Table Rock Tea Company Co-Packing Agreement

This is not a contract, but rather a letter of mutual understanding as we enter into a working relationship together. As a small company growing and manufacturing our own products, we have certain capacities and limitations on what we can and cannot do for other companies. Our specialty is helping smaller companies grow from "cottage" into medium-sized markets, and our sincere hope is that you will outgrow our services!* With that in mind, please read, **initial each section**, and sign below:

_____Communication! We want to do your job right and on time. That often requires us to clarify questions that come up along the way. Since we live on the premises, we will often run jobs early in the morning and/or late at night depending on our schedule. So, if you get an email or text from us, please reply regardless of regular business hours – it usually means we are in the middle of your run, waiting on a critical piece of information to be able to move forward. Your prompt reply is greatly appreciated as it helps us get your job done efficiently and in a timely manner (best for all of us). Don't worry, you cannot possibly over-communicate with us!

_____We require prior notice via phone, text, or email of any shipments you plan to make to us <u>before you</u> <u>ship them</u>. Once we are in a processing relationship, we will set you up with a Google Doc to keep track of incoming and outgoing materials. Please wait for our confirmation before shipping us anything! This protects you from shipping something when we are not here to receive or process it. It also avoids confusion as we get multiple shipments of similar ingredients earmarked for several different companies at the same time. Once confirmation is given and you have shipped, please tell us what specific items to expect and the weights of <u>each item</u>.

____ You are responsible for confirming that your ingredients are FDA approved for ingestion. Do not send us ingredients that are not approved by the FDA for ingestion.

WE DO NOT PROCESS ANY HEMP or CBD PRODUCTS. South Carolina laws are such that a hemp handler's permit is simply not worth our trouble. For your own protection, please be familiar with the State and Federal laws that may apply to your product. We are happy to email you official USDA hemp and CBD guidelines at your request.

_____ For regular size jobs (up to 300lb total), please allow two weeks for us to process once received. All jobs are processed in the order in which they are "received in full." If we have to wait on ingredients, your job may be bumped by another whose ingredients have been received in full. We are well known for fast turnaround and we do try to get all jobs done as quickly as possible by eliminating production gaps. If you need your project expedited, we can usually work with you, but there is a 25% upcharge for expedited services or reserved weeks.

_____Once jobs are processed, they will automatically be shipped back to you. We do not drop ship to your individual customers (we are not a fulfillment center). Unless specified, return shipping will be USPS uninsured, at your own risk, to save you cost. Large jobs requiring palletized freight may be arranged upon our mutual agreement (these are usually best when shipping over 100lb).

_____ For longer, bigger jobs and regular clients (those who use us for co-packing at least once every 3-4 months), we will provide one free shelf (47" wide x 23" deep x 17" tall) in our storage area for your extra overflow materials between runs. Any additional space required will incur a prorated per diem rental fee, starting one week after the first overflow occurs and ending when the entire run is return shipped. Please also understand that **we do not track your inventory!** You are responsible for keeping up on your raw ingredients and supplies needed to fulfill your jobs (this is the purpose of the Google Doc). If you feel you must have us inventory your items, we will charge timed admin fees.

We can pack counted sachets into hard cartons or collapsible pouches calculated per piece by an hourly rate. That said, we cannot store hard containers beyond a single run (they take up too much space).

An explanation of some key service* charges you may see on your invoice:

"R&D/Admin." This is our catch-all for anything out of the ordinary that requires a significant amount of extra time. It applies to product development when we are working with a client on formulating from scratch and testing. It also applies to overage of time running calculations, weight verifications, and conversations as ingredients come in from multiple origins, in multiple formats over an extended period of time (for example: if some packages have weights and others don't, we have to sort through everything to see what we actually have, then run the formula percentages several times as missing or extra pieces come in, etc). You can save yourself some Admin charges by doing your own accurate math – if we have to constantly check you for math errors, we will charge the time!

"Setup" fees. Every machine we use has a setup per sku to cover cleaning between recipes so one doesn't cross into or contaminate another. This is especially true of Certified Organic runs.

"Gussets." This is our 'at cost' price for heavy mil bulk bags.

"Jarring." This typically applies to powders being weighed and filled into jars with sealed lids. Jarring includes sealing the lids and placing a lot sticker on each jar.

"Cartoning." This typically applies to counting and packaging a set number of sachets into final packaging, sealing the package, and placing a lot sticker on each package. A separate labeling fee may apply depending on your package specifications.

REGARDING ORGANIC (Must be initialed even if you are NOT organic):

____ Even if your product is not a "Certified" Organic product, there are packaging restrictions on the use of the word, "Organic." Namely, the word 'organic' cannot be used on the principal display panel or in the 'romance language' (your narrative description of the product). The trademarked USDA Organic symbol may not be used on any packaging unless the entire supply and processing chain is Certified Organic. You are solely responsible for the legality of your product labels and packaging!

Good Faith Grown[®] is an excellent alternative to organic labeling. You don't have to have any organic products to be Good Faith Grown[®]. Check out the program at <u>www.GoodFaithGrown.com</u>

How do you know when you've outgrown our services?* There is no hard and fast rule, but if you are getting to the point where you're sending us 250 lb. per SKU, you are close to the minimums of other full service co-packers. We have a great working relationship with several of them, and will be happy to make introductions when that time comes.

_ If you do have specialty requirements that don't fall within these guidelines, please feel free to talk with us about them. We do have flexibility and we can customize our services^{*}, but we need to come to a mutually agreeable understanding beforehand.

Thanks for your business and we look forward to helping you succeed!

have read, understood, and agree to the co-packing guidelines presented above.

_____(Signature) _____(Date)

*Service prices are subject to change. We will not change prices on you mid-run, but please always check current pricing for services posted at <u>www.tablerocktea.com</u> prior to beginning a run!