



# wallsburg farms

## TERMS OF SALE – CONTRACT MANUFACTURING

Thank you for choosing Wallsburg Farms, Inc. for your custom contract manufacturing project. We specialize in high-end skin care and personal care and will gladly assist you, the client, in developing your unique product. Since 1996 Wallsburg Farms has been producing the finest natural body care products available anywhere. All sales and contracts with Wallsburg Farms, Inc. are conditional upon these terms of sale.

Before we can begin manufacturing your product, we will need a few things from you.

### 1. **FORMULA or IDEA**

- A list of ingredients that you would like in your product
- or something that is currently on the market that you would like to replicate

### 2. **PROTOTYPE:** A prototype\* will need to be produced and is required for all new product(s) as well as formula alterations. Prototype fees are \$1,000.00 (USD) per product and include up to 3 revisions. After 3 revisions, there will be a \$100.00 fee for each additional revision. Each revision will include 2-6 samples for the client to test and evaluate. If a larger number of revision samples are needed for testing, additional fees may apply.

Once a prototype has met the customers specifications the formula will need undergo lab testing to ensure the safety of the product, a standard microbiological test is included in the prototype fee. Further testing such as Stability (Expiration) and Preservative Efficacy Testing (PET) are required before the product is introduced into commerce. See section 12-13.

All intellectual property associated with product development is retained by Wallsburg Farms, Inc unless otherwise negotiated.

*\*Prototypes are a custom sample product made specific to each client from modifications of a Wallsburg Farms formula and/or client provided formula. Prototypes are a means of testing a product idea that have not been previously evaluated for efficacy or stability.*

**NOTE:** *With natural products, color, fragrance/flavor, and viscosity may vary depending on the type of formula and raw materials used. Fixed and essential oils are particularly vulnerable to seasonal variables from lot to lot.*

### 3. **PACKAGING:** Packaging such as containers, closures, labels and cartons will need to be discussed prior to prototyping. Packaging may affect fill volumes and final viscosity of a product. Farms can assist in packaging selection as well as sourcing.

### 4. **OPTIONAL CUSTOMER SUPPLIED MATERIALS AND PACKAGING:** If the client chooses to provide their own packaging, labels or special ingredients, Wallsburg Farms asks a minimum of 10% overage of each item be shipped when required.

5. **LABELS/PRINTING:** For labels or printed packaging such as tubes or cartons, a print-ready design file will need to be submitted to Wallsburg Farms. Design files can be submitted in Adobe Illustrator (AI) or outlined PDF and must include die lines, fonts, colors (pantone), material type and finish as well as a revision number. Die line templates can be provided by Wallsburg Farms in most cases.
  - **NOTE:** Wallsburg Farms is a cosmetic and soap manufacturer. As a cosmetic and soap manufacturer Wallsburg Farms, and its clients, must comply with FDA cosmetic regulations. This means all client supplied labels and packaging must be compliant with FDA cosmetic regulations and be free from any drug claims. (21 CFR Part 700 & 701) Wallsburg Farms is not a legal authority on FDA terminology and regulations but will review and recommend any changes needed. Wallsburg Farms reserves the right not to produce any products that appear out of compliance. Attached to this Terms of Sale are FDA documents that define and give guidance to cosmetic manufacturers (Wallsburg Farms, Inc) and to cosmetic distributors (your company).
6. **PRICING:** Price is determined by volume. Minimum order quantities are as low as 5,000 pieces depending on the product. Prices are subject to change according to component and raw material availability as well as inflation.
7. **TERMS:** Wallsburg Farms requires a 60% down payment on all orders with the balance due upon shipment. Down payments are non-refundable.
8. **PURCHASE ORDERS/CHANGE ORDERS:** All orders must be submitted via Purchase Order which are binding contracts. Purchase Orders must clearly state the products description, component description, formula revision number, label revision number, quantity and shipping instructions.

Change Order requests must be submitted via email and clearly state the requested change(s). Change Orders may delay anticipated delivery date as well as incur additional charges.
9. **LEAD TIMES:** Standard lead times are 15-25 work days **AFTER RECEIPT OF ALL MATERIALS** but may vary depending on order size. Average delivery time is 4-6 weeks from the time of the order. Lead times are not guaranteed.
10. **SHIPPING:** All shipping expenses will be billed to client as a line item unless client provides a specified shipping account. For Amazon FBA, International Shipments and/or Special Shipping procedures that are required, additional handling fees may apply. Wallsburg Farms is not liable for any damage caused during shipment to the extent outside of its reasonable control. Final shipping quantities may vary  $\pm$  10%.
11. **STORAGE FEES:** Finished goods can be stored for up to 10 business days after invoicing and release to the client. After 10 business days a daily storage fee will be assessed to the client. Storage fees are based on pallet size and quantity of pallet and begin at \$25.00 per day.

Materials shipped to Wallsburg Farms without an OPEN Purchase Order will be rejected, unless prior arrangements have been. Those items that have been arranged to be stored at Wallsburg Farms may be subject to a daily storage fee of \$25.00 until a Purchase Order is confirmed.

*NOTE: Wallsburg Farms offers limited warehouse and inventory management services for a fee.*

## **12. MICROBIOLOGICAL TESTING:**

Wallsburg Farms will provide a standard 3<sup>rd</sup> party Microbial Certificate of Analysis (CoA) free of charge on all finished products. Microbial testing ensures the safety of the product at the time of manufacturing however it is not an indicator of how safe the product will be over time. Stability and preservative efficacy (PET) testing are required to determine product safety over a long period of time. Stability testing is a series of microbial tests over a length of time, typically 6-8 months, and will determine the shelf life and packaging integrity of the finished product. PET testing determines how well the preservative system actively kills pathogens introduced into the formula once the product has been opened. Results for PET testing take 30-40 days. All stability and PET tests will be conducted by a 3<sup>rd</sup> party lab and will be billed to the client.

Further information on Microbial Safety for Cosmetics can be found at:

<https://www.fda.gov/cosmetics/potential-contaminants-cosmetics/microbiological-safety-and-cosmetics>

## **13. ADDITIONAL LAB TESTING:**

Additional lab testing such as Period After Opening (POA), Heavy metal, pesticide, and allergen testing are also recommended and can be conducted upon request. All costs associated with 3<sup>rd</sup> party lab testing will be billed to the client.

**14. LIABILITY INSURANCE:** All clients are responsible for their own product liability insurance. Wallsburg Farms also carries Product Liability Insurance and a certificate of "Additional Insured" may be provided upon request.

**15. PRODUCT RECALL PLANS:** All clients are responsible for their own product recall plans. Wallsburg Farms also has a recall plan in place to notify all customers involved in a recall due to packaging, raw materials, preservation or any other reason.

## **ADDITIONAL PROCEDURAL INFORMATION:**

- A generic finished product SDS can be generated upon request free of charge. Any certified SDS requests will be generated by a third-party writer and costs associated will be billed to the client.
- Rush orders will be an additional 10% of total cost of product. Rush order availability is dependent on component and raw material availability and shipping lead times. Therefore, rush order delivery dates will be determined after all materials have been received. Rush order delivery times are not guaranteed.
- All products manufactured by Wallsburg Farms are guaranteed to conform to the finished product specifications.
- All products received by the client, are accepted "as is" without promise, guarantee or warranty of function or performance by the client or the client's customers. All sales are final.

- Wallsburg Farms makes no claims as to product use, performance or potential harm to any user. The Client assumes all ownership and product liability for the use of, or claims made for, the product(s) manufactured for the client, and holds Wallsburg Farms harmless from any and all such liabilities, whether financial or otherwise, arising out of their use.
- Each sale is subject to the terms and conditions of Utah law and to Wallsburg Farm’s Terms of Sale.
- Wallsburg Farms reserves the right to change its Terms of Sale at any point and current “Terms of Sale” document is available online at [www.wallsburgfarms.com/terms-of-sale](http://www.wallsburgfarms.com/terms-of-sale)
- This agreement may be terminated by client at any time for any reason with written notice. Such termination does not impact any current or previous orders placed or received under this agreement.
- All amounts are in USD.

Client Business Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_