](#))
- **Terms and Conditions:** Each new PO will have a section titled Terms and Conditions. We've attached a copy for you to review (Appendix).
- **Purchase Order Transmittal Letter:** (See attached letter in the Appendix)



1112 7TH AVENUE MONROE WI 53566-1364

(1)

PO Number
B11111D (6)
Amendment No
ORIGINAL (7)

Page
1 (11)

**PURCHASE ORDER ("PO")**

INVOICE TO: Colony Brands, Inc. 1112 7TH AVE (10) PO BOX 2816 MONROE WI 53566-8016
--

**CORRECT PO RELEASE AND ITEM NUMBERS MUST APPEAR ON PACKAGES, INVOICES, SHIPPING PAPERS AND CORRESPONDENCE. PACKING SLIPS MUST ACCOMPANY ALL SHIPMENTS.**

SELLER OR SUPPLIER INFO: TEST TRADING COMPANY 19437 (8) Fax #: 999-999-9999
--

SHIP TO	Colony Brands, Inc.
	1112 7 <sup>TH</sup> AVENUE (9)
	MONROE WI 53566-1364

Date Printed	Terms Of Sale	
02/12/07	NET 30 (4)	CONFIRMING ORDER – DO NOT DUPLICATE
FREIGHT TERMS: SEE BELOW (5)		SHIP VIA: SEE BELOW (TRAF NOTE) (3)

\*\*\*\*\*  
 ACCEPTANCE OF THIS PURCHASE ORDER ("PO") INCLUDES ACCEPTANCE OF: THE ACCOMPANYING TERMS & CONDITIONS; TRANSMITTAL LETTER; STANDARD PURCHASE ORDER REQUIREMENTS; THE PRODUCT SPECIFICATION(S); AND ALL SUPPLIER COMPLIANCE MANUAL 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 SPECIFICATIONS, WHICH ARE REFERENCED IN THE PRODUCT DESCRIPTION AND/OR TEXT ON THIS PURCHASE ORDER. PLEASE REFER TO THESE CRITICAL DOCUMENTS AND COMPLY WITH THEM TO AVOID UNNECESSARY CHARGE BACKS.  
 \*\*\*\*\* (13)

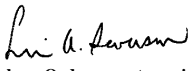
-----  
 \_LINE NO: 01 (14)    ITEM NO: 999999 (15)    IF APPLIES    U/M: EA (17)    STATUS: OPEN

DESCRIPTION: FLOUR PER PRODUCT SPEC 68012-061205 (16)  
 (18) (19) (20) (21)

RELEASE NUMBER	RELEASE STATUS	RELEASE QTY	QUANTITY RECEIVED	DATE RECEIVED	BALANCE DUE	INHOUSE DUE DATE	UNIT PRICE	EXTENDED PRICE
01001	01001	36.00	20.00	02/15/08	16.00	02/22/08	28.000000	1,008.00
01002	01002	24.00	00.00		24.00	03/17/08	28.000000	672.00

TOTAL CONTRACT QUANTITY: 80.00  
 TOTAL RECEIVED: 20.00  
 TOTAL RELEASED (INC. RECEIPTS): 60.00  
 BALANCE TO BE RELEASED: 20.00  
 CONFIRMED DATE: 01/15/08    CONFIRMED BY: JANE DOE

(22) NOTE: PRODUCT MUST BE PACKED IN TWO (2) MIL POLY BAGS AND HEAT SEALED TO PREVENT MOISTURE CONTAMINATION WEIGHT PER BAG CANNOT EXCEED 40 LBS

By  (Authorized Signature) (12)  
 Purchase Order acceptance is to be confirmed by Seller to Buyer, and a copy e-mailed to [leuzinger@sccompanies.com](mailto:leuzinger@sccompanies.com) or faxed to (608-328-8457).

Agreed to and accepted by Seller:

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)  
 Date \_\_\_\_\_

**ORIGINAL**

## TERMS & CONDITIONS

**Order - Acceptance.** This Purchase Order ("PO") is an offer to purchase the goods and/or services described herein, not a confirmation or acceptance of any offer to sell; and acceptance of this offer is limited to the terms of this PO. Upon acceptance, whether expressly, by shipment or provision of goods or services purporting to conform to that description, or other conduct that recognizes the existence of a contract for such goods or services, 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 which add to, vary from, or conflict with the terms of the Contract Documents. If this 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 shall 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. This offer expires thirty (30) days after the date of this PO, and may be terminated by Buyer at any earlier time, upon notice to Seller given before Seller's acceptance of this offer.

**Price Warranty.** Seller warrants that the prices for the articles sold to Buyer hereunder are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its price for such article during the term of this order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this PO shall be complete, and no additional charges of any type shall be added without Buyer's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, customs duties, taxes, storage, insurance, boxing, crating.

**Termination for Cause.** Buyer may terminate any contract resulting from this PO, or any part thereof, for cause in the event of any default by Seller or if Seller fails to comply with any of the terms and conditions of this PO. Late deliveries, deliveries of products which are defective or which do not conform to this order, or failure to provide Buyer, upon request, with reasonable assurance of future performance shall all be causes allowing Buyer to terminate this PO and any resulting contract for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount and Seller shall be liable to Buyer for any and all damages sustained by reason of the default that gave rise to the termination.

**Termination for Convenience.** Buyer shall also have the right to terminate any contract resulting from this PO, or any part thereof, without cause at any time prior to delivery; and Buyer's liability for such termination shall be limited to Seller's out-of-pocket cost for work and materials applicable solely to work which shall have been expended when notice of termination shall have been received by Seller, reduced by the fair market resale value of such work-in-process.

**Delivery.** Time is of the essence under this PO and any resulting contract; and if delivery of items or rendering of services is not completed by the time promised, Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this contract by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller for any loss incurred.

**Warranty.** Seller expressly warrants that all goods and services furnished pursuant to any contract resulting from this PO shall: 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 this PO. Seller warrants that all such goods and services will conform to any statements made on the containers, labels or advertisements for such goods and services, and that any goods will be adequately contained, packaged, marked, and labeled. Seller warrants that all goods and services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which goods or services 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 or services, Seller warrants that such goods or services will be fit for such particular purpose. Seller warrants that goods and services furnished will conform in all respects to samples. Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance, and use. If the product or packaging furnished is or includes food, a food ingredient, or food packaging materials, or any product that comes into contact with food, food ingredients or food packaging materials, Seller further guarantees and warrants same are not adulterated or misbranded under any applicable law, code, regulation or industry standard. Seller's warranty shall run to Buyer, its successors, assigns, and customers, and users of products sold by Buyer. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty 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 or services promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost incurred by Buyer in doing so. Seller may not limit in any manner the type or amount of damages to which Buyer is entitled for breach by Seller of this warranty.

**Inspection/Testing.** Payment for the goods delivered hereunder and services provided hereunder shall not constitute acceptance thereof. Buyer shall have the right to inspect and evaluate such goods and services and to reject any or all of said goods and services that are in Buyer's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at its expense and, in addition

to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. Buyer may charge Seller all expenses of evaluating services rejected hereunder. Nothing contained in this PO shall relieve Seller from the obligation of testing, inspection, and quality control. Nothing herein shall obligate Buyer to perform any service with respect to rejected goods except to hold the same for disposition in accordance with Seller's instructions; provided, however, any adulterated food product or food packaging material shall be appropriately destroyed or disposed of with records regarding such disposition provided to Seller.

**Changes.** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time or place of delivery, or method of transportation; provided, however, that no such change or other modification of any of the Contract Documents shall be of any force or effect unless evidenced by a written amendment issued by Buyer on the same form as that used in issuing this PO. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and the agreement shall be modified in writing accordingly. Subject to such adjustments, and to Seller's responsibilities described in the following paragraph, Seller shall implement such changes or other modifications.

**Buyer's Design or Specification Input.** If this PO covers goods, Buyer's decision to place this PO with Seller was based on Seller's representation that it has expertise in the design and manufacture of the same kind of goods as the goods described herein. Buyer may have provided, or may provide, input concerning the design or specifications for the goods covered by this PO, independently of or in collaboration with Supplier, by reviewing or approving Seller's work-product, submitting its own work-product to Seller, inspecting or testing prototypes or production samples of such goods, or otherwise (individually and collectively, "Buyer Input"). In designing the goods covered by this PO and developing specifications therefor, Seller has not relied, and will not rely, on any Buyer Input without independently validating all elements thereof to Seller's satisfaction. Accordingly, Seller assumes sole and absolute responsibility for the design and specifications of the goods covered by this PO, notwithstanding any Buyer Input; and no Buyer Input shall affect Seller's other responsibilities with respect such goods, whether arising out of warranty or other contract, negligence or other tort principles or principles of strict liability.

If this PO covers services, Buyer's decision to place this PO with Seller was based on Seller's representation that it has expertise in providing same kind of services as the services described herein. Buyer may have provided, or may provide, input concerning the services covered by this PO, independently of or in collaboration with Supplier, by reviewing or approving Seller's work-product, submitting its own work-product to Seller, inspecting or testing methods, processes or steps, prototypes or production samples of goods, or otherwise (individually and collectively, "Buyer Input"). In providing the services covered by this PO, Seller has not relied, and will not rely, on any Buyer Input without independently validating all elements thereof to Seller's satisfaction. Accordingly, Seller assumes sole and absolute responsibility for the services covered by this PO, notwithstanding any Buyer Input; and no Buyer Input shall affect Seller's other responsibilities with respect such services, whether arising out of warranty or other contract, negligence or other tort principles or principles of strict liability. This provision shall be interpreted in such a manner to effectuate the intent of the parties and distinctions between goods or services shall not be utilized to defeat that intent.

**Deliverables.** Deliverables are any item or items, whether tangible or intangible, physical or otherwise fixed in a tangible medium of expression, or services performed, the possession of which is transferred from Seller to Buyer, including, but not limited to, traditional physical items such as clothing, housewares, furniture, decorative items, and the like, mechanical, electrical or electronic apparatus or components, information, code, software, firmware, circuits, chips, or memory and storage in any electromagnetic or physical form or intangible rights represented by or embodied in the foregoing. Possession includes physical delivery of physical items, physical delivery of a medium embodying information, transmission or enablement of transmission of information or in the case of services, transmittal of a physical item or information reflecting performance and acceptance, as well as any resultant information resulting from performance of the services. When a deliverable is a physical item, transfer shall also include the right to use the physical item for the purpose intended, including its configuration, appearance, decoration, accompanying text, labeling and packaging and a right to use such information, code, software, firmware or the like that is affixed to, placed on, embodied in, or physically accompanies the physical item, and in the case of physical items or any medium intended for resale or further distribution, the right to freely make further distribution. When a deliverable is a service or information, that deliverable shall include at least a license to use and practice the deliverable. When a deliverable is an intangible right such as patent, trademark, copyright, name or likeness, or information, defined or represented in a physical or other medium, that deliverable includes both the right and the medium. The definition of deliverable shall be interpreted consistently with the context of the purchase order to transfer such rights from Seller to Buyer as the context requires for the deliverable to be put to its intended use.

**Force Majeure.** Buyer may, without additional cost, delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold any goods affected by such delay at the direction of Buyer and shall deliver them when the cause affecting the delay has been removed. Causes beyond Buyer's control shall include government action or failure of the government to act where such action is required, strike or other labor trouble, fire, or unusually severe weather.

**Intellectual Property.** Seller warrants that the goods, services and the deliverables with respect to services provided under this PO, and the distribution, sale and use of such goods, services or deliverables, will not infringe upon any patent, trademark, copyright or other intellectual property right in any jurisdiction. Seller will defend (by counsel acceptable to Buyer), indemnify and hold harmless Buyer, its related and affiliated companies, and all their respective officers, directors, employees, successors, assigns, agents, customers and users of its products or services (collectively, "Buyer's Beneficiaries"), from and against all claims, suits, damages, losses, royalties, profits, costs and expenses incurred or awarded (including attorneys' fees) arising out of any suit, claim or action for actual or

alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or other intellectual property right by reason of the manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by Buyer or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions, including any settlement. Buyer may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires, and the costs of such representation shall be paid by Seller. Further, Seller waives any claim against Buyer, 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. Seller hereby assigns to Buyer all right, title and interest in and to all 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 the performance of Seller's obligations under this PO. Further, with respect to any materials required to be delivered to Buyer pursuant to this 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 a worldwide, nonexclusive, royalty-free, irrevocable license to use, modify, reproduce, decompile, copy, publish, distribute or prepare works based on such deliverables. This provision supplements, but does not limit, such rights as may exist based on fair use, first sale, exhaustion or related doctrines. With respect to goods covered by this PO, Seller also grants to Buyer a worldwide, nonexclusive, royalty-free, irrevocable license to repair and have repaired, and to reconstruct and have reconstructed, such goods. Notwithstanding the foregoing assignment provision, to the extent Seller makes a contribution to a collective work, motion picture or other audiovisual work, translation, supplement, compilation, instructional text, test or test answers, or an atlas, Seller agrees that its contribution is a work made for hire. The definitions and terms herein shall be interpreted consistently with the context of the purchase order to transfer such rights from Seller to Buyer as the context requires for the deliverable to be put to its intended use.

**Insurance.** In the event that Seller's obligations hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or property of Buyer's customers, Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of Buyer. Seller shall maintain all necessary insurance coverage, including public liability and Workers' Compensation insurance. Seller shall defend (by counsel acceptable to Buyer), indemnify and save Buyer harmless from and against any and all claims or liabilities arising out of the work covered by this paragraph.

**Product Liability Insurance.** Seller agrees that for a period of at least three years following Seller's last delivery of product to Buyer, Seller will maintain its product liability insurance coverage in the form provided by the certificate of insurance which Seller has provided to Buyer.

**Indemnification and Recalls.** Seller shall defend (by counsel acceptable to Buyer), indemnify, and hold harmless Buyer and Buyer's Beneficiaries from and against all damages, losses, royalties, profits, costs, claims, or liabilities and expenses (including attorneys' fees) arising out of or resulting in any way from: (1) any defect in the goods or services purchased hereunder; (2) any breach by Seller of this PO or the resulting contract; (3) any act or omission of Seller, its agents, employees, or subcontractors; (4) any violation by Seller, its agents, employees, or subcontractors of any applicable federal, state or local law or regulation or other applicable law, code or regulation; (5) any unfair competition by Seller, its agents, employees, or subcontractors in connection with the use, possession, sale, marketing or delivery of any products or services provided by Seller to Buyer; (6) each and every recall of any product, whether voluntary or involuntary; and (7) any other act or omission as provided in the Contract Documents. This indemnification shall be in addition to the warranty obligations of Seller. 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 shall: (a) at Seller's expense, subject to Buyer's request and approval, (i) prepare and mail adequate written notification of the recall to Buyer's 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 to provide adequate notice to its customers, and (iii) arrange (in a manner and process acceptable to Buyer) and pay for all other costs and expenses associated with the recall and/or exchange of the product and any loss to Buyer or its customers; and/or (b) pay Buyer for all its and its customers' actual direct and indirect costs, expenses (including attorney's fees) and damages incurred in connection with (i) Buyer providing notification to Buyer's customers in a manner Buyer reasonably deems necessary, and (ii) the recall and/or exchange of the product and any loss to Buyer or its customers. In all recall cases, Seller shall cooperate fully with Buyer and any applicable governmental authorities in connection with the recall and implementing a responsive process to: (i) prevent any loss and minimize any inconvenience to Buyer and its customers; (ii) ensure that payments are made to Buyer so that it may properly account to its customers; and (iii) account fully to Buyer for all returned products and payments.

**Risk of Loss.** Unless otherwise specified to the contrary in this PO, all goods and other materials to be provided by Seller pursuant to this PO shall 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 that term is defined in *Incoterms 2000*). Seller assumes all risk of loss and damage until delivery to Buyer at the destination designated in this PO. Insurance, which may be obtained by Seller upon such goods, is to be at Seller's expense, and is included in the purchase price stated herein. Proceeds of such insurance shall be payable to Seller and Buyer as their interests may appear. No act or omission of Buyer shall have any effect upon the risk of loss of the goods that are the subject of this PO. If this PO provides for any of Buyer's property to be in Seller's possession at any time, Seller agrees to be fully responsible

to Buyer for said property which shall include the responsibility to insure said property against all insurable risks, including fire and casualty, for the full insurable value thereof; and Seller shall provide to Buyer a certificate of insurance, naming Buyer as an additional insured, to verify such coverage.

**Compliance with Laws, Regulations and Industry Standards.** (1) Seller shall comply with all applicable federal, national, state and provincial laws and regulations in effect at the time of shipment of products or performance of services, including but not limited to, applicable portions of the United States Code of Federal Regulations, such as (but not limited to): Titles 7, Agriculture; Title 9, Animals and Animal Products; Title 15, Commerce and Foreign Trade; Title 16, Commercial Practices; Title 19, Customs Duties; Title 21, Food and Drugs; and the corresponding United States Code provisions, including, but not limited to, the Federal Food, Drug, and Cosmetic Act. (2) Seller further represents and warrants that all products which are provided by Seller under this agreement have been produced, manufactured, and labeled for interstate sale in accordance with all applicable federal, national, provincial, state, local and other applicable laws and regulations (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 with all applicable federal laws, codes and regulations and with the laws, codes and regulations of the country of origin. (3) Seller shall 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 products covered by this PO and the containers of such products. (4) Seller further agrees that all products sold comply with the applicable industry standards in effect at the time of shipment of products or performance of services, including, but not limited to, American Standard for Test Material (ASTM), International Fabrics Association (IFA), Underwriter's Laboratories (UL), and/or National Institute of Standards and Technology (NIST Handbook 133). (5) To the extent they are applicable to Seller's performance hereunder, this agreement is subject to applicable provisions under: the Fair Labor Standards Act of 1938, as amended; laws relating to equal opportunity and nondiscrimination in employment by reason of race, religion, color, sex, national origin, age, disability, veteran status, use of minority businesses, or other protected classifications. (6) Seller agrees to defend (by counsel acceptable to Buyer), indemnify and hold Buyer and Buyer's Beneficiaries harmless from and against any claim, loss, expense (including attorney's fees), or damage associated with, or arising from, the failure of Seller, or the goods or services covered by this PO, to comply with any applicable laws, codes, regulations or standards and/or from the recall of goods covered by this PO and any resulting loss to Buyer or its customers. (7) Seller hereby certifies that all goods furnished hereunder shall have been produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the U.S. federal Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Secretary of Labor issued under Section 14 thereof.

**Ingredients Disclosure and Special Warnings and Instructions.** If requested by Buyer, Seller shall 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, transportation, processing, use and/or disposal of the goods, containers and packaging shipped to Buyer.

**Buyer's Property; Tools, Design Work, Drawings, Specifications and Technical Information.** Except as otherwise specifically provided in this PO, Buyer shall have no obligation to furnish or pay for any design work, drawings, tools or other equipment required for the performance of this PO. Any design, drawing, specification, photograph, tool or other equipment, material or part or engineering and manufacturing information heretofore or hereafter furnished to Seller by Buyer, or the cost of which shall have been paid by Buyer or included in the aggregate price hereunder, whether or not separately itemized, shall be and remain Buyer's sole and exclusive property, shall be conspicuously identified as such in Seller's records and by physical marking thereon, shall be promptly delivered to Buyer upon request, shall not be used in processing or manufacturing goods for any person or entity other than Buyer and, while in the possession of Seller, shall be Seller's responsibility and adequately insured at Seller's expense for the benefit of Buyer against loss or damage by fire or other hazard. No change shall be made in any design, drawing, specification, tool or other equipment furnished by Buyer without Buyer's express written consent.

**Payment.** Payment shall be made in accordance with the terms on the face of this PO. Discount period, if any, will begin on the later of the date of receipt of goods at destination or Buyer's receipt of Seller's invoice, unless expressly stated otherwise. In the absence of specific payment terms, invoices will be paid on a net 30 days basis.

**Assignments and Subcontracting.** No part of this order may be assigned or subcontracted without the prior written approval of Buyer. Any assignment without such approval shall be void.

**Setoff.** All claims or rights by Seller for money due, or to become due, from Buyer shall be subject to deduction or setoff by Buyer by reason of any sums owed or payable to Buyer or claimed by Buyer (including, but not limited to Charge-backs) due to Seller's obligations or breach under this agreement or as otherwise provided in this agreement that arise out of this or any other transaction with Seller and/or such setoffs may be enforced as provided in the Supplier Compliance Manual.

**Shipment.** If, in order to comply with Buyer's required delivery date, it becomes necessary for Seller to ship by a more expensive way than specified in this PO, any resulting increased transportation costs shall be paid 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.

**No Waiver.** Any failure or delay by Buyer in exercising any right, power, privilege or remedy under (or in insisting on Seller's full performance of) any or all of the terms and conditions hereunder or in the other Contract Documents or that is otherwise available at law or in equity shall not operate as a waiver thereof, nor shall any partial exercise thereof preclude any other or future full exercise thereof. Further, any actual waiver by Buyer of (or other course of conduct by Buyer relating to) any condition, term, right, power, privilege or remedy hereunder or in the other Contract Documents or that is otherwise available at law or in equity shall not operate as a waiver thereof (or establish a course of conduct) for future POs and resulting contracts.

**Confidential Information.** This PO and all Contract Documents are confidential; and it is agreed by Seller that none of the details connected therewith shall be published or disclosed by Seller to any third party without Buyer's prior written permission.

**Contract Documents; Entirety; Consistent Interpretation and Cumulative Remedies.** This PO, the accompanying transmittal letter, the accompanying PO Requirements, the Product Specification(s), the Supplier Compliance Manual, these Terms and Conditions, and any matters incorporated therein shall be the Contract Documents and shall constitute the entire agreement between the parties relating to the purchase made hereunder. Buyer shall not be bound by or liable to Seller for any representation, promise, or inducement not embodied therein. The various 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.

**Electronic Transmission or Signatures Binding.** Buyer and Seller agree to conduct contract communications and to sign and/or transmit Contract Documents and acceptances thereof or subsequent amendments thereto electronically (whether by e-mail, facsimile (Fax), or other similar media); and the Buyer and Seller agree that they will be bound by, and not contest the validity or enforceability of, any Contract Documents or acceptance thereof or subsequent amendments thereto on the basis that they were signed and/or transmitted by such electronic means. Buyer and Seller each represents to the other that the persons signing any of the Contract Documents or transmitting acceptances thereof or amendments thereto or related documentation is authorized to bind their respective companies by such actions for such purposes; and such electronic transmittals shall constitute valid and binding signatures on behalf of the party transmitting them to the other party. Computer maintained records of a party when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognized business records.

**Governing Law, Jurisdiction and Venue, Language.** This PO and any resulting contract shall be 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 SHALL NOT BE GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS. To the extent this PO entails delivery or performance of services, such services shall 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 this PO, any resulting contract or the relationship of, or disputes arising between, the parties hereto shall be filed in either the United States District Court for the Western District of Wisconsin or the Wisconsin Circuit Court of Green County; and the parties hereby consent and voluntarily submit to the personal jurisdiction and venue of those courts in connection with any such litigation. All Contract Documents, correspondence, packing slips and other documentation provided pursuant to the Contract Documents shall be in English.

**Limitation on Buyer's Liability. IN NO EVENT SHALL BUYER 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 this PO or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Buyer shall not be liable for penalties of any description.

REV: 20110215

## **Purchase Order Transmittal Letter**

Letterhead

Vendor Name  
Attn: Contact Name

Re: Attached Purchase Order(s) [**Please Note--FORM REVISED effective February 1<sup>st</sup>, 2009**]

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

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

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

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

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

Sincerely,

(Signature)

For further information, please contact:

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

**Note:** To view the latest version of the Supplier Manual, visit [www.colonybrands.com](http://www.colonybrands.com)

## Standard Purchase Order Requirements Domestic Shipments

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

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

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

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

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

Phone: 608-328-8903

Fax: 608-328-8846

Email: [traffic@sccompanies.com](mailto:traffic@sccompanies.com)

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

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

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

REV: 20110215

## Standard Purchase Order and Invoice Requirements International Import Shipments

**Notification to Consolidator MUST be made at least 48 hours in advance of sailing.**

**Document Dispersal**: A set of **original** documents must be sent to the Import Compliance Group at the following address before the arrival of the goods into the US:

1112 7th Avenue  
Monroe, Wisconsin 53566 USA  
Attn: Sunshine Mergen  
Phone: 608-324-4406

**\*\*Required**: E-mail a **copy** of all documentation to [GlobalCompliance@sccompanies.com](mailto:GlobalCompliance@sccompanies.com) or fax it to (866)-540-9984 within 7 days of the confirmed on board sailing date (ocean) or within 24 hours of the departure date for air freight shipments.

**Bill of Lading**: If applicable, an original Bill of Lading must be in our freight forwarder's possession before it will release the shipment.

**Routing Instructions**: Please contact your Inventory 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. Please refer to the Supplier Compliance Manual for specifics.

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

**Fumigation Certificate**: If not applicable, the commercial invoice must state, "Fumigation Certificate Not Applicable."

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

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

REV: 20110215

## U.S. Customs Invoicing Requirements

U.S. Customs Regulations call for specific invoice requirements to be met on all import shipments. These invoicing requirements must be shown on all commercial invoices from Suppliers in order to comply with U.S. Customs Regulations. **All invoices must be in English or a translation to English**

Please find below a condensed list of the minimum information required by U.S. Customs invoicing regulations. This condensed list will give you an idea of what is required on your commercial invoices for import shipments.

Invoices must at the minimum include the following:

1. Name of Supplier & Address
2. Name of Purchaser & Address
3. PO (Purchase Order) / Contract Number
4. Item Description – Including a Detailed Description and If Applicable: Fabric Content, % Material, Gender, and Woven or Knit for Textiles
5. Net Weight Per Piece (Textiles)
6. HTS (Harmonized Tariff) Information as Provided on the Purchase Order
7. PLN #
8. Our SC #
9. Quantity Shipped of Each Item
10. Unit Cost of Each Item (In USD\$)
11. Total Product Dollars for Each Item (in USD\$)
12. Include Any Charges or Discounts That May be Applicable (i.e. Packing, Royalty Fees, Freight, Rebates, or Assists)
13. Value Declaration of Any Replacement Parts / Samples (For Customs Reporting Purposes)
14. Total Value of Invoice (In USD\$, written and numerical format)
15. Terms of Sale – Include any L/C Information If Applicable
16. PO Conformity Clause
17. Supplier Number
18. Supplier Item Number
19. Country of Origin
20. GSP Statement (or Appropriate Documentation if Applicable)
21. Actual Manufacturer's Name and Address (For Customs Reporting Purposes & For Importer Security Filing/10+2 (2009))
22. Fumigation Statement
23. Solid Wood Packaging Statement
24. For All Products Made of "Any Member of the Plant Kingdom Including Roots, Seeds, Parts or Products Thereof, Including Trees", the Supplier/Manufacturer Will Be Required to Provide a Declaration Containing:
  - a. The Genus and Species of the Plant, b. It's Country of Origin, c. The Quantity and Value of Said Item, and d. Percentage (%) of recycled materials --- Farm Bill: Lacey Act Amendment.
25. Supplier Certification -- "Seller represents and warrants to Colony Brands, Inc. and its affiliates ("Buyer") the product(s) shipped under Colony Brands Purchase Order# \_\_\_\_\_ have been produced, manufactured, and labeled for interstate sale in accordance with all applicable federal and national laws and regulations and with all applicable state, provincial and local laws and regulations as amended from time to time including, but not limited to, the California Code of Regulations Sections 93120-93120.12 titled "AIRBORNE TOXIC CONTROL MEASURE TO REDUCE FORMALDEHYDE EMISSIONS FROM COMPOSITE WOOD PRODUCTS." (When Applicable)
26. Breakdown of Samples and Spare Parts
  - a. Description of each piece (part) b. What each piece is made of (ex. Iron, wood) c. Quantity of each piece d. Exact value of each piece e. What item(s) these parts are for

We will make payment based on payment terms calculated from the day we receive the product or invoice, whichever is later. Invoices that do not include information described in numbers 1 through 24 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/clarification(s).

In addition to the 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: 20110215

**SHIPMENT CONTROL FORM – USA Domestic Shipments Only**

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

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

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

*The Top Section To Be Completed by Supplier / Shipper*

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

Carrier: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Pickup Date / Time: \_\_\_\_\_  
 (If Applicable)

Please Call Carrier For Pickup       Colony Brands has already contacted carrier

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

**Please Fax or Email Form To  
 The Colony Brands Transportation Department  
 Fax Number: 608-328-8846 or Email: [traffic@sccompanies.com](mailto:traffic@sccompanies.com)**

For a downloadable, please visit -- [http://www.theswisscolony.net/swiss\\_colony\\_suppliers.html](http://www.theswisscolony.net/swiss_colony_suppliers.html)

## Chargebacks

### Our Requirements

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

It is in everyone’s best interest to be in compliance with these requirements. We plan to work with you, our valued Suppliers, to achieve this objective. Don’t hesitate to contact us with questions and concerns regarding these charges.

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

### **Colony Brands Distribution Center Handling Charges / Chargebacks**

***Effective Date: March 1<sup>st</sup>, 2009***

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

<b>Packing Violations</b>	<b>Explanation</b>	<b>Charge</b>
Oversized/Undersized/Too Tall Pallet	Pallet size/pallet height/do not meet requirements	\$50/hr
Oversize master carton	Cartons cannot exceed 36” long, 26” wide, 30” tall & weigh more than 35 lbs.	\$200/shipment
Undersize master carton	Cartons cannot be less than 9” long, 9”wide, 4” tall & weight less than 5 lbs.	\$200/shipment
Multiple POs Shipped in a Carton	No more than one purchase order should be placed in a carton	\$200/shipment
Inconsistent counts per carton	Standard counts are required for master cartons, with the exception of one partial per sku that must be clearly marked as a partial.	\$200/shipment
Multiple Items(SKUs ) / Code Dates / Lot Codes Shipped in a Carton	Only one item/code date/lot code should be placed in a Carton. (Multiple items can be on one pallet if separated and clearly marked.)	\$50/hr

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

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

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

## **Supplier Product Liability Insurance**

### **Our Requirements**

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

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

1.
 

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
  
2. Reference of **COLONY BRANDS, INC., AND ITS SUBSIDIARIES AND AFFILIATES, AND ALL ITS RESPECTIVE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES** as an Additional Insured as respects your General Liability policy and Excess Liability, if it is necessary to maintain the requested Limits of Liability.
 

**Reference as an Additional Insured - Vendor is not sufficient** to satisfy our requirements and will result in delay and non-issuance of a Purchase Contract for your products.
  
3. 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."
  
4. Certificate holder's name must be read as follows:
 

**COLONY BRANDS, INC. AND ITS SUBSIDIARIES AND AFFILIATES, AND ALL ITS RESPECTIVE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES**  
 1112 7th Avenue  
 Monroe WI 53566-1364
  
5. **Overseas vendors must include all coverage within stated coverage territory. IE: "Worldwide Coverage Territory".**
  
6. **Vendors who may be on site or driving vehicles to a Swiss Colony site must supply Automobile Liability policy numbers.**

Certificates of Insurance should be sent to the attention of Dawn Johnson, Fax 800-439-0612 or email to [Johnson\\_D@sccompanies.com](mailto:Johnson_D@sccompanies.com) .

If you have any questions, please contact Dawn Johnson at 608-328-8821.