

BUSINESS REQUIREMENTS  
FOR ALL  
VENDORS FOR ONEIDA, LTD

COMPLIANCE REQUIREMENTS  
AND  
GUIDELINES FOR CONDUCT OF BUSINESS

DATED: 1 APRIL 2007

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# ONEIDA

1 APRIL 2007

Dear Supplier:

Oneida Ltd. is updating its supplier information records and also issuing a notice of compliance criteria, and in order **to continue our business relationship** we must have the following documents on file.

1. **Supplier Acknowledgement Form** confirming the receipt and understanding of the enclosed Terms and Conditions of Purchase, Logistics, Preferred and Approved Vendors Program, Quality Standards, Code of Conduct and Conflict of Interest Policy.

The terms and conditions of each of these documents **shall apply to all orders for goods and/or services placed by Oneida Ltd.** Your failure to sign and return the Supplier Acknowledgement Form will not affect the applicability of those documents. By supplying goods and/or services under an Oneida Ltd. Purchased order you agree to be bound by all terms and conditions of each such document.

2. **Certificate of Insurance** that meets the following minimum requirements:

- a. General and Products Liability coverage of USD\$1,000,000 per occurrence
- b. Umbrella (Excess) Liability coverage of USD\$5,000,000 per occurrence an aggregate
- c. U.S. based suppliers; Auto Liability coverage of \$1,000,000 per occurrence
- d. U.S. based suppliers; Workers Compensation/Employer's Liability; Statutory Limits

Please do not hesitate to contact me if there are any questions or concerns. I thank you in advance for your cooperation.

Best Regards,

*W. T. Runyan*

W. Tim Runyan

Executive Vice President

Chief Global Supply Chain Officer

Oneida Ltd.

Office Tel: Guangzhou, CN 86.20.3878.0612

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E-mail: tim.runyan@oneida.com

Enc.

ONEIDA LTD., 163 Kenwood Ave., ONEIDA, NY, USA 13421.... Tel: 315-361-3000

## CODE OF CONDUCT

It is required of each vendor who is supplying Oneida Ltd to, as well as their sub-contractors, to operate their factory in full compliance with the laws and instructions of the country in which they conduct business.

### No vendor will:

- 1) **Have forced labor** – people made to work against their wishes
- 2) **Hire any person under the permitted legal minimum age** – each factory is expected to examine the employee identification and keep a record of their findings.
- 3) **Allow abuse or mistreatment of their staff** – this is to be in line with WTO standards and local law.
- 4) **Pay less than the government mandated amounts** – if the local government has provisions for payments for excess work (overtime or work beyond normal hours) then the factory must pay for those hours of work too.
- 5) **Have an unsafe factory** – factories are expected to provide ongoing safety training, with records of such training, and have equipment that complies with local government standards. All staff must wear protective safety equipment that manufacturers of such equipment recommend.

An audit of each vendor may be performed to inspect for compliance of the 5 items listed. If a vendor does not comply with the 5 items all pending and future purchase orders **may be canceled**. Such an audit will also inspect all records and facilities, including dormitories. Also the factory conditions will be reviewed for safety, environment hazards, lighting and ventilation.

Agreed to by vendor:

Acknowledged by Oneida, Ltd

\_\_\_\_\_ (stamp or chop)

\_\_\_\_\_

## **PREFERRED and APPROVED Vendors**

Oneida Ltd will be doing business with only vendors that reach the status of “Preferred” and “Approved”. This does not mean a vendor who does not score in one of the two categories that they will not be given a chance to improve their status, it means a vendor will only be allowed to do business with Oneida if they show progress in attaining one of the two categories. This will remain until Oneida has filled their quota of vendors.

To be considered in the Preferred status a vendor must score above 90 points. For a vendor to be in the Approved status they must score above 70 points. Point scoring will be given on the following:

Oneida Ltd Sales and Marketing – **50 points**.... the sales and marketing groups will assign points based on the product appeal and the departments feeling of cooperation from the vendor. This can be accomplished by new product development and response times as well as helping our customer needs.

Quality Engineering – **20 points** .... Oneida’s Quality department will be giving 20 points in grading the cooperation of the vendor to deliver the highest standard of quality and their willingness to work with this department. Cooperation includes the vendors respectful communications with our inspectors and working with their recommendations.

Procurement – **20 points** .... a vendor who has a good record of submitting competitive prices/costs, order status and confirming PO's in a very timely manner and most favorable terms of payment will receive the most points.

Logistics – **10 points** .... these points will be given on a vendors performance in meeting delivery commitments and providing freight/export documentation. Every Purchase Order has the date of expected availability of the good purchased, vendors who fail to meet those obligations will lose points. On time performance is critical to Oneida.

Conduct of the Vendor – **10 points** .... these points will be given to vendors who fully comply with the “Code of Conduct”, who work towards a better environment, and who makes contributions to the community where their factory is located.

Vendors should know that pricing is only one consideration for their status. Quality, the product, the reliability and how they conduct their business is now the standard that Oneida will consider. **If a Preferred vendor and an Approved vendor quote almost the same on a product, the Preferred will normally be rewarded the production.**

**Oneida will provide a quarterly evaluation (scorecard) on how well Oneida considers that you are following their instructions. In addition to criteria outlined above, this scorecard will review delivery failures, defective products, packaging issues, wrong counts, documentation issues and other discretionary criteria as considered appropriate.**

## QUALITY STANDARDS

Every factory and management that Oneida does business with will be an experienced operation. Being experienced means that they know and understand how to produce their products to the highest quality standards and it also means they know how to produce low quality. Oneida will only accept the highest quality in the product categories they are buying. Once samples have been approved, for both design and quality, they must be maintained at that approved level.

To assist all vendors, Oneida will provide their production experts to work with the factory staff to develop production processes that will insure quality production in the most efficient manner. Also, Oneida has a staff of Quality Engineering inspectors based in Asia to assist the Asian factories and U.S. staff to assist other parts of the world, in delivering the quality they have committed to. All vendors will allow Oneida staff to inspect their factory/operations for quality and code of conduct compliance.

If a vendor has a quality problem that they did not discover during the production process and Oneida discovers it after we received the goods then **the vendor will be charged the costs of resolving the problem.** If a quality situation comes about, the vendor will be notified of the problem and asked to make an immediate solution to the problem. If the vendor has accepted the purchase order then they also accept the responsibility to produce the quality packaged product they gave samples for.

## **PROCUREMENT**

Every Vendor accepting a purchase order from Oneida Ltd agrees to the following. Each vendor agrees that they have had the opportunity to ask Oneida Ltd any question in regards to the meaning of the following and each vendor has agreed to the meaning.

### **TERMS AND CONDITIONS OF PURCHASE:**

1. **Acceptance**. Unless otherwise provided herein the written acceptance by Seller of the purchase order, or the commencement of any work or the performance of any services hereunder, including shipment of all or any portion of the goods covered by the order, shall constitute acceptance by Seller of the purchase order and of all of its terms and conditions.

2. **Payment Terms**. Shall be subject to negotiations between Seller and Buyer and may, from time to time, vary due to specific requirements.

3. **Inspection**. Buyer, or its authorized agent, may inspect and test all or any portion of the goods delivered under a purchase order at its global distribution centers, or any other commercially reasonable place. If any of the goods delivered or to be delivered under a purchase order are found at any time to be defective for any reason or otherwise not in conformity with the specifications, designs, drawings, samples or other requirements of the purchase order, Buyer, in addition to any other rights which it may have under warranties, law or otherwise, shall have the right to reject and/or return such goods at Seller's expense and **Seller shall pay Buyer for all inspection, packing, handling, sorting and transportation expense incurred in connection with the rejected goods.** Buyer shall have the option of correcting defective goods in which case Seller shall pay Buyer for expenses so incurred.

4. **Designs Supplied by Buyer**. Seller will use designs supplied by Buyer exclusively for the manufacture of goods for Buyer or its subsidiaries and warrants that it will not manufacture, give or sell goods incorporating, or otherwise give or sell said designs to any third party. Buyer retains all rights, title and interest in any and all designs furnished by it hereunder.

5. **Designs Supplied by Seller**. Seller agrees that any design supplied by it for the manufacture of goods for Buyer's account will be for the sole and exclusive use of Buyer and its subsidiaries. If any claim is made against Buyer alleging that any design or good supplied by Seller to Buyer hereunder infringes the rights of any third party, Seller will defend such claim at its own expense, hold Buyer harmless from any claim for damages for such infringement and indemnify Buyer against all actual loss and expense in connection with such infringement. With respect to any such claim Buyer shall (1)

promptly notify Seller in writing of the existence of such claim; (2) permit Seller to take full charge of the defense thereof; and (3) cooperate fully with Seller in the defense thereof.

6. **Products, Method or Manufacturing Process.** Any unpatented knowledge or information concerning Seller's products, methods or manufacturing process which Seller may disclose to Buyer or Buyer's representatives incident to the manufacture or processing of goods covered by this purchase order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration for a purchase order and Seller agrees not to assert any claim against Buyer for or by reason of Buyer's use or alleged use thereof. Buyer shall have no obligation to treat such unpatented knowledge or information as confidential.

7. **Warranty.** Seller warrants that the goods and/or services covered by a purchase order will conform to the specifications, designs, drawings, approved samples or other requirements furnished or specified by Buyer and will be for and sufficient for the purpose intended, merchantable, or good material and workmanship and free from defects. In case any goods and/or services do not conform to all of the warranties contained in this paragraph or implied by law, Buyer shall have the right to reject, return or retain and correct such goods and/or services. Rejected or returned goods will be returned to Seller at Seller's risk for credit and Seller shall pay Buyer for all inspection, packing, handling, sorting and transportation expenses incurred in connection with the rejected goods. Seller shall pay Buyer for expenses incurred in correcting defective goods and/or services. The warranties and remedies provided for in this paragraph shall be in addition to the remedies provided for in this terms and conditions of a purchase order and shall exist notwithstanding the acceptance by Buyer of all or any portion of the goods and/or services with respect to which such warranties and remedies are applicable.

8. **Termination for Default.** Whenever Seller refuses or fails to make delivery of the goods and/or services called for in a purchase order within the time specified or otherwise defaults in the performance of the demands set forth in a purchase order, Buyer, subject to the provisions of this writing, hereof, may (i.) assess a late shipment charge of .25% of invoice value; (ii.) purchase identical goods and/or services in the open market, and for that purpose Seller hereby confers upon Buyer, its nominees or assigns, a non-exclusive, royalty-free license to make or have made for its identical goods and/or services; and or/ (iii.) by emailing/or delivery of written notice of termination to Seller terminate the performance of work under the purchase order in whole or in part effective 15 days after delivery or emailing/ mailing of such notice unless Seller shall within such period cure its default.

9. **Packing.** Goods furnished by Seller under the purchase order shall be packed and labeled at Seller's expense in such manner as will reasonably safeguard against damage or injury during shipment unless otherwise specified in writing by Buyer. All labeling must be done in the exact manner as specified by Buyer. Where packing instructions have been issued by Buyer, Seller shall comply with same in all respects and at Seller's

expense. All packing and marking shall be in accordance with the requirement of common carriers employed in shipping the goods furnished hereunder.

10. **Excusable non-performance.** neither Buyer nor Seller shall be liable for a failure to perform hereunder arising from acts of God (Force Majeure) or of a public enemy, acts of the government of any national, state or political subdivision or department or regulatory agency thereof or entity created thereby; acts of any person engaged in subversive activity or sabotage; fires, floods, explosions or other catastrophes; epidemics or quarantine restrictions; strikes, slow-downs, lockouts or labor stoppages or disputes of any kind; freight embargoes; unusually severe weather; or, without limiting the foregoing, any causes or events beyond the control and without the fault or negligence of Buyer or Seller in failing to perform hereunder. In the event of a failure by Seller to perform hereunder arising from any of the causes or events set forth, Buyer shall be entitled to obtain the goods and/or services covered by the purchase order elsewhere for the duration of such failure and to reduce to that extent and without any obligation to Buyer the quantity or amount of goods and/or services ordered from Seller under the purchase order.

11. **Sellers Practices.** Seller will prepare all invoices in English. If goods are to be shipped to a foreign country, Seller will prepare the invoice pursuant to such country's laws and regulations on proper Customs' forms and will cooperate with Buyer by doing all acts necessary to enable Buyer to comply fully with the Customs' laws and regulations of that country.

12. **Changes.** Buyer may at any time and from time to time make changes in specifications, designs, drawings, samples or other requirements of the goods and/or services to be furnished by Seller under the purchase order; issue instructions as to packing, shipping or place of delivery; or require additional work or direct the omission of work hereunder. If such changes or instructions cause, or will cause, any increase or decrease in the cost of performance of the purchase order or in the time required to complete performance thereof, and equitable adjustment of the price to be paid to Seller shall be made by Buyer and the purchase order shall be modified in writing accordingly.

13. **Confidential.** The Seller shall hold in strict confidence and not disclose, except to authorized representatives of Buyer, or as required by law, that Seller has contracted to furnish Buyer with the goods and/or services herein ordered and any information whatsoever concerning Buyer's purchases, prices, quantities, delivery schedules, designs, trademarks or other specifications. Seller further warrants that is has not in the past, nor will it in the future furnish copies or extracts of Buyer's purchase orders or correspondence to any third party. Failure to comply with this paragraph shall give Buyer, in addition to any other available legal and equitable remedies, the right to immediately terminate the purchase order without any obligation to accept deliveries after the date of termination or to make further payment except for completed goods and/or services delivered prior to termination.

14. **Insurance and Indemnification.** Seller agrees to indemnify, defend and hold the Buyer harmless from and against any all claims and causes of action made or brought against the Buyer by anyone for the recovery of damages because of bodily injury (including death) or injury to, destruction of, or loss of use of property which is caused or alleged to have been caused by any good and/or service provided and/or performed or failed to perform in accordance with the purchase order. Seller agrees to the limits as shown in the introduction letter of this document. **Certificates of insurance must be sent to Oneida Ltd naming Oneida as an additional insured.**

15. **Cancellation.** Buyer may cancel the purchase order in whole or in part at any time upon written (including email) notice to Seller in the event of the happening of any of the following: insolvency of Seller; the filing by Seller of a voluntary petition the bankruptcy; the filing of any involuntary petition to have Seller declared bankrupt provided it is not vacated with 30 days from the date of filing; the appointment of a receiver or trustee for Seller provided such appointment is not vacated within 30 days from date of such appointment; or the execution by Seller of any assignment for the benefit of creditors.

16. **Compliance with Laws.** Seller agrees to comply with all laws, rules, regulations, ordinances, proclamations, demands or requisitions of the Government of the United States as well as their own country of origin.

17. **Modification.** The purchase order together with any written instructions issued hereunder contain the complete and final agreement between Buyer and Seller regarding the subject matter hereof and no agreement or other understanding in any way purporting to modify the terms and conditions hereof shall be binding upon Buyer unless made in writing and signed by Buyer's authorized representative.

18. **Assignment.** Seller shall not delegate in any manner to any person the supplying of any good and/or service hereunder. Seller may assign monies due and to become due under the purchase order, provided, however, that Buyers shall be entitled to assert against the assignee there of all rights, claims and defenses of every type including without limitation right of setoff, recoupment and counterclaim which Buyer could assert against Seller whether acquired prior or subsequent to such assignment.

19. **Remedies.** The individual remedies reserved in the purchase order shall be cumulative and is in addition to any other or further remedies provided in law or equity.

20. **Notices.** All notice to Buyer required under the purchase order shall be sent by registered or certified mail, return receipt requested, addressed to; Oneida Ltd., 163 -181 Kenwood Avenue, Oneida, NY, 13421, U.S.A.

21. **Waiver.** The failure of Buyer to insist in any one or more instances upon the performance of any of the terms or conditions hereof or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any

such terms or condition or the future exercise of such right, but the obligation of the Seller with respect to such future performance shall continue in full force and effect.

22. **Construction.** The purchase order shall be construed and interpreted in accordance with the laws of the State of New York without regards to its conflict of laws rules and Seller agrees to submit to the jurisdiction of the Federal District Court or State Supreme Court located in Syracuse, New York, U.S.A..

**THIS COMPLETES THE TERMS AND CONDITIONS OF ALL ONEIDA LTD.'S PURCHASE ORDERS.**

### **LOGISITCS**

Oneida Ltd's purchase order will stipulate the port that an exporter will use. If a vendor who is exporting to Oneida fails to comply with these instructions they may face a penalty for delayed shipping and those costs will be charged to the invoice amount. The stated shipping date on the purchase order is the final day that the shipment would be accepted unless given an exception, via email or in writing, from Oneida. It is the responsibility of the vendor to be sure that they have received the Standard Operating Procedures, as issued by the Oneida Logistics department.

The vendor must confirm to their assigned contact person, as shown in the Standard Operating Procedures (**SOP**), that the shipment will be ready and request that shipping arrangements be confirmed. When Oneida Ltd issues purchase orders showing "FOB port of export" then it is the vendor's responsibility to be sure that Oneida is aware of the availability of the goods and Oneida has arranged for trucking or container equipment to be available to meet the shipping date, as instructed in the **SOP**. Oneida Ltd has contracts with common carriers that will be used for the transport of all

goods so the vendor acknowledges that the vendor will only use transport as defined by Oneida.

Vendor/Supplier acknowledges that the **SOP** supplies the contact information for all questions about how to make arrangements for transportation equipment. In the event that a vendor does not have this contact information they must contact their planner/buyer and request it.

### **CONFLICT OF INTEREST POLICY**

All employees of Oneida Ltd. (“Oneida Employees”) shall select and deal with persons or entities seeking to do business with Oneida Ltd. in a completely impartial manner. Oneida Employees shall not seek or accept any payment, fees, services, gifts, entertainment, loans or other favors from any person or entity doing or seeking to do business with Oneida Ltd. which would impair or appear to impair that employee’s ability to perform his or her duties or to exercise his or her judgment in a fair and unbiased manner. In addition, Oneida Employees shall not make any undisclosed payments, gifts, loans or in any way improperly influence any supplier in the performance of his or her duty. Further, no Oneida Employee shall engage, on behalf of Oneida, in any transactions with such employee’s family members or persons or entities in which such employee has a pecuniary interest unless prior approval has been granted by Oneida’s President or Board of Directors.

All Oneida Employees are expected to comply with the above policy. As a Supplier to Oneida Ltd. we ask for your assistance in honoring this Policy. Please report any violation or attempted violation of this Policy to: Ms Catherine H. Suttmeier, Oneida Ltd.’s General Counsel by mail at Oneida Ltd., Legal Department, 163-181 Kenwood Ave., Oneida, NY, USA, 13421, by fax; 315.361.3700 or by telephone; 315.361.3636.

**PLEASE SIGN AND RETURN THE “VENDOR/SUPPLIER ACKNOWLEDGE-MENT FORM” AND THE “CODE OF CONDUCT” FORM. IF A VENDOR FAILS TO SIGN AND RETURN THESE FORMS THEY WILL NOT CONTINUE DOING ANY BUSINESS WITH ONEIDA LTD. UPON RECEIPT BY ONEIDA WE SHALL SIGN AND RETURN THEM TO YOU. YOU MUST RETAIN THESE FORMS FOR YOUR RECORDS.**

**WE ALSO REQUEST THAT YOU COMPLETE AND RETURN THE “CONTACT INFORMATION” FORM.**

**PLEASE RETURN ALL FORMS TO:**

**ONEIDA, LTD  
ATTN: PROCUREMENT DEPARTMENT  
Rm 2909, Goldlion Digital Network Center,  
138 Tiyu Rd., East  
Tianhe, Guangzhou, P.R. China PC: 510620  
(telephone: 86.20.3878.0612)**

**VENDOR/SUPPLIER ACKNOWLEDGEMENT FORM**

WHEN THE VENDOR AND OR SUPPLIER SIGNS, STAMPS OR CHOPS THIS FORM THEY ARE ACCEPTING ALL OF THE GUIDELINES, TERMS AND CONDITIONS THAT WERE GIVEN IN THIS DOCUMENT. THIS INCLUDES ALL OF THE EXPECTATIONS THAT ONEIDA LTD HAS IN REGARDS TO HOW THAT VENDOR OR SUPPLIER CONDUCTS IT'S BUSINESS WITH REGARDS TO THEIR EMPLOYEES, OTHER COMPANIES AND THE LAWS AND REGULATIONS OF THEIR COUNTRY AND LOCAL AUTHORITIES.

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE/PROV: \_\_\_\_\_

COUNTRY: \_\_\_\_\_ POSTAL CODE: \_\_\_\_\_

NAME OF AUTHORIZED PERSON: \_\_\_\_\_

\_\_\_\_\_ SIGN/STAMP/CHOP

THAT PERSONS TITLE: \_\_\_\_\_

**CONTACT INFORMATION**

NAME OF MANAGING DIRECTOR/PRESIDENT/OWNER:

\_\_\_\_\_ : Tel #: \_\_\_\_\_

E-mail: \_\_\_\_\_

NAME OF GENERAL MANAGER:

\_\_\_\_\_ : Tel #: \_\_\_\_\_

E-mail: \_\_\_\_\_

NAME OF SALES CONTACT:

\_\_\_\_\_ : Tel#: \_\_\_\_\_

E-mail: \_\_\_\_\_

NAME OF TRANSPORTATION/LOGISTICS CONTACT:

\_\_\_\_\_ : Tel#: \_\_\_\_\_

E-mail: \_\_\_\_\_

NAME OF PRODUCTION/INSPECTION CONTACT:

\_\_\_\_\_ : Tel#: \_\_\_\_\_

E-mail: \_\_\_\_\_

MAILING INSTRUCTIONS TO GENERAL OFFICES OF VENDOR:

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE/PROV: \_\_\_\_\_

COUNTRY: \_\_\_\_\_ POSTAL CODE: \_\_\_\_\_