Supplier Quality Manual

Table of Contents

1. Purpose

This *Supplier Quality Manual* (the "**Manual**") has been established in order to communicate Van Beek's (defined below) quality and food safety requirements to its current and potential future suppliers. Quality and safety of the Van Beek products is the number one priority for the company. Therefore, the supplier shall supply parts, materials and services that consistently meet specifications, on time, at a competitive price and conforming to all regulatory requirements of the part, material or service and Van Beek's products. This manual is intended to help the suppliers understand all these factors.

2. Scope

The manual applies to all suppliers of the Van Beek companies. The Van Beek companies include, but are not limited to:

- Van Beek Natural Science, L.L.C.;
- Van Beek Nutrition, L.L.C.; and
- Thermocal Minerals of Idaho, L.L.C.

These companies shall hereinafter collectively be referred to as "**Van Beek**".

3. Quality Requirements

Van Beek strives to manufacture products with quality as high as it could possibly get. In order to do so, Van Beek expects from its suppliers the efforts listed in this manual.

In addition to that, Van Beek will conduct physical supplier audits of the applicable supplier's facilities. Audits shall only be performed after prior written notification from Van Beek to the supplier. Current suppliers will (only) be audited if there are ongoing quality problems. The audit's goal will be to understand the supplier's processes and identify opportunities of continuous improvement.

3.1 Quality System

Van Beek encourages its suppliers to develop, implement and maintain a Quality Management System (QMS) that promotes and ensures a culture of continuous improvement and prevention of defects.

The QMS system should preferably be proven with third party certification. Van Beek recognizes ISO standards or (inter)nationally recognized equivalents and prefers those applicable to the food and feed industry (example: FSSC 22000). The supplier shall share with Van Beek the certificates

of all 3rd party audits of the QMS system, if applicable. Changes and updates to the certification status shall be communicated to Van Beek without delay.

3.2 Advanced Product Quality Planning

After a supplier for Van Beek is selected, the Advanced Product Quality Planning (APQP) process will be formally started. This process is designed to share Van Beek's quality expectations for the part, material or service. It also verifies that the supplier has the processes it needs to meet such requirements. APQP requirements shall be reviewed and shared in writing before the first Purchase Order (PO).

Suppliers may be required to run trial batches prior to mass production in order to determine if the processes are capable of meeting the requirements, including, but not limited to, quality and production rate. If trial runs are not successful, a root cause analysis and corrective action shall be initiated. Results of such shall be shared with Van Beek.

4. Food Safety Requirements

Supplier shall deliver products that meet all requirements as defined in 21 CFR 507, the Food Safety Modernization Act (FSMA), and are not adulterated or misbranded within the meaning of the FD&C Act, Section 301(a) and Section 301(b), also referred to as 21 U.S.C. 331(a) and 331(b). Supplier shall ask Van Beek about such if supplier is unfamiliar with any of these requirements.

5. Supplier Approval

Van Beek utilizes an approval process for potential future suppliers. During this process, various things will be discussed and agreed upon, as further described in other paragraphs of this manual. Suppliers may be audited at Van Beek's discretion. The audit's goal will be to understand the supplier's processes and identify opportunities of continuous improvement.

5.1 Supplier Assessment

Besides the potential audit, Van Beek expects suppliers to fill out the questionnaire under paragraph ten (10).

5.2 Approved Supplier List

Parts, materials and services will only be purchased from approved suppliers. Van Beek maintains an "Approved Supplier List" that will be kept current on a continuous basis. Failure to meet specified requirements or perform as expected may result in removal of a supplier from the Approved Supplier List.

6. Processes

The supplier is expected to establish and maintain documentation of all manufacturing activities, related to Van Beek parts, materials and services. Documentation must show that set requirements are met. If special documentation is required, Van Beek will inform supplier of such requirements.

6.1 Part Approvals

The supplier is required to keep records of part approvals throughout the manufacturing process, if applicable. Approvals shall be made by an independent Quality Department. If a third-party laboratory is used for testing, the laboratory must be accredited to applicable ISO standards or (inter)nationally recognized equivalents.

6.2 Process Control

If any of the aforementioned records are out of specifications, Van Beek shall immediately be informed, and a root cause analysis and corrective action shall be initiated. Results of such shall be shared with Van Beek without delay.

7. Process Change

Suppliers may be audited when processes change, only after written notification from Van Beek beforehand, at Van Beek's discretion.

7.1 Temporary Deviation

In the occasion that parts or materials are out of specification and lead-time does not allow for a root cause analysis and corrective action to be performed before shipping the nonconforming parts or materials, a request to ship the nonconforming parts or materials to Van Beek shall be submitted to Van Beek's Quality department, which shall reply without due delay. Supplier can only ship after approval from Van Beek's Quality department. Approval will be based on the impact the nonconformance may have on Van Beek's processes and products.

Van Beek will still expect the supplier to do a root cause analysis and corrective action. Therefore, the request to ship nonconforming product shall at least include:

- Date of nonconformance;
- Date of request;
- Details of the nonconformance;
- Numbers of parts or materials affected; and
- Root cause analysis and corrective action timeline.

7.2 Permanent Change

The supplier shall inform Van Beek of changes in the categories listed below, before those changes are implemented:

- Manufacturing processes;
- Manufacturing equipment;
- Manufacturing locations; and
- Materials (this includes suppliers that supply materials to Van Beek's supplier).

8. Problem Resolution

When a nonconformance occurs or is found by Van Beek personnel Van Beek may request a corrective action. Parts and materials may be inspected upon receipt, during Van Beek's manufacturing process, internal audits, etc. Nonconformances with the Van Beek products may be rerouted to the supplier if Van Beek's root cause analysis find that the nonconformance is due to the supplier's part, material or service.

After the corrective action is requested by Van Beek, the supplier must:

- Contain affected part or materials;
- Plan to replace suspect parts or materials and inform Van Beek of such plan;
- Identify corrections;
- Perform root cause analysis;
- Identify corrective actions;
- Set up a timeline; and
- Verify and validate the effectiveness of the root cause analysis and corrective actions.

Van Beek expects to be informed on progress throughout this process. In addition, Van Beek will analyze the final response from the supplier to the corrective action and either Accept, Conditionally Accept or Reject the response. Approval of corrective action closure will be at Van Beek's discretion.

8.1 Supplier Development

Van Beek will provide assistance to their suppliers if there are problems with meeting the expectations around quality. Assistance will be given at Van Beek's discretion.

8.2 Cost Recovery

If Van Beek receives part, materials or services that do not conform to the requirements, supplier will be responsible for costs, including, but not limited to administrative, rework, premium

freight, production downtime, third party containment, rejection, travel and laboratory testing costs.

All costs will be debited from the supplier's account. Upon notification of the intent to debit, suppliers have sixty (60) days to appeal the charges. Lack of response will be considered as acceptance of charges.

9. Other Requirements

Email will be considered a sufficient medium to fulfill the "in writing" requirements in this manual and shall be used as primary tool for requests and approvals between supplier and Van Beek. In addition to the requirements, previously discussed in this manual and agreed upon between supplier and Van Beek (in writing), the requirements in the following paragraphs apply to the respective subjects.

9.1 Delivery

Van Beek expects 100% on time delivery of complete orders. If an order cannot be fulfilled completely, Van Beek expects to receive communication before the order is shipped. All nonconforming parts or materials will be returned to the supplier at the supplier's cost, unless otherwise agreed upon between the supplier, Van Beek's Finance department and Van Beek's Quality department.

9.2 Packaging

Van Beek expects packaging that protects the parts and materials in transit from damage and adulteration as much as possible. Different parts and materials shall not be packaged in the same package.

9.3 Record Keeping

All records related to the parts, materials and services supplied to Van Beek, shall be retained for three calendar years or one year after the expiration date of the part or material, whichever is greater.

9.4 Regulatory

This document does not supersede any regulatory requirement to the supplier. This document is in no way intended to provide regulatory advice.

10. Self-Assessment Questionnaire

Please fill out this questionnaire and return to Van Beek.

10.1 Contact Information

General Contact Information

Company : _____

Address : _____
_____
_____

Phone : _____
Email : _____
Website : _____

Quality Contact Information

Name : _____
Phone : _____
Email : _____

Finance Contact Information

Name : _____
Phone : _____
Email : _____

10.2 Questionnaire

I. Does your company use lot tracking? ☐ Yes ☐ No

II. Does your company use FIFO? ☐ Yes ☐ No

III. Does your company use outside storage? ☐ Yes ☐ No

If the answer is "Yes", describe the storage process and how the company guarantees quality:

_____
_____
_____

IV. Does your company perform internal audits? ☐ Yes ☐ No

If the answer is "Yes", describe the audit process and how the company handles audit results:

_____

_____

_____

V. Does your company drive continuous improvement? ☐ Yes ☐ No

If the answer is "Yes", describe the continuous improvement process:

_____

_____

_____

VI. Is your company regulated by any state or federal agencies? ☐ Yes ☐ No

If the answer is "Yes", name the agencies and, if registered, the registration number(s):

_____

_____

_____

VII. Can your company guarantee that it will always:

a. Send parts, materials or services that meet specifications; ☐ Yes ☐ No
b. Send parts or materials that are not adulterated under 21 U.S.C. 331(a) and (b); ☐ Yes ☐ No
c. Send parts or materials that are not misbranded under 21 U.S.C. 331(a) and (b); and ☐ Yes ☐ No
d. Send parts, materials or services that meet the applicable requirements of the FDA's Food Safety Modernization Act (21 CFR 507)? ☐ Yes ☐ No
e. Send parts, materials or services that meet all other applicable regulatory requirements? ☐ Yes ☐ No

VIII. Does your company utilize Standard Operating Procedures (SOPs) for:

a. Customer Requirements & Service	☐ Yes	☐ No
b. Product Development	☐ Yes	☐ No
c. Order Fulfillment	☐ Yes	☐ No
d. Purchasing	☐ Yes	☐ No
e. Receiving	☐ Yes	☐ No
f. Storage	☐ Yes	☐ No
g. Manufacturing	☐ Yes	☐ No
h. Shipping	☐ Yes	☐ No

IX. Does your company have written plans/requirements for:

a. CGMPs ☐ Yes ☐ No
b. Disease Control ☐ Yes ☐ No
c. Pest Control ☐ Yes ☐ No
d. Preventive Maintenance ☐ Yes ☐ No
e. Contingencies ☐ Yes ☐ No

What parts, materials or services will you be supplying and what are your company's quality specifications?

Item #	Item Description	UOM	Lead Time (workdays)	Min. Order Quantity	Price per UOM (USD)
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00
					$ 0.00

What kind of documentation can you supply to Van Beek, that would be showing us that the part, material or service meets the specifications?

☐ Certificate of Analysis
☐ Letter of Continuing Guarantee
☐ Other: _____

Documentation Provided:

- ☐ Return Policy
- ☐ Certificate of Analysis (COA) sample
- ☐ Letter of Continuing Guarantee
- ☐ CGMPs
- ☐ HACCP Plan
- ☐ 3rd Party Quality Certificate(s)
- ☐ Contingency Plan(s)
- ☐ Process Flow Diagram(s)
- ☐ Lot # sample
- ☐ Product Label(s)
- ☐ Food Safety Plan
- ☐ Other 3rd Party Certificates

Required Documentation:

- ☐ W9 Form
- ☐ Safety Data Sheets (SDSs)
- ☐ Spec. Sheets

- For internal Van Beek use only -

Approved by:

_____ _____

QA & Compliance Date

Van Beek companies | 3689 460th Street | Orange City, IA 51041 | +1 (712) 737-2958