

Dien Expectations and Standards for Suppliers

Dien, LLC. (Dien) has been a supplying raw material for over 20 years. Dien's success was built on a history of Quality, Innovation and Service to its customers. Dien's founder, Dien Stout, established the company's commitment to quality and service, and reinforced this philosophy with continual improvement. Dien strives to carry on in this regard, and by advising our suppliers that we expect them to comply with our expectations.

Please review the attached Purchase Order (PO)

Please forward all invoices to accounting@dieninc.com

Please acknowledge receipt or confirm PO within 24 hours

By accepting this purchase order, the supplier understands and agrees to the below specified conditions. If either of these conditions are not in compliance, the PO is subject to rejection:

1. Confirmations:

- a. The following must be confirmed by email to the Dien operator who issued the PO prior to shipment:
 - i. Price
 - ii. Product Name
 - iii. Product Packaging
 - iv. Product Quantity
 - v. COA/Shelf Life Review and Approval
 - vi. Ship Date
 - vii. Shipper Address
 - viii. Pallet Count (If Applicable)

2. Required Documents:

- a. Certificate of Analysis (COA):
 - i. Must be issued by email to Dien, to the email address of the Dien operator who issued the PO or it can be faxed to 214-905-1534, prior to the PO shipment
 - ii. Must list the expiration date of the product
 - iii. Must list the lot numbers that is also listed on the product label that is attached to the product
 - iv. A physical copy must accompany each Lot# of the product on the shipment of the PO
 - v. Only one to two lot numbers per product on the PO. Dien approval must be obtained if more than two lot numbers are to be shipped
 - vi. If order is for less than 10 total units per product, only one lot number per product on the PO. Dien approval must be obtained if more than one lot number per product is to be shipped.
- b. Safety Data Sheet (SDS):
 - i. Must be issued by email to Dien, to the email address of the Dien operator who issued the PO or it can be faxed to 214-905-1534, prior to the PO shipment
 - ii. If product is hazardous, a physical copy must accompany each product on the shipment of the PO.
 - iii. Call Chemtrec at 1-800-262-8200 for any chemical emergencies that are related to the products on PO and notify Dien of the correspondence.

c. Allergen Statements:

- i. If product on PO has Allergens in it, an Allergen Statement for the product must be issued by email to Dien, to the email address of the Dien operator who issued the PO or it can be faxed to 214-905-1534, prior to the PO shipment

3. Shelf Life:

- a. All products must deliver to Dien with more than **40%** worth of shelf-life remaining before retesting or expiration of the product. If these conditions are not met, approval by Dien must be obtained prior to shipping the product. If product delivers to Dien with less than **40%** worth of shelf-life remaining without prior Dien approval, product will be rejected and supplier will be responsible for all costs incurred with returning the product.

4. Packaging/Labeling/Staging:

- a. Each product on PO must be individually labeled with the following:
 - i. Product Name
 - ii. Lot#
 - iii. Net LB Weight
 - iv. Tare LB Weight
 - v. Gross LB Weight
 - vi. Expiration Date
 - vii. Hazardous Information (If Applicable)
- b. Each product must be sealed to prevent contamination.
- c. Each product label must be clearly printed. Any hand-written lot numbers, pack size, product description, or anything else pertaining to the product, will be subject to rejection upon delivery
- d. Each product must be packed in a packaging unit that will limit the most amount of damage during transit. If extra costs are involved in order to safely package product for transit, approval by Dien must be obtained prior to shipping the product.
- e. If PO product balances are larger than parcel shipments, then all products on the order must be securely shrink wrapped to safe, undamaged pallets in the most LEAN management way possible. If product ships to Dien on unsafe, damaged pallets, product will be rejected and supplier will be responsible for all costs incurred with returning the product.
- f. If PO is shipped on pallets, all pallets shall be 4-way entry, 40x48 inches. Pallets shall be clean, free from protruding nails or broken boards, and exhibit no evidence of insect infestation. Unit loads shall be banded or shrink-wrapped. Metallic strapping is not authorized. Unit load height shall be no greater than 51 inches. There will be no pallet exchange unless a Dien operator gives written approval in advance of shipment.
- g. If product is packaged in drums, the drums must be secured to the pallets using bands in the vertical direction and shrink-wrapping them to the pallet. If drums are not securely fastened to the pallets, Dien reserves the right to reject the order upon delivery
- h. Mixed lot pallets are strongly discouraged; however, in the event that they are unavoidable all products shall be stacked such that they are physically separated (ex. paper, pallet sheet, etc.) and all lot numbers are facing outward for easy verification. The Bill of Lading (BOL) shall be marked as a 'mixed pallet' with the exact number of cases per each lot on the pallet.
- i. All products, pallets, and truckloads shall be marked and labeled in accordance with any and all Federal and State Government regulation.

5. Shipping/Security:

- a. Receiving hours for Dien is from 6:00am-11:30am-Closed for Lunch-12:30pm-2:00pm, Monday – Friday.
- b. Inbound appointments can be made by emailing appointments to the Dien operator who issued the PO prior to delivery.
- c. The Dien PO# must be on referenced on all BOLs
- d. The supplier shall be responsible for inspecting all transportation vehicles to assure that it is in sufficient repair as to keep product protected, clean, and free of insect infestation. The vendor is also responsible for assuring that the truck is set at the proper shipping conditions (considering destination weather) so as to assure the recommended product specification storage conditions are met at all times. This applies to all supplier regardless of the FOB point.
- e. Truck seals are required with dedicated shipments (reference truck seals # on BOL.) Product that is damaged and/or shows evidence of possible tampering will not be accepted.
- f. Suppliers are not allowed to ship product to Dien unless they have a functional corporate security plan in place prior to the shipment of product.
- g. Food products shipped on carriers with non-food grade chemicals/oils will not be considered acceptable and may be rejected upon receipt based on the determination of the Purchasing Department at Dien.
- h. Supplier will not allow former Dien employees to provide any services on our customer's products and/or account.

6. Notification/Record Retention/Access:

- a. Notify Dien of Nonconforming Product
- b. Obtain Dien's approval for nonconforming product disposition
- c. Notify Dien of changes in product and/or process, packaging, changes of suppliers, changes of manufacturing facility location and, where required, obtain Dien's approval
- d. Flow down to the supply chain the applicable requirements including customer requirements listed on PO
- e. Retaining records for orders for a minimum of 7 years
- f. Right of access by Dien, its customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

7. Quality:

- a. All materials/services to be provided as outlined on our Purchase Order and Specifications
- b. Shipments to be free of defects
- c. Certificates of Analysis, Safety Data Sheets, and other documentation to be furnished as requested

8. Service:

- a. Items to be available within their previously specified lead times
- b. Technical support from Supplier's laboratory, R & D, engineering, marketing, are to be made available as needed
- c. Customer is to be advised of delays or problems in a timely fashion

9. Delivery:

- a. Shipments must arrive at customer as requested
- b. All items to be shipped via carrier specified by customer
- c. Upon receipt, all full trailers shall be in good condition

10. Price:

- a. A minimum 30-day notification on any changes in price and availability
- b. Dien expects a continuous commitment to cost containment

11. Recalls:

- a. If Dien is subjected to a recall, and the fault for the recall is with the seller of the item or a component, the supplier shall be responsible for all matters and costs associated with the recall which may include but not be limited to:
 - i. Consumer notification
 - ii. All expenses and losses incurred by Dien in connection with the recall, refunds to customers, lost profits, transportation costs – both outbound and inbound
 - iii. Legal expenses

In addition to the above-mentioned expectations, suppliers may also be assessed in the form of a supplier evaluation:

The evaluation will be assessed and reviewed on an annual basis. Dien expects that suppliers are committed to continuous improvement.

Anytime Dien has an issue with an incoming product from a supplier, said supplier will be issued and need to complete a CAR (Corrective Action Form). CARs are expected to be closed out within 30 days from the time of notification.

Multiple CARs quarterly or cumulatively on an annual basis will force the review of the suitability of the supplier.

This Supplier Agreement between Dien and its suppliers/vendors sets forth Dien's expectations and the general terms of the business relationship between Dien and its suppliers/vendors. Through this agreement, Dien's vendors agree that all sales, deliveries and services to Dien will be covered by and subject to Dien's Standard Terms and Conditions and Dien's Expectations and Standards for Suppliers. The terms and conditions and standards for suppliers are to apply to all Purchase Orders initiated by Dien, signed or initialed by a Dien's Buyer/Planner or a Buyer otherwise authorized by the Company.

Dien Purchase Order Terms and Conditions

1. **Acceptance.** Unless otherwise stated in a written agreement signed by Dien ("Buyer"), the terms and conditions herein shall apply to all purchase orders for products, materials, equipment or services of any kind issued by Buyer. This Purchase Order is an offer to buy the goods and/or a service described herein and becomes a binding contract on the terms and conditions herein when accepted by the seller either by acknowledgment or by shipment or other commencement of work. Any acceptance hereof is limited to acceptance of the express terms of the offer contained herein. No revision of this order or any of the terms and conditions hereof shall be valid unless in writing and signed by an authorized representative of Buyer, and no condition stated by Seller in acceptance of or acknowledging this order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless expressly accepted in writing by Buyer.

2. **Termination.** Buyer reserves the right to terminate any undelivered or unperformed portion of this order for its sole convenience without liability to Seller other than for work performed by Seller prior to the notice of termination. Buyer may also terminate this order or any part hereof for cause and in such event, 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 cause which gave rise to the termination. For purposes of the foregoing sentence "cause" shall include late delivery or performance, a delivery of defective or nonconforming goods or workmanship, a breach of any of Seller's warranties hereunder, any other material default or failure of compliance by Seller with the terms and conditions hereof, the commencement or continuance of any bankruptcy or insolvency proceeding by or against Seller, or any legal process or order directing or requiring Buyer to undertake or refrain from undertaking any business or certain types of business with the result that the goods and /or services ordered hereunder shall be unnecessary to Buyer.

3. **Quantities and Specifications.** By acceptance hereof, Seller shall be deemed to have inspected and approved all plans, drawings, and specifications applicable to the goods and/or services ordered hereunder. Seller shall not deliver and Buyer shall not have any obligation or liability with respect to any quantity of goods in excess of the quantity specified herein unless Buyer shall otherwise direct in writing.

4. **Product Shelf Life.** All products must arrive at Buyer with a minimum of 40% worth of shelf life.

5. **Certificates of Analysis.** All Certificates of Analysis must be transmitted to Buyer via email or fax prior to shipping and shall include product expiration date and lot number.

6. Special supplier requirements of Dien:

Supplier shall notify Dien of nonconforming product, processes, or services and obtain approval for their disposition. Dien will not accept any product that was nonconforming in any tests unless approved by customer to meet their requirement.

Supplier shall implement a quality management system.

Supplier shall prevent the use of suspected unapproved, unapproved, and counterfeit products.

Suppliers are required to provide product or service conformity, contribution to product safety, and understand the importance of ethical behavior.

Dien's importance of ethical behavior is provided below:

Ethics and Integrity

- a) The Company promotes goodwill through ethical behavior grounded in moral principles and integrity throughout the organization that includes honesty with customers, suppliers, employees, and others and avoiding conflicts of interest, violations of law, financial loss, and goodwill to protect shareholders, customers, vendors, employees, and all others**

Supplier shall notify Dien in the event of changes in product and/or process definition, changes of suppliers, change of manufacturing facility location and, where required, obtain organization approval, and- flow down to the supply chain the applicable requirements including customer requirements,

a) Records retention requirements,

b) Right of access by Dien, its customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records, and

c) Requirements for a certificate of conformity, test reports and/or airworthiness certificate as applicable.

7. Warranties. Seller expressly warrants that it will convey good title to all goods furnished hereunder and that all goods and/or services furnished hereunder will be the identical goods ordered by Buyer, will conform to all specifications and appropriate standards, will be free from defects in material and workmanship, will be merchantable, and will be safe and appropriate for the purpose for which goods of that kind are normally used. If Seller knows or has reason to know the particular purpose for which Buyer intends to use the goods, Seller warrants that such goods will be fit for such particular purpose. The warranties of Seller shall run to Buyer, its successors, assigns, and customers and users of products sold by Buyer. Seller hereby assigns to Buyer any warranties or guaranties provided by manufacturers or sellers of products incorporated into goods or services provided by Seller hereunder and shall upon request enforce any such warranty or guaranty on behalf of Buyer. NO ATTEMPT BY SELLER TO DISCLAIM, EXCLUDE, LIMIT, OR MODIFY ANY WARRANTIES OR SELLER'S LIABILITY FOR CONSEQUENTIAL DAMAGES SHALL BE OF ANY FORCE OR EFFECT.

8. Defective or Nonconforming Goods or Services. No goods or services received by Buyer pursuant hereto shall be deemed accepted until Buyer has had reasonable opportunity to inspect and/or observe performance of such goods or services. Buyer shall have access to and the right to inspect all work prior to its completion. Notwithstanding any such inspection, Seller shall be solely responsible for the conformance of the work to the specifications. Seller shall promptly correct defects or replace any goods or services not conforming to any of Seller's warranties hereunder without expense to Buyer, provided Buyer elects to provide Seller with the opportunity to do so. Irrespective of whether such defect or nonconformity was discovered upon initial inspection, or a later time if not readily ascertainable upon initial inspection in the event of a failure by Seller to correct defects or replace nonconforming goods promptly, Buyer after reasonable notice to Seller may make such corrections or replace such goods and charge Seller for the costs incurred by Buyer in doing so. Such remedies shall not affect Buyer's discount privileges and shall not exclude any other legal, equitable or contractual remedies of Buyer as a result of Seller's delivery of defective or nonconforming goods or services.

9. Price Warranty. Seller warrants that the prices for the goods sold to Buyer hereunder are not less favorable than those currently extended to any other customer of Seller for the same or similar goods in similar quantities. If Seller reduces its price for such goods during the term of this order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this Purchase Order shall be complete and no additional charges or 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, customer duties, taxes, insurance, storage, boxing and crating. Delay in receiving invoices and errors and omissions on statements or invoices will be considered just cause for withholding settlement without losing discount privileges.

10. Delivery. Time is of the essence of this Purchase Order. In the event that Seller shall fail to deliver any goods or perform any services on time, Seller shall reimburse Buyer upon demand for any and all loss, cost, damage, and expense which Buyer shall sustain as a result or in consequence of such failure. In addition, failure to make deliveries in accordance with schedules will be proper cause, at Buyer's option, for cancellation of this order. 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 herein, any increased transportation costs resulting there from shall be paid for by Seller unless the necessity for such costs has been caused by Buyer. Seller shall notify the Buyer promptly of any delays or threatened delays in the performance of this order. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof.

11. Risk of Loss. All risk of loss shall be upon Seller from the time the goods first come under Seller's control until such time as the goods shall be delivered to the destination specified herein and there accepted by Buyer. Seller agrees to indemnify and hold Buyer harmless for any and all loss, cost, damage, and expense which Buyer shall sustain as a result or in consequence of the loss of or damage to the goods during such period of time.

12. Legal Compliance. Seller warrants and agrees that in the performance of its obligations hereunder, Seller, its agents, employees, carriers and subcontractors shall (a) comply with all applicable laws, ordinances, codes, rules, regulations and orders, including executive orders now existing or hereafter enacted, adopted or enforced by any governmental body or agency, including where applicable all such laws, ordinances, codes, rules, regulations and orders pertaining to labor and working conditions, safety and health, food and drug quality, and hazardous materials; (b) apply for, obtain, and pay for all necessary permits and licenses, and pay applicable fees in connection therewith, and (c) pay promptly when due any and all applicable sales, excise, or other taxes due on materials furnished in connection with services performed, and all taxes and amounts due under applicable unemployment, social security, and worker's compensation laws.

13. Indemnification. To the fullest extent permitted by law, Seller shall save and hold Buyer, its directors, officers, employees, agents and representatives harmless from and indemnify, defend, and protect such parties against all liability, loss, claims, demands, damage (including damage to property or bodily injury), and expense (including reasonable attorney's fees) arising out of or in any way resulting from Seller's performance or non-performance hereunder, including any defect or nonconformity with Seller's warranties of the goods and services delivered hereunder, any act or omission of Seller, its agents, employees, or subcontractors; any act or omission of any carrier selected and employed by Seller to deliver goods ordered hereunder to Buyer; any failure by Seller, its agents, employees, carriers, or subcontractors to comply with the terms hereof; any infringement or claim of infringement of any patent, unpatented invention, copyright, design process, trademark, trade name, brand, slogan, unfair competition, or other adverse rights; or any litigation based on or arising out of the foregoing.

14. Set Off. All claims for money due or to become due from Buyer shall be subject to deduction or set off by Buyer by reason of any counterclaim arising out of this or any other transaction with Seller.

15. Force Majeure. Buyer or Seller may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such goods at the direction of Buyer and shall deliver them when the cause affecting the delay has been removed. Causes beyond the control of Buyer or Seller shall include government action or failure of the government to act where such action is required, acts of god, strikes, fires, accidents, or other such causes not due to Buyer's fault or negligence.

16. Changes. Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for the performance, an equitable negotiated adjustment shall be made and the agreement created by the acceptance of this Purchase Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph. Seller shall undertake no work on any such change, addition or omission unless and until Seller delivers a quote and Buyer issues a written change order.

17. Confidentiality. The contents of this order and all related commercial and technical information shall be kept secret and confidential by Seller and will not be divulged by Seller to any third party or utilized by Seller otherwise than in connection with this order. Unless otherwise agreed in writing, no commercial or technical information disclosed in any manner or at any time to Buyer by Seller shall be deemed secret or confidential and Seller shall have no rights against Buyer with respect thereto except such rights as any exist under any applicable patent law.

18. Limitation on Buyer's Liability, Statute of Limitation. Except as provided in Paragraph 2 hereof, in no event shall Buyer be liable for anticipated profits or for incidental or consequential damages. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the goods and services delivered hereunder must be commenced within one year after the cause of action has accrued.

19. Assignment. Seller shall not assign, transfer or hypothecate this Purchase Order or any part hereof or any monies payable or to become payable hereunder without in each case obtaining the prior written consent of Buyer, which may not be unreasonably withheld.

20. Waiver. Any waiver by Buyer of strict compliance with any of the provisions hereof shall not be deemed a waiver of any other provisions hereof and shall not be deemed a waiver of any of Buyer's rights, privileges, claims, or remedies, nor of Buyer's right to insist on strict compliance thereafter.

21. General.

(a) This Purchase Order and any documents referenced to on the face hereof constitute the entire agreement between the parties, and all prior agreements, written or oral, relating to the subject matter hereof are superseded by the terms hereof. Such terms may be modified only by a writing signed by both parties.

(b) The provisions of this Purchase Order are severable and in the event any provision is held to be unenforceable, the remaining provisions will continue in full force and effect.

(c) It is understood that Seller is an independent contractor and not an employee or agent of Buyer and that Seller shall have no power whatsoever to bind Buyer in any way in any dealings between Seller and third parties and shall not attempt or purport to do so.

(d) This Purchase Order and the contract created by the acceptance thereof are governed by and shall be construed in accordance with the laws of the state in which the goods are to be delivered or the services are to be performed without regarding the conflicts of laws principles thereof.