

Vendor Requirements and Compliances

As a valued supplier to Ottens Flavors there are implied customer requirements and there are requirements that are established as specifications. To assist you and Ottens Flavors in our respective continuous improvement processes, we would like to take this opportunity to ensure that we have clearly communicated our customer requirements for receiving all ingredients and packaging materials. ***As Acknowledgement of our Purchase Orders, you are agreeing to these terms and conditions listed. These conditions are posted on Ottens website (www.ottensflavors.com) for your review and may be subject to change.***

Changes to products: Ottens Flavors must be notified prior to any change that may occur to supplied materials. This includes, but is not limited to, change in specifications, ingredients, discontinuation of material(s), manufacture or production facility. Some changes may require approval by Ottens Flavors. Additionally; suppliers to Ottens Flavors should have a similar process/program in place with their suppliers.

Crisis Management: Ottens Flavors shall be contacted in the event of any crisis impacting your business that could reflect on Ottens Flavors directly or indirectly, prior to any public communication.

Inform us of any regulatory action that might impact a recall of the materials they provide to us or the facility that provides materials to us.

To ensure that Ottens Flavors complies with our customer's requirements and with the goal of partnering with our suppliers, Supplier Complaints will be issued around the following areas:

1) Shelf Life:

- Any product Ottens Flavors receives must have a shelf life remaining of 50% at the time of deliver.
- If there is not 50% shelf life left on the product, please contact purchasing for approval.

2) Cleanliness and Pallet Conditions:

- All carriers shall be clean, free of off odors, and free of moisture.
- All trucks & trailers shall be in good repair.
- Only pallets designated for use with food-grade items will be used.
- Pallets must be clean and in good repair. 1-A grade pallets with no broken or repaired stringers are to be used.
- Pallets must be stacked safely and securely to prevent product damage.
- The preferred pallet size for goods shipped to Ottens Flavors is 4 way entry 40 x 48 inches.
- When ingredients containing allergens are shipped with non-allergen ingredients, Ottens Flavors requires that the pallets be segregated as much as possible. If items need to be double-stacked, stack like product on top of like product. Ottens Flavors requires that an allergen not be placed above or below a non-allergen or on the same pallet

These requirements must be met regardless of who arranges for material transport, whether it is your organization or Ottens Flavors.

If a truck that does not meet these requirements arrives at our facility, Ottens Flavors Receiving Department should be informed before the ingredient/packaging material is loaded onto the trailer

3) Shipping:

1. Each shipment of ingredient/packaging materials sent to Ottens Flavors must be accompanied by the appropriate shipping paper work (e.g. delivery receipt and Packing Slip).
2. The shipping paperwork must be complete and accurate.
3. The lot codes, quantities, and all other information requiring verification must be indicated on the paperwork and must match the information on the products themselves.
4. It is required that no more than two (2) lot codes of one item are combined on a single shipment. Further, if a supplier chooses to send two lots on a single pallet, Ottens Flavors requires that the lots be visually separated. It is acceptable to use a slip-sheet and distinct stretch wrap between layers of different lot codes on the same pallet as long as the pallet is clearly marked to indicate that it contains more than one lot code. Also, the bill of lading or packing slip must indicate correct lot codes and quantities of each. A COA is required for each lot.

The following information **must** be present on the documents:

- Ottens Flavors Purchase order number
- Ottens Flavors Item code number
- Supplier's Name
- Supplier's Item Description
- Supplier's Item code
- Quantity shipped – number of pieces and breakdown (i.e.: 1*40kg= 40 kg for lot # 1, and 2*40kg = 80 kg for lot #2)
- Supplier's Lot number

All pallets are to be fully shrink wrapped with a double layer of film. Our receiving hours are between 8:00 am thru 2:00 pm Monday to Friday. **A delivery appointment is not required.**

Each of the outlined shipping requirements may be reviewed and changed as needed. Further, these requirements are designed to augment, not limit, those requirements outlined in the specification for each ingredient/packaging material. All goods received by Ottens Flavors are subject to additional inspection prior to and during use. If Ottens Flavors incurs any cost as a result of a supplier's failure to meet a requirement (as outlined above or in a product specification), that supplier will be responsible for those costs.

4) Certificate of Analysis (COA):

- COAs must reach the Ottens Flavors location at or before the time of delivery.
- Ottens Flavors will not clear a shipment for use in production on any ingredient that requires a COA until the COA has been received and verified by Quality Control at Ottens Flavors. If a COA is not received the same day that a shipment arrives, the shipment will be rejected.
- COA's are to be emailed to COA@ottens.com. There is to be no other

documentation sent to this email except COA's.

- Only One Lot per COA and the COA's are to be one page only in PDF format.
- If there are any changes to the COA, Ottens must be notified prior to the change being made.
- The lot codes indicated on the COA must match those indicated on the shipping paperwork, as well as those indicated on the products themselves.
- COA completeness as defined by the types of testing required and the acceptable levels of test results is individually determined. Suppliers are responsible for meeting their individually specified COA requirements in addition to the basic requirements outlined in this letter.

5) Damaged Cases/Bags and Leakers

- All outer packaging of ingredient and packaging materials must be intact and undamaged.
- A damaged case or bag can be defined as any of the following: a tear or rip to the outer case/bag; any case/bag with exposed product; any case/bag that is leaking; any case/bag missing tape or improperly taped; any case/bag previously damaged and subsequently repaired (e.g. torn then taped).
- Damaged cases/bags will be rejected and a claim process initiated upon discovery.

6) Labeling and Lot Coding Unreadable or Inaccurate:

- All outer packaging for ingredient/ packaging materials must be labeled (pallet labels are not sufficient). These labels **must** include the following information:

1 Lot Code

2. Complete ingredient statement (for ingredients only)

Please understand that any change, no matter how slight, to your product label requires Ottens Flavors to re-approve your product and case /label internally, along with revising it within our system internally.*

While we realize that revisions need to be made from time to time, Ottens Flavors requires that our suppliers request approval prior to any product label change in advance in order to make this process as efficient as possible. This is considered a significant change.

- Manufacturers must include the Ottens Flavors Product number on the material.
- Any case/bag missing labels or with illegible lot codes will be considered a defective product. All labels and lot code information must be placed in such a way that they are easily visible for receiving and verification purposes.
- All labels must have the appropriate Kosher / Halal symbol and signature if required.
- Manufacturers are also required to identify any possible allergens within their ingredient/packaging materials.
- Proper storage conditions must appear on the labels as well as the paperwork.

7) Ottens Flavors Security Policy:

- As part of your Continuing Letter of Guarantee, Ottens Flavors expects suppliers, to maintain product integrity and protection at all stages including production, storage and transport to Ottens Flavors.
- Since food manufacturing has become a global supply chain, we **MUST** be able to trace ingredients through all steps of their manufacturing process back to their country of origin.
- In compliance with Ottens Flavors' Food Security and Food Defense Program, we require that deliveries of ingredient/packaging materials made to Ottens Flavors arrive on locked or sealed transport. Each shipment will be monitored for compliance

to this policy. However, we will recognize the limitation of this requirement on shipments made using FedEx, UPS, and other pre-approved LTL carriers. In the event that locked or sealed transport is not available, we expect suppliers to employ alternative methods of protecting the integrity of the items. These methods could include tamper evident packaging that has been pre-approved by Ottens Flavors prior to the arrival of the shipment.

- Failure to comply with the Ottens Flavors Security Policy may result in rejected product.

8) Required Documents:

- Ottens Flavors maintains a file of certain documents that we require from all suppliers. These required documents include the following: All documents must be loaded onto TraceGains, emails will be sent when updated copies are needed

	Part Specific	Vendor Specific
Safety Data Sheet	Natural Certificate (US)	3rd Party Audit
Allergen (Ottens Specific)	GMO – When Applicable	Letter of Guarantee
Kosher Status	Organic – When Applicable	Certificate of Insurance
Specifications (PDS)	Halal – (if available)	
Nutritional Profile	HACCP – When Applicable	
Ingredient Breakdown	USDA – When Applicable	
Country of Origin	Ottens MGP / NOP Form	

If your opinion on the necessity of any of the above documents differs from that of Ottens Flavors., please provide a written response outlining your position.

The use of TraceGains to maintain this documentation is Mandatory.

If you are a distributor or broker for other manufacturers, you need you to provide us with the manufacturer’s site location and documents noted above.

9) Supplier Complaints/Compliance:

A supplier complaint will be issued when ingredient/packaging material has not met a requirement or specification. A separate complaint will be made for each type of incidence of a defective component number on a given order. There are Eight (8) different complaint types:

1. Shelf Life
2. COA incomplete/COA missing/ Shipping Paperwork
3. Damaged Cases/Bags /Jugs /Bottles /Pallet condition
4. Foreign Object
5. Labeling and Lot Coding Unreadable or Inaccurate
6. Non-Compliance with Ottens Flavors Security Policy
7. Products Out of Specification
8. On Time Deliveries /Timely P.O. Confirmations

Complaint resolution is achieved when the supplier has acknowledged the complaint and made arrangements to resolve issues of payment/credit and product return/disposal. In the event of a paperwork-related complaint, resolution would be attained upon receipt of the missing or corrected paperwork and must be accomplished on the same business day that it is requested. Ottens Flavors asks that all other complaints be resolved in no more than 2 weeks.

Complaint follow-up includes investigation, corrective action and pick-up of defective product. Ottens Flavors asks that complaint investigation and corrective action be submitted in writing no later than 2 weeks after the date of the complaint. If a supplier fails to remove the defective product within these guidelines, that product may be discarded/destroyed, and the supplier will be responsible for applicable charges.

10) Purchase Requirements

Once a purchase order is received, we require an acknowledgement via TraceGains to confirm the following within 24 hrs. Confirmation of Receipt will be sent to you via email once the following has been acknowledged.

- Confirmation of Delivery date (not shipping date)
- Confirmation of Price
- Confirmation of Price UOM
- Confirmation of Quantity
- Confirmation of Quantity UOM

Purchased Material Controls

- A program shall be in place to approve suppliers of purchased materials which are used in products or ingredients for Ottens Flavors. This program shall include evaluation of the supplier's performance and their facility.
- Suppliers to Ottens Flavors shall have written specifications for purchased materials.
- Purchased materials shall meet required specifications.
- A system shall be in place to ensure that materials that do not meet specification are placed on hold until proper disposition can be made.

Tracking numbers are required on all expedited shipment and should be sent via email along with the referenced PO and Ottens part code to Purchasing@ottens.com or Fax to 215-365-7121.

If for some reason there is a price increase on a raw material or packaging Ottens requires 30 days written notification regarding the increase as well as explanation of what is causing the increase. Please send all written inquiries to either Purchasing@ottens.com or Fax to 215-365-7121. Failure to do this will result in Ottens paying the original price of items until there is correct notification and justification of such price increase has been given.

Please thoroughly review the information contained in this document and provide it to the appropriate parties within your organization. First tier suppliers will be held responsible for communicating these requirements to any and all subsequent tiers. Thank you in advance for your cooperation.

Shipments not in compliance will be subject to refusal. If you have any questions, please contact the Purchasing Department at (215) 365-7800 or purchasing@ottens.com.