

E. A. Dion Inc.
Vendor Partner
Memorandum of Understanding

Standards for Vendor Partners

E.A. Dion, Inc. has delivered quality service and products to its client base since its founding in 1968 by adhering to three core principals.

First Principle - We provide our distributors with top of the industry service levels and products. These service levels and product quality are due in part to the vendor partners E.A. Dion, Inc. aligns itself with.

Second Principle - E.A. Dion, Inc. places the utmost importance on servicing not only our distributors but also our employees. Success is delivering distributor satisfaction while improving the quality of the work atmosphere for our employees.

Third Principle - All of our partners, both internal and external, will abide by the legal standards established in the United States of America. While the adherence to and understanding of legal and illegal activities is important - so is the understanding of right and wrong. We will not further our growth by committing acts that are wrong.

E.A. Dion, Inc. will conduct its business in a manner that reflects these three basic principles and the resulting fundamental values. All of our Vendor Partners, including our Vendor Partners outside the United States, are expected to conform to those principles and values and to assure compliance in all contracting, subcontracting or other relationships.

E.A. Dion, Inc. requires that its Vendor Partners conform to standards of business practices which are consistent with the three principles described above. More specifically, E.A. Dion, Inc. requires conformity from its Vendor Partners with the following standards, and hereby reserves the right to make periodic, unannounced inspections of Vendor Partner facilities to satisfy itself of Vendor Partner compliance with these standards.

Each Vendor Partner, or potential Vendor Partner, is responsible for the quality of the product they deliver and/or present for delivery. The products produced represent E.A. Dion, Inc. and our distributor's respective brands and the commitment to insure that these products are produced free of errors, including but not limited to hazardous and potentially dangerous/toxic product components/decoration. Supply chain efficiency is the responsibility of our chosen Vendor Partners. It is required that each vendor partner establish, maintain, and if requested, provide E.A. Dion, Inc. with its quality management policies and procedures. It is the Vendor Partner's responsibility to ensure that any sub-contractors also meet the quality requirements.

1. COMPLIANCE WITH APPLICABLE LAWS

All Vendor Partners shall comply with the legal requirements and standards of their industry under the national laws of the countries in which the Vendor Partners are doing business. Should the legal requirements and standards of the industry conflict, Vendor Partners must, at a minimum, be in compliance with the legal requirements of the country in which the products are manufactured.

Further, all products produced for E.A. Dion, Inc. must, at a minimum, comply with consumer product safety requirements of the United States and Canada and their territories. If, however, the industry standards exceed the country's legal requirements, E.A. Dion will favor Vendor Partners who meet such industry standards. Vendor Partners shall comply with all import requirements of the U.S. Customs Service and all U.S. Government agencies. Necessary invoices and required documentation must be provided in compliance with U.S. law. Vendor Partners shall warrant to E.A. Dion, Inc. that no merchandise sold to E.A. Dion, Inc. infringes the patents, trademarks or copyrights of others. All merchandise shall be accurately marked or labeled with its country of origin in compliance with the laws of the United States and those of the country of manufacture. All shipments of product will be accompanied by the requisite documentation issued by the proper governmental authorities, including but not limited to Form A's, import licenses, quota allocations and visas and shall comply with orderly marketing agreements, voluntary restraint agreements and other such agreements in accordance with U.S. law. The commercial invoice shall, in English, accurately describe all the products contained in the shipment, identify the country of origin of each article contained in the shipment, and shall list all payments, whether direct or indirect, to be made for the merchandise, including, but not limited to, any assists, selling commissions or royalty payments. Backup documentation, and any E.A. Dion, Inc. required changes to any documentation, will be provided by Vendor Partners promptly.

EMPLOYMENT

E.A. Dion, Inc. is a success because its employees are considered critical to our success and a strong level of teamwork has developed within the company. E.A. Dion, Inc. expects the spirit of its commitment to be reflected by its Vendor Partners with respect to their employees. At a minimum, E. A. Dion Inc. expects its Vendor Partners to meet the following terms and conditions of employment:

Compensation

Vendor Partners shall fairly compensate their employees by providing wages and benefits which are in compliance with the national laws of the countries in which the Vendor Partners are doing business and which are consistent with the prevailing local standards in the countries in which the Vendor Partners are doing business, if the prevailing local standards are higher.

Hours of Labor

Vendor Partners shall maintain reasonable employee work hours in compliance with local standards and applicable national laws of the countries in which the Vendor Partners are doing business. Employees shall not work more hours in one week than allowable under applicable law, and shall be compensated as appropriate for overtime work. We favor Vendor Partners who utilize less than sixty-hour work weeks, and we will not use suppliers who, on a regularly scheduled basis, require employees to work in excess of a sixty-hour week. Employees should be permitted reasonable days off (which we define as meaning at least one day off for every seven-day period - in other words, the employee would work six days and have at least one day off during a seven day period) and leave privileges.

Forced Labor/Prison Labor

Vendor Partners shall maintain employment on a voluntary basis. Forced or prison labor will not be tolerated by E.A. Dion, Inc.

Child Labor

E.A. Dion, Inc. will not tolerate the use of child labor in the manufacture of products it sells. We will not accept products from Vendor Partners that utilize in any manner child labor in their contracting, subcontracting or other relationships for the manufacture of their products. For a definition of "Child", we will look first to the national laws of the country in which the Vendor Partner is doing business. If, however, the laws of that country do not provide such a definition or if the definition allows for the employment individuals below the age of 15, E.A. Dion, Inc. will define "Child", for purposes of determining use of illegal child labor, as any one who is:

- a.) Less than 15 years of age; or
- b.) Younger than the compulsory age to be in school in the country in which the Vendor Partner is doing business, if that age is higher than 15.

Discrimination/Human Rights

E.A. Dion, Inc. recognizes that cultural differences exist and different standards apply in various countries, however, we believe that all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. E.A. Dion, Inc. expects its Vendor Partners to have a social and political commitment to basic principles of human rights and to not discriminate against their employees in hiring practices or any other terms or conditions of work, on the basis of race, color, national origin, gender, religion, disability, sexual orientation or political opinion.

2. WORKPLACE ENVIRONMENT

E.A. Dion, Inc. maintains a safe, clean, healthy and productive environment for its employees and expects the same from its Vendor Partners. Vendor Partners shall furnish employees with safe and healthy working conditions. E.A. Dion, Inc. will not do business with any Vendor Partner which provides an unhealthy or hazardous work environment or which utilizes mental or physical disciplinary practices.

3. CONCERN FOR THE ENVIRONMENT

We believe it is our role to assist in protecting our environment. We encourage our distributors and employees to always Reduce, Reuse, and Recycle. We also encourage our Vendor Partners to reduce excess packaging and to use recycled and non-toxic materials whenever possible. We will favor Vendor Partners who share our commitment to the environment.

4. RIGHT OF INSPECTION

To further assure proper implementation of and compliance with the standards set forth in this Memorandum of Understanding, E.A. Dion, Inc., or a third party designated by E. A. Dion Inc., will undertake affirmative measures, such as on-site inspection of production facilities, to implement and monitor said standards. Any Vendor Partner which fails, or refuses to comply with, these standards is subject to immediate cancellation by E.A. Dion, Inc. of all its outstanding orders with that Vendor Partner, as well as refusal by E.A. Dion, Inc. to continue to do business in any manner with that Vendor Partner.

5. INDEMNITY

Vendor Partner (“Indemnitor”) agrees to indemnify and hold harmless E.A. Dion, Inc. and its employees, contractors, subcontractors, agents and distributors (“Indemnitees”) from any and all damages, losses, costs, judgments, penalties, expenses, claims, demands and liabilities of any sort or nature that Indemnitees may suffer, which arise out of the breach or violation by Indemnitor, of any of its obligations under this Memorandum of Understanding, including but not limited to the reasonable expenses of counsel for Indemnitees in the defense of any such matter.

As an authorized officer of _____, a Vendor Partner of E.A. Dion, Inc., I have read the principles and terms described in this document and understand my company's business relationship with E.A. Dion, Inc. is based upon said company being in full compliance with these principles and terms. I further understand that failure by a Vendor Partner to abide by any of the terms and conditions stated herein may result in the immediate cancellation by E.A. Dion, Inc. of all outstanding orders with that Vendor Partner and refusal by E.A. Dion, Inc. to continue to do business in any manner with said Vendor Partner. I am signing this statement, as an authorized corporate representative of the vendor partner noted above, to acknowledge, accept and agree to abide by the standards, terms and conditions set forth in this Memorandum of Understanding between my company and E. A. Dion Inc. I hereby affirm that all actions, legal and corporate, to make this Agreement binding and enforceable against _____ have been completed.

VENDOR PARTNER COMPANY NAME ADDRESS, TELEPHONE AND FAX NUMBER	Representative Name: Title: Date:
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