



Talking Rain®

SUPPLIER HANDBOOK



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I. REVISION TABLE

DATE	REVISIONS
01 July 2020	Original document release

II. INTRODUCTION AND INSTRUCTIONS

A primary objective of Talking Rain Beverage Company (“Talking Rain,” “We,” or “Us”) is to market safe products of consistent quality that meet or exceed our customer and consumer expectations. We also believe it is important to establish a clear and concise set of requirements that will form the basis of the operational relationship between Talking Rain and all of its suppliers. To accomplish this, it is important that our suppliers share the same objectives.

This handbook includes our minimum operating requirements and guidelines. These requirements have been developed through reviews of quality audits of manufacturing sites, experience gained through our own operational history, other major food company programs and requirements set forth by our customers in their supplier requirements. Our examination has led us to identify those programs, which when executed correctly, can help prevent product recalls, consumer complaints, rework and plant downtime. Talking Rain considers adherence and performance to these expectations as essential factors when entering into or extending existing business relationships.

It is your responsibility, as a supplier to Talking Rain, to meet or exceed these threshold requirements, to ensure that the products produced by Talking Rain are safe and meet or exceed our quality and operational standards. If you have any questions about these standards, contact the Sourcing Department at Talking Rain.

Talking Rain stresses that these are minimum requirements. This supplier handbook and the requirements herein are not intended to replace, modify, or eliminate any rights or obligations in separate agreements executed between each supplier and Talking Rain. To the extent there is any conflict between this Supplier Handbook and a separate contract between you and Talking Rain, the terms of that contract or purchase order shall take precedence.



Additionally, Talking Rain has the right to update this Supplier Handbook at any time without notice. As you review this handbook, you will note that it does not detail how to set up product safety or operational systems within your company. It does identify basic programs that are necessary to produce safe products of consistent quality and support operational stability.

Some requirements cover issues that routinely change. Regulatory authorities continually review and adjust the legal status or limits for ingredients; the scientific community may present new product safety information; Federal or State regulations related to shipping are frequently updated to promote carrier safety; or, Talking Rain may desire changes in quality or operational programs to better ensure the safety and quality of our products or to better support operational efficiencies. You are expected to comply with all current regulatory requirements and make any changes requested.

Not all of these requirements may apply to every ingredient, commodity or packaging material Talking Rain purchases. Talking Rain may provide exceptions based on the uniqueness of a material, product or process. If the supplier feels an exception is needed for a specific product, please contact the Procurement Manager at Talking Rain, via email. They will inform you what steps are necessary to apply for an exception to any of Talking Rain requirements.

III. COMPANY OVERVIEW

Grown from the ground up in the Pacific Northwest, Talking Rain brings together better for you beverages and the community—to build a beverage company that is better for our world. We are proud to supply our products across the globe.

PHILOSOPHY

At Talking Rain, we stand by our products and our people while staying ahead of our competition. As we continue to expand our company through diversification, innovation, and growth, we remain committed to producing the highest quality products available in the marketplace.

OUR PEOPLE

The people who make up the Talking Rain team are the very heart and core of our company. Their commitment and combined years of experience are the reason we are able to set the highest standards for customer service and product superiority. From our management and operational teams in Preston, Washington to our nationwide network of sales and marketing professionals, the Talking Rain team is deeply committed to providing opportunity and a diverse and inclusive work environment. Our commitment to clear communication, positive interaction, and respect for the ideas and opinions of every team member defines our corporate culture. The individuals who make up the Talking Rain team are, in every way, our most valued ingredient.





INSTRUCTIONS TO SUPPLIERS



1.1 GENERAL INSTRUCTIONS

1.1.1 DOCUMENT SUBMITTAL

Please submit any requested documents, certificates and samples to the following contact by email and/or by mail or parcel service, unless otherwise noted. The documents included in the email submittal should be saved into a .PDF file (Adobe Portable Document Format).

Talking Rain Beverage Company
Attn: Procurement Department
30520 SE 84th Street
Preston, WA 98050
(424) 222-4900

procurement@talkingrain.com

1.1.2 SUBMITTAL DEADLINE

We do not set a specific timeline for submittal of supplier information, but we do request that the supplier make every effort to deliver all information and documents in a timely manner. Any revisions to documentation, previously submitted to Talking Rain, must be re-submitted to Talking Rain immediately.

1.1.3 SUPPLIER APPROVAL

Talking Rain will only process purchase orders for suppliers that have submitted all required documentation and had such documentation approved in writing by Talking Rain.

1.2 NEW SUPPLIER SET UP

Brokers / Distributors

Please provide this document and any other relevant communications to the manufacturing company(s) so we can work directly with them through the process of qualification and approval.

1.2.1 CONFIDENTIALITY

Because of the highly competitive nature of the beverage industry, Talking Rain requires all suppliers to execute a Non-Disclosure Agreement (NDA) with Talking Rain prior to any discussions about Talking Rain business, product or projects.

We require a signed agreement using either DocuSign or an original signature on a printed, hard copy and mailed to the Talking Rain, Attn: Procurement department.

1.2.2 CERTIFICATE OF INSURANCE

Suppliers are required to maintain a Commercial General Liability (CGL) insurance policy to insure against liability arising from its product(s) or its work. The insurance policy certificate, pursuant to the following requirements, must be submitted as part of the supplier qualification documentation. The insurance policies and limits set forth in this section are minimum levels of insurance required by Talking Rain. If a separate contract between the supplier and Talking Rain requires higher limits, those limits are required.

- Commercial General Liability: Two million dollars (USD) single limit per occurrence and two million (USD) limit in aggregate.

- The insurance carrier(s) must be “A” rated according to A.M. Best or another insurance rating industry authority.
- Annual renewals of the certificate of insurance must be submitted by mail, parcel post or email prior to expiration of insurance dates.
- Certificate Holder must read:

Talking Rain Beverage Company
Attn: Corporate Controller
30520 SE 84th Street
Preston, WA 98050
(425) 222-4900

1.2.3 THIRD PARTY AUDIT

All Suppliers must provide a copy of full Third-Party Audit results and the audit certificates for all plants that will manufacture products for Talking Rain as outlined in section 2.6.1 of this document.

1.3 NEW PRODUCT SET UP

1.3.1 ITEM SPECIFICATION

All Suppliers must provide and maintain a current product specification for each item it supplies to Talking Rain. The specification will be used by Talking Rain as the primary document for qualifying product deliveries and Talking Rain finished goods labeling information. For this reason, the information must be comprehensive and responsive to any requests for revision that Talking Rain requests.

1.3.2 PRODUCT SPECIFIC CERTIFICATES

All Suppliers must provide and maintain current product specific certificates required by Talking Rain.

1.3.4 CERTIFICATE OF ANALYSIS (COA) EXAMPLE

All Suppliers must provide and maintain a current example of a Certificate of Analysis (CoA) for the products intend to be supplied to Talking Rain.

1.3.5 PACKAGING AND LABEL EXAMPLES

All Suppliers must provide the following for the items it intends to supply to Talking Rain. Include a detailed explanation of any codes or marks used on all labeling.

- Sample of primary product (individual unit) labeling.
- Sample of secondary product (carton or inner pack) labeling.
- Sample of tertiary (master case) labeling.
- Safe zones clearly defined on packaging material.

1.3.6 PRICE QUOTATION

All Suppliers must provide a written quote specific for each item it intends to sell to the Talking Rain in US dollars (USD).

1.3.7 SAMPLES

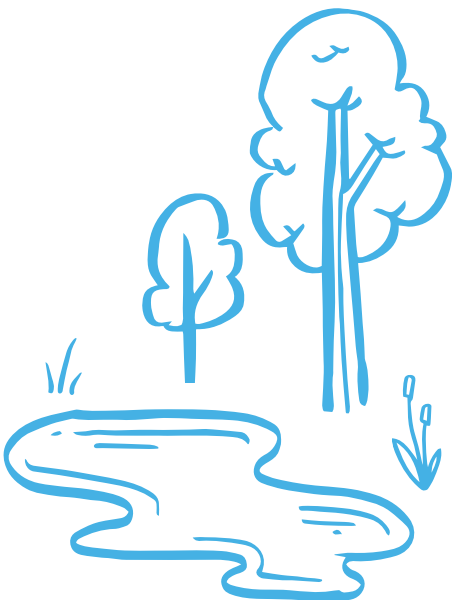
At the direction of the Talking Rain, please provide samples for analysis, testing, focus group submittal and/or pilot runs.

1.3.8 PACKAGING MANUFACTURERS / DISTRIBUTORS

Every supplier must provide Talking Rain with a certification that all products it supplies to Talking Rain meet all applicable laws and regulations of the U.S. Food and Drug Administration ("FDA").

[DETERMINING THE REGULATORY STATUS OF COMPONENTS OF A FOOD CONTACT MATERIAL](https://www.fda.gov/food/packaging-food-contact-substances-fcs/determining-regulatory-status-components-food-contact-material)

<https://www.fda.gov/food/packaging-food-contact-substances-fcs/determining-regulatory-status-components-food-contact-material>





SAVINGS & INVESTMENTS



2.1 SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct set forth below contains our expectations that our suppliers conduct their business in a responsible and ethical manner and requires that they comply with all applicable laws, including employment and human rights laws.

2.1.1 COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND PRACTICES

Suppliers are required to act in accordance with all applicable federal, state, and local laws and regulations. When applicable, suppliers must comply with relevant international laws.

2.1.2 WORKPLACE AND HUMAN RIGHTS

Respect and Dignity

Proper measures must be taken to promote a workplace free of harassment, harsh treatment, threats of violence, corporal punishment, or other forms of physical coercion.

Voluntary Employment

Talking Rain suppliers must ensure that no forced labor, including bonded, indentured and involuntary prison labor, is used. Only voluntary employment may be utilized, and workers must be allowed to terminate the employment at any time upon reasonable notice.

Child Labor Avoidance

Talking Rain suppliers and their subcontractors are forbidden from using child labor in any circumstance. Talking Rain suppliers must ensure proper employment of minors at all stages from farming, manufacturing, delivering through processing the finished goods.

Working Hours

Talking Rain suppliers must comply with all applicable laws governing the number of maximum work hours, vacation time, leave periods, and holidays. Suppliers' employees shall not work beyond the maximum working hours permitted by applicable law. Suppliers will compensate for overtime hours in accordance with applicable laws.

Wages and Benefits

Suppliers must provide compensation, including regular wages and overtime hours, and legally mandated benefits, in accordance with all applicable laws and standards.

Freedom of Association

Talking Rain requires that its suppliers recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with all applicable laws. Additionally, Talking Rain encourages its suppliers to establish open communication and direct engagement between employees and management as a means by which to support positive employee relations.

Non-Discrimination

All conditions of employment must be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Talking Rain suppliers must not discriminate in hiring and employment practices based on race, color, gender, gender identity or expression, religion, age, nationality, sexual orientation, social or ethnic origin, disability, pregnancy, political affiliation, veteran status, union membership or marital status.

Immigration Laws Compliance

Suppliers shall only employ workers with a legal right to work, which must be validated by suppliers before the employment by reviewing the relevant documents. Procedures which demonstrate compliance with these

validations must be implemented. Talking Rain suppliers must regularly audit employment agencies from whom they obtain workers to monitor compliance with this requirement.

2.1.3 ANIMAL WELFARE

Talking Rain is committed to the humane treatment of animals. Talking Rain requires its suppliers to implement humane procedures to prevent the mistreatment of animals at all times, including when they are raised, cared for, transported, and processed. Talking Rain requires that suppliers provide an environment that is free from stress, cruelty, abuse, and neglect throughout the life of the animal.

2.1.4 HEALTH, SAFETY, AND THE ENVIRONMENT

Health and Safety at Workplace

Suppliers must ensure that they have a safe and healthy working environment to include appropriate controls, safe procedures, preventative maintenance and appropriate protective equipment in compliance with all applicable laws and regulations. This is especially important when dealing with hazardous materials.

Protection of the Environment

Talking Rain expects that its suppliers will act in an environmentally responsible manner. At a minimum, this means suppliers who are in compliance with applicable environmental laws and regulations, and who have the commitment as well as the ability to remediate any environmental problems they may cause. Additionally, all suppliers must present, on an annual basis to Talking Rain, its current sustainability plan and all quantifiable steps it has taken or will take to enact that plan.

2.1.5 ETHICAL DEALINGS

Talking Rain suppliers may not participate in or permit any forms of corruption, bribery, extortion, or embezzlement.

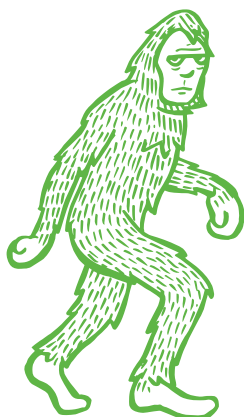
2.1.6 MONITORING AND RECORD KEEPING

Suppliers must maintain necessary documents to demonstrate their compliance with this Supplier Code of Conduct. Talking Rain and/or its designated agents maintain the right to take certain actions, such as inspection of production facilities or review of the applicable documentation, to ensure compliance with this Supplier Code of Conduct.

2.2 PURCHASING PHILOSOPHY AND EXPECTATIONS

2.2.1 COST CONTROL

Talking Rain believes that a focus on cost control provides benefits past those of lower costs and is indicative of a well-run company. By controlling how much money is being spent and by monitoring it closely there are a number of ancillary benefits. Some of those are: price stability; consistent monitoring of market conditions; better record keeping; and, an atmosphere of thrift. This focus on controlling costs serves our shared purpose of providing the customers of Talking Rain with low costs and confidence in a consistently managed supply chain.



2.2.2 SERVICE

Talking Rain is firmly committed to providing the highest possible level of customer service to its customers. We believe in responding quickly and completely to our customers' needs. We strive to partner with like-minded suppliers who hold this same commitment to service. Working together with this focused commitment we provide the confidence and assurance that customers are looking for and that will assist us in building our shared business.

2.2.3 BUSINESS STABILITY

Talking Rain seeks to partner with suppliers who are stable both financially and operationally. The dynamic nature of the customers of Talking Rain requires considerable investment in inventory, labor and capacity to support their short-term needs and long-term plans. It is important that we forge strong relationships with solid partners who are able to weather the ebbs and flows of business.

2.2.4 PREPARATION PRODUCES OPPORTUNITY

At Talking Rain, we believe that being prepared opens the doors of opportunity. By having strong relationships with our suppliers and broad knowledge of their operations and products we are able to react quickly to our customer's needs. Much of the information we will ask the supplier to provide us will serve to assist us to better understand how we can work together to maximize new opportunities.

2.3 GENERAL POLICIES

2.3.1 ALLOCATION OF RISK

Talking Rain requires its suppliers to stand behind the quality of their products and services and to protect Talking Rain from any potential liability that may result from use or distribution of those products. Depending on the product or service purchased, the supplier may be required to provide proof of liability insurance (general, auto, recall or product), including coverage of Talking Rain as an additional insured, and/or indemnify Talking Rain against losses. The appropriate requirements and documents will be determined at the time a purchase document is negotiated or awarded.

2.3.2 AUTHORIZED BUYER

Talking Rain's Authorized Buyers are a supplier's main contact at Talking Rain. These Authorized Buyers are responsible for supplier selections, negotiations of contracts and agreements, discussions about cost, schedules and specifications, and overseeing the creation of purchase orders and releases and changes. The buyer may instruct the supplier to work directly with other Talking Rain representatives on day-to-day business transactions or in developing new products, but the buyer remains the key contact for all final specifications, costs, schedules and agreements.

2.3.3 BUSINESS COURTESIES

Talking Rain recognizes that developing and maintaining strong supplier partnerships occasionally includes activities such as meals and entertainment. These activities are normal in the course of business, but there are limits on what an individual Talking Rain employee may accept from a supplier. We define a business courtesy as a present, gift, discount, hospitality or favor from persons or firms with which Talking Rain has or may have a business relationship. Employees are not to accept business courtesies other than of nominal amount, from customers or suppliers or prospective customers or suppliers unless authorization is requested and received from the Chief Executive Officer or Chief Financial Officer, nor are they to use their status with Talking Rain to obtain personal gain from those doing or seeking to do business with Talking Rain Beverage Company. As a guideline, a nominal amount would be something that could be consumed or used at one sitting (e.g. a work-related lunch, or at a moderately priced restaurant), but nothing is to be accepted which could impair or appear to impair the employee's ability to perform

company duties, impartially and in the best interests of the Company. As further clarification, amounts won through skill or chance, such as a television won on a random draw at a golf tournament, would not be considered a gift or favor.

2.3.4 COMMENCEMENT OF WORK

Supplier must have a valid purchase document (contract, agreement, purchase order, blanket purchase agreement or blanket release) or a valid credit card number in hand before the production of goods or commencement of services. This includes artwork, drawings, prototypes, molds or any other product or service for which the supplier expects payment. Failure to comply may result in non-payment of an invoice. Purchase orders and blanket releases will usually be e-mailed to the supplier.

2.3.5 CONFLICT OF INTEREST

It is critical that all business dealings between Talking Rain and its suppliers are absolutely above reproach or question. Talking Rain partners are instructed to avoid activities which involve a conflict of interest with Talking Rain. The transaction of business by Talking Rain with businesses beneficially owned in whole or in part directly or indirectly by an employee or any member of his/her family is prohibited unless written approval is requested and received from either the Talking Rain Chief Executive Officer, President or Chief Financial Officer.

2.3.6 DISASTER RECOVERY PLAN

Supplier must provide a Disaster Recovery Plan. A disaster recovery plan is a comprehensive statement of consistent actions to be taken before, during and after a disaster. The plan must be documented and tested to ensure the continuity of operations and availability of critical resources in the event of a disaster. The primary objective of disaster recovery planning is to protect the organization in the event that all or part of its operations and/or computer services are rendered unusable. Preparedness is key. The recovery plan should minimize the disruption of operations, ensure organizational stability and support an orderly recovery after a disaster.

2.3.7 SUPPLIER INVENTORIES

Talking Rain is not responsible for raw materials or supplies purchased by the supplier beyond what is required to fulfill current purchase orders, blanket agreement releases, or otherwise specified in the relevant contract. Exceptions must be agreed in writing by the Authorized Buyer.

2.3.8 LATE DELIVERIES

Late deliveries may result in chargebacks. Any changes in schedule must be pre-approved in writing by the Authorized Buyer.

2.3.9 NONCONFORMING PRODUCT

All goods and services are expected to meet requirements and specifications as described in this document, the supplier's contract, purchase document, scope of work statement, prototype, proof, or as stated in the supplier's cut sheets, shop drawings and/or specifications sheet. Failure of a product or service to meet requirements and/or specifications will result in a charge back to the supplier. Costs will vary depending on the problem, but in all cases, the supplier will be expected to remedy the situation and will be liable for the entire cost of the items, ancillary items lost due to the failure of the nonconforming product, handling, freight, storage, rework or additional services needed to correct the problem. Talking Rain reserves the right to offset these charges against any amount due supplier, including amounts due on purchase orders covering products or services other than those out of compliance.

2.3.10 ONGOING SUCCESSFUL BUSINESS

It is incumbent on the supplier to ensure all documents and/or certificates on file with Talking Rain are current. Any documents that expire or pass their renewal date will be considered inactive and the supplier will be moved to probationary status.

2.3.11 PRICE QUOTATION

Suppliers are required to provide a written quote specific to each item they intend to sell to Talking Rain. Please include the following elements in the quotation.

- Quote date
 - Effective date
 - Duration of quote, including final effective date
 - Price, FOB Plant (Shipping point), with unit of measure
 - MOQ
 - Lead-time
 - Price, FOB Destination (Delivery location), with unit of measure
 - Supplier item number
 - Item description
 - Case pack
 - Freight terms
 - Payment terms
- All quotations must be in English and must meet all stated format requirements. Non-compliant quotations may be disqualified.
 - All requests for price changes must be made in writing a minimum of 30 days before the effective date of the price change and must be made in response to specific market conditions or commodity prices. The new price, if approved, will apply to purchase orders created after the effective date. All requests for price changes are to be sent to the Authorized Buyer.
 - o Price changes must remain in effect for a minimum of 180 days unless approved in writing by the Authorized Buyer.
 - o All requests for price changes must be accompanied by substantiation that details the specific market and/or commodity conditions that are driving the price change.

2.3.12 PRODUCT ACCEPTANCE

Incoming goods received may be inspected and tested for conformance to specifications on file. Non-conforming goods will be placed on “QC Hold”, which may result in delay of payment until the issues are resolved (or the return, at Supplier’s expense if the issues go unresolved). Product disposition will be determined based on the extent of the nonconformity, which could range from charge backs to the supplier or total rejection of the product. Other specific rights Talking Rain retains on reporting non-conforming products are outlined in the Standard Terms and Conditions, or applicable contract

2.3.13 PRODUCT WITHDRAWAL

A situation may occur where a product must be removed from the market. The product action may be a stock recovery, market withdrawal, or recall, depending on the nature of the product concern. Talking Rain has a detailed procedure in place in the event a product action becomes necessary. These actions may, depending on the severity of the problem, be taken in consultation with the FDA. Talking Rain will direct these activities and will expect full and complete cooperation from any supplier whose product is involved in such action. Talking Rain reserves the right to offset any costs associated with the product withdrawal charges against any amount due supplier, including

amounts due on purchase orders covering products or services other than those out of compliance.

2.3.14 PRODUCTION (FACTORY) LOCATIONS

Suppliers must disclose the legal company name and complete address of each facility that will produce goods and/or provide services for Talking Rain and obtain approval of each facility prior to producing product to be sold to Talking Rain. Suppliers must obtain written approval from Talking Rain prior to moving production of product to be sold to Talking Rain to a location different from the approved facility. Talking Rain reserves the right to inspect and/or audit all production/service locations. Some products and services may be exempt from these requirements if approved in writing by the Authorized Buyer.

2.3.15 SPECIFICATION CHANGES

Formulation or Label Changes

If any changes are made to the formulation or labeling of any ingredient or processing aid supplied by the Supplier, please note:

- Talking Rain requires written notification a minimum of 90 days in advance of any product reformulation or label change.
- A copy of the new product specification, including product label, must be sent to Talking Rain prior to shipping the reformulated ingredient. If a new product specification is not received and approved prior to the first shipment, the shipment may not be accepted.
- Send the notification, new specification, and labeling to the below address, if not already addressed in the Supplier Agreement or Supplier Contract:

Talking Rain Beverage Company
Attn: Corporate Controller
30520 SE 84th Street
Preston, WA 98050
(425) 222-4900
procurement@talkingrain.com

- No reformulated product is to be shipped to Talking Rain or Talking Rain production partners without prior written approval from one of the following Talking Rain employees or their positional successors:
 1. Quality Assurance Director
 2. Research & Development, VP
- The Supplier must immediately notify Talking Rain, in writing, if any sub-components that Talking Rain purchased from the supplier contain or have contained previously-undeclared allergens. This includes any manufacturer or government agency alerts related to recalls and/or product warnings. The supplier will be responsible for the cost of any packaging or materials that become unusable due to the labeling change, unless the supplier has provided the required 90-day notification.

Product Packaging or Count Changes

If any changes are made to the packaging and/or unit/case/pallet count of product supplied by your company,



please note:

- Talking Rain requires written notification a minimum of 90 days in advance of any product reformulation or label change.
- A copy of the new product specification, including product label, must be sent to Talking Rain prior to shipping the amended product. If a new product specification is not received and approved prior to the first shipment, the shipment may be refused.
- Please send the notification, new specification and labeling to the below address, if not already addressed in the Supplier Agreement or Supplier Contract:

Talking Rain Beverage Company
Attn: Corporate Controller
30520 SE 84th Street
Preston, WA 98050
(425) 222-4900

procurement@talkingrain.com

2.3.16 SUBCONTRACTING

No portion of products or services sold to Talking Rain may be sub-contracted without written permission from the Authorized Buyer. Failure to disclose any sub-contracting arrangements may result in non-payment of invoices.

2.3.18 WARRANTIES

Certain products and services require a written warranty. These will vary by product and service and will be included in the agreement entered into between the Supplier and Talking Rain. These warranties must be in place prior to commencement of work on any applicable project, or product may not be accepted and/or invoice not paid.

2.4 BUSINESS PROCESSES AND PROCEDURES

2.4.1 PURCHASE ORDERS

Purchase orders will be the primary document used to submit orders to suppliers and to detail the order specifics. All suppliers must be setup in the Talking Rain system. Please refer to the active purchase order for instructions specific to that order.

Orders may also be placed with the following instruments. The supplier must receive a specific order supported by one of the following prior to taking any action to fulfill the order.

- Purchase Order (RPRD)
- Supply Agreement

Supplier orders that are fulfilled without one of the above will not be paid, when invoiced.

2.4.2 PURCHASE ORDER CHANGES

Purchase order changes are only valid if the Supplier has received a revised purchase order and formally accepted the changes in writing.

2.4.3 CONFIRMATION OF PURCHASE ORDERS

It is the responsibility of all Suppliers to provide a written confirmation to Talking Rain for each order. All information on the purchase order is to be confirmed. The instructions for submitting confirmations are on the face of all purchase orders.

2.4.4 INVOICING

Invoices require the following information to be processed:

- Unique invoice number
- Talking Rain purchase order number must include the full TRP number (example: TRP-012345).
- Supplier name, remit-to address, phone and fax number, and email address, if applicable.
- The Talking Rain product number referred to on the purchase order.
- Quantity ordered, as shown on purchase order.
- Quantity shipped
- Shipping destination
- If multiple shipments for one order, reference the Bill of Lading (BOL) number, or the Shipment number.
- Carrier Name
- Invoice date, including day, month and year.
- Same unit of measures, currency, and price as denoted on the PO.
- Tax and freight should be listed on a separate line for each invoice. Products or materials used for production are non-taxable.
- Payment terms

Email all invoices, in PDF format, to the below applicable address:

Non-inventory, non-discounted invoices to:

AP@talkingrain.com

Inventory, non-discounted invoices to:

APDirect@talkingrain.com

Inventory, discounted invoices to:

APDiscount@talkingrain.com

2.4.5 OVER/UNDER POLICY - INCOMING MATERIALS

It is the responsibility of the supplier to notify the Authorized Buyer of any overages or shortages from the quantities stated on the purchase order. The Authorized Buyer will provide written approval for any deviations from the purchase order quantities.

- Distributed or stock items: It is expected that orders will be filled in full, with no quantity deviations.
- Custom items: Generally, we will accept quantity variances up to 10% over and 10% under, with the written approval of the Authorized Buyer.

2.5 RAW MATERIAL DELIVERY REQUIREMENTS

2.5.1 SHIPPING AND DELIVERY

Cartons/Packing

All packaging must be able to withstand the normal rigors of transportation, both inbound and for subsequent distribution, and warehouse storage. All cases must be closed, or have slip sheets, or covers on the pallet that will protect the product from items or materials coming into contact with the product. Poorly packaged merchandise (i.e. carton flaps unglued, tape not holding, packaging crushed from other cases stacked on it) can cause damage, additional handling, potential safety issues, and additional costs. Talking Rain may charge the supplier for reworking the damaged or poorly packaged items or may return the product.

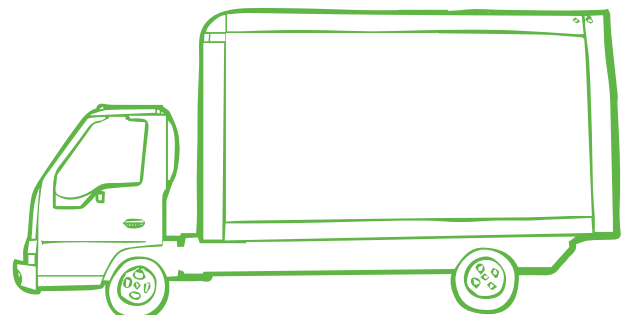
Product Labeling

- **Primary Product Labeling**

- o Product name
- o Brand
- o Unit weight, including the unit of measure
- o Scannable UPC
- o Lot code that includes:
 - Manufacturing location
 - Manufacturing date
 - Time of manufacture
- o Use by or expiration date
- o Talking Rain Raw Material number (RM)

- **Secondary Product Labeling (If applicable)**

- o Product name
- o Brand
- o Pack Size, Type, and Count; include the unit of measure
- o Scannable UPC
- o Lot code that includes:
 - Manufacturing location
 - Manufacturing date
 - Time of manufacture
- o Use by or expiration date



- **Tertiary (Master Case) Labeling**

The following elements are Talking Rain's minimum expectations for shipping case markings. At a minimum, two adjacent sides of the shipping case should clearly display:

- o Product name
- o Brand
- o Pack Size, Type, and Count; include the unit of measure
- o Temperature storage requirements; include the unit of measure
- o UPC – numeric (GTIN)
- o Scannable UPC
- o Lot code that includes:
 - Manufacturing location
 - Manufacturing date
 - Time of manufacture
- o Use by or expiration date

Shelf Life Guarantee

Suppliers shall deliver raw materials that have, at a minimum, 75% of the full shelf life, as detailed on the product specification. In the event that product will deliver with less than 75% remaining, the supplier must obtain approval from Talking Rain Corporate QA prior to shipment of the product, or the product may be rejected for a full refund

2.5.2 DELIVERY REQUIREMENTS

Delivery Appointments and Scheduling

All deliveries to Talking Rain, Co-Packers, and 3PL Partners are typically scheduled with the receiving clerk 48-72 hours prior to delivery. When scheduling deliveries at one of these locations, please refer to the Delivery Location Information Sheet in Appendix G, as requirements are location dependent. Requests for delivery appointments are on a first come, first served basis. TRBC and its partners reserve the right to turn away trucks that have no delivery appointment, or that show up early or late unless the change in delivery time has been approved by the receiving clerk at the receiving facility.

Supplier is responsible for transmitting the delivery appointment requirements to the carrier; either as part of the load tender or written on the bill of lading/packing slip that will accompany the load. Talking Rain prefers that both methods are used to notify the carrier of the requirement.

Pallet Requirements

1. Pallet specification requirements.
 - a. Pallet size: 40" x 48"
 - b. Pallet type and quality: Food grade GMA A-1
 - c. Talking Rain, Co-Packers, and 3PL partners will provide offloading services for product delivered on pallets. Product delivered 'floor-loaded' will not be off-loaded. This may include LTL shipments.
 - d. Talking Rain, Co-Packers, and 3PL partners will not restack or rewrap pallets deemed to be unsafe to store in elevated racking. Securing unsafe product will be the responsibility of the carrier.

2. Pallet wrap requirements. Shifted or damaged freight is generally caused by poor shrink wrapping, improper loading, poor packaging or lack of protective dunnage, and causes increased truck turnaround time and poor dock utilization. All loads must be secured and stabilized in such a way as to prevent product from shifting or becoming damaged during transit.
 - a. Stretch wrap must cover all cases and extend over the top of the pallet securing all cases to the pallet. Stretch wrap must tie the product to the pallet so there is no shifting during shipping. The stretch wrap must start with at least three full wraps of the pallet prior to progressing up the pallet to secure the product. Each successive wrap must overlap the preceding wrap by a minimum of 25% of the width of the stretch wrap.
 - b. The stretch wrap specifications must be a minimum of 80 gauge, have a minimum web width of 15 inches and be clear. Colored or tinted film is not permitted unless approved in writing by Talking Rain.
 - c. Damages and other costs resulting from poorly packaged merchandise, unitization, loading or dunnage are the responsibility of the Supplier, and may lead to product refusal and/or chargebacks to the supplier for additional costs and administrative fees.
3. ASN labels (pallet tags) are to be affixed on the upper right-hand corner on two adjacent sides of each pallet clearly identifying the shipper, PO number, and the Talking Rain RM number on the pallet. If the items on the pallet are perishable, the lot code/batch number must also be included on the pallet tag.

Dock Delivery Requirements

1. All drivers will be required to submit a government issued identification card before receiving authorization to deliver any products to the Talking Rain, approve Co-packer or approved 3PL facilities.
2. Carrier drivers are expected to observe the unloading of their trailer and confirm any discrepancy regarding overages, shortages or damage with authorized dock employees. This process takes place on the unloading dock, so that it can be accomplished before the delivery driver leaves.
3. All shipments are to be delivered in clean, odor free trailers. Trailers delivered with odors or visual signs of contamination, infestation, or loss of temperature control will be rejected.

Pallet Exchange

No pallets exchange with any suppliers/carriers unless approved in writing by the Talking Rain Authorized Buyer.

Load Seals and Security

In order to ensure the highest quality of products, Talking Rain requires all incoming raw material loads to be delivered in trailers with intact seals, and the seal number to be noted on the BOL. All seals on incoming trailers are to be inspected and verified against paperwork by authorized Talking Rain, co-packer, or 3PL personnel before being opened/broken. LTL and FedEx shipments must be locked upon arrival.

Shipping Documentation

Bill of Lading (BOL): Two copies must accompany every shipment to Talking Rain. Each BOL must include the following information. Both copies of the BOL will be signed by the driver and the receiving clerk. One will be given



to the driver and one will be retained by Talking Rain.

The following data is required to be included on the BOL:

- Supplier Name
- Shipping Address
- Consignee Name
- Consignee Address
- Special Instructions
- Number of Packages
- Description of Articles, Packages, Marking, and/or Exceptions
- Weight, including unit of measure
- Shipper Signature
- Time and Date the product left the shipper
- Carrier Name
- Driver Name and Signature
- Talking Rain Purchase Order Number (RPRD)
- Trailer Seal Number. If LTL or FedEx, the trailer must be locked upon arrival.
- Quantity Shipped per Item and Total, including unit of measure
- Pallet Count
- If hauling a refrigerated trailer, include instructions to the driver stating the temperature the trailer must be set. Include the shipper's initials confirming that the temperature is set correctly.
- Load Number (Supplier's Unique Load Number Identifier)
- Freight Terms in Free on Board (FOB) Terms.
- Company name and address of where to send the freight bills

Manifest

Two copies are required to accompany every shipment to Talking Rain. Each manifest must include the following information. Both copies of the Manifest will be signed by the driver and the receiving clerk. One will be given to the driver and one will be retained by Talking Rain.

The following data is required to be included on the Manifest:

- Supplier Name
- Shipping Address
- Consignee Name

- Consignee Address
- Lot Numbers
- Talking Rain PO Number
- Product Description including the vendor item number (VIN) and the Talking Rain item number (RM)
- Case Pack Description
- Quantity shipped per Item and Total

Delivery Location Information

Delivery location information including contact information, hours of operation/holiday hours, and specific delivery instructions will be given to the supplier during the supplier set-up. This information can also be requested after the initial set-up, upon request.

2.5.3 QUALITY REQUIREMENTS

Certificates of Analysis

Talking Rain requires suppliers to provide a Certificate of Analysis (COA) for all raw material production lots*, unless the supplier has received a written exception from the Talking Rain Quality Assurance Team. All products shipped and delivered to Talking Rain must have accompanying COA(s). A copy of the COA must also be sent electronically to the Talking Rain QA department at: COA@talkingrain.com. Both COAs must be available at the time of delivery or the product may be rejected during the receiving process.

Please include the following information on the COA:

- Supplier Name
- Supplier item number
- Item description
- Lot code
- Countries of origin
- Product grade (if applicable)
- Purchase order number
- Date of manufacture
- Storage temperature/Expiration date: Indicate multiple storage temperatures such as freezing, cold and ambient with corresponding expiration dates, if applicable.
- Packaging material grade (for direct food contact materials, only)
- Testing results with standard acceptable range

*Packaging materials that do not directly contact food are exempt from this requirement.

**Please contact the Authorized Buyer for a detailed chart of testing requirements specific to the materials that the supplier will provide.

2.6 FOOD SAFETY AND QUALITY SYSTEMS

2.6.1 SUPPLIER FOOD SAFETY AND QUALITY REQUIREMENTS

Policy

Suppliers shall have a documented system in place to ensure compliance with this handbook, all regulatory requirements, and any and all Talking Rain specifications, and will produce such policy for Talking Rain at Talking Rain's request.

Requirements

The food safety and quality systems (organizational structure, policies, programs and procedures needed to manage product safety and quality) shall be documented.

There shall be a process in place to ensure the most current policies, programs, and procedures are properly distributed to functional areas of the supplier facility.

Periodic and/or routine internal audits of the food safety and quality systems shall be conducted to verify their effectiveness and to identify improvement opportunities.

All suppliers must allow Talking Rain employees and/or agents to visit, audit or inspect any processing, manufacturing, storage or administrative facilities or offices, company owned or contracted, which process, manufacture or handle products manufactured for Talking Rain.

Third Party Audit Requirements

All suppliers shall have on-going 3rd party audits performed on their food safety and quality systems. For copackers, re-packers, and ingredient suppliers, the 3rd party audit shall be conducted using one of the GFSI (Global Food Safety Initiative) recognized scheme standards.

2.6.2 DOCUMENT SUBMITTAL

As part of our supplier approval program, Suppliers must submit the following documentation for Talking Rain's review.

For Ingredients:

1. Third Party GFSI Audit Report and Certificate – Current/non-expired full audit report including any corrective actions.
2. FDA certificate of registration/statement of registration for Bio-Terrorism Act. All registrations with any regulation body in county of manufacturing (example: health department) are required.
3. Kosher Certificate – must be current, valid and recognized by Orthodox Union. Ingredient must be Kosher Pareve unless specified by Talking Rain otherwise.
4. Letter of Guarantee (for ingredient quality and safety)
5. Ingredient and Packaging Data Form (Form supplied by Talking Rain) or Specification Sheet (must include all information regarding chemical properties, nutritional values, physical properties, microbial testing and packaging dimension).

6. Allergen statement or Allergen Checklist (Check list form supplied by Talking Rain) – The checklist requests information about known allergens in the industry (Americas & EU) present in product supplied to Talking Rain, on the same manufacturing line and in the same manufacturing plant. Talking Rain will accept supplier document/form if all information above is present.
7. Gluten free statement (if applicable)
8. Country of Origin
9. Ingredient Supplier Self Questionnaire (Form supplied by Talking Rain)
10. Product Coding Statement/Lot Tracking Statement – explanation for lot code interpretation.
11. Safety Data Sheet (SDS)
12. Bioengineered statement (noting any disclosure requirements under the National Bioengineered Food Disclosure Standard)

For Packaging Material:

1. Third Party Audit – Current/non-expired full audit report including any corrective actions
2. Specification Sheet
3. Packaging Drawing
4. Letter of Guarantee (for packaging quality)
5. HACCP Plan (CCPs)/HACCP Certification or an equivalent Quality Preventive Control Plan specifying system to avoid chemical, biological and physical contamination of the packaging
6. GMP Statement/Guideline/GMP Certificate (if a full and current GFSI audit report is submitted this item can be disregarded)
7. Certificate of Analysis/Conformance – an example
8. Traceability Exercise – a full Traceability Exercise/mock recall report/spreadsheet from the manufacturer's last exercise, not SOP or a statement. Must be valid from the last 12 months
9. Product Coding Statement/Lot Tracking Statement – explanation for lot code interpretation.
10. FDA Certificate of Registration/statement of registration for Bio-Terrorism Act (if applicable)
11. Recyclable Usage Statement
12. List of Adhesives (Labels only, if applicable)
13. List of Coating Material (Can and can lids only)
14. List of Accepted Pre-Form/Resins – Must list all material, manufacturer, country of origin and certificates (Caps and Bottle only)
15. List of accepted Colorants – Must list all colorants, manufacturer, country of origin and certificates (Caps and Bottle only, if applicable)
16. BPA Free statement (Caps and Bottle only)

2.6.3 SUBMITTAL DEADLINE

Required documents need to be submitted through our quality management system.

All documents must be kept current and on file by Talking Rain.

Any revisions to the above documents must be submitted to Talking Rain immediately regardless of the allotted submission schedule within 3 weeks of request.

2.6.4 SUPPLIER APPROVAL

Supplier approval is on a facility basis, each supplier facility, i.e. manufacturing site, must be approved. Suppliers with several facilities must submit the mentioned documents for all manufacturing facilities supplying product to Talking Rain.

Upon receipt of all completed documents and agreements we will submit the information to departmental and corporate management for approval. Only upon full approval, as confirmed in writing, will we process purchase orders to the Supplier.





SUPPLIER HANDBOOK ACKNOWLEDGMENT



4.0 SUPPLIER HANDBOOK ACKNOWLEDGMENT

I am an officer of and hereby bind the below named company (the 'Supplier') to the Policies and Requirements listed above and detailed in the preceding sections.

Please initial all sections above to confirm inclusion or agreement prior to signing below.

Authorized Signature

Date

Printed Name

Title

Company Name (Supplier)

Phone

Address City, State, Zip

