

SUPPLIER COMPLIANCE GUIDELINES 2020

Hemispheres LLC



Version 1.0



Contacts

Hemispheres LLC

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Glendale, CA 91205

Note:

Banking documents should be sent to accounting@hemispheres.wine.

All other documents should be sent to supplierdocs@hemispheres.wine.

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INTRODUCTION

SUPPLIER GUIDELINES

PURPOSE

Hemispheres LLC (“Hemispheres”) requires all vendors and suppliers (“Suppliers”) to comply with a set of guidelines to ensure smooth business processes and compliance with United States of America (“United States”) regulations. This document outlines these requirements by informing new and existing Suppliers of Hemispheres’ requirements prior to and post-purchasing.

REQUEST

All Suppliers must review these *Supplier Compliance Guidelines* and return the signed acknowledgement, which can be found at the end of the document, back to Hemispheres. The signed acknowledgment is required before Hemispheres may engage in any future business with the vendor.



PREREQUISITES

BRAND COMPLIANCE

The following questions are for both new and existing Suppliers in order for Hemispheres to determine where your brand can be legally distributed in the USA.

Pre-requisites

Is the specific brand or product currently in general distribution (i.e. available in retail stores)?

If Yes:

- 1. List the states in which there is a distribution presence**
- 2. List who the distributors are, if any.*

**If Yes, please contact natalia.r@hemishpheres.wine for further guidance.*

If No:

Please continue to follow the instructions below.



NEW SUPPLIER ACCOUNT SET-UP

New Suppliers, whether international or domestic, are required to complete and return the following two documents to the Hemispheres Logistics team prior to accepting the Purchase Order ("PO"):

SUPPLIER FORM

Existing Suppliers may continue to the Product Form below.

Mandatory: Complete Supplier Form

PRODUCT FORM

The following form is used for new brands, as well as brands that will have any changes made to their products at the time of next PO (changes in alcohol level, vintage, etc.). For an existing product that has modifications, you will need to submit this form each time there is a modification, as well as provide new updated labels.

Mandatory: Complete Product Form



IRS FORM

Complete the forms from [Appendix A](#) if you are a new Supplier.

New vendors need to complete the forms and provide bank information in a signed and dated letter on company letterhead. Any changes to bank information after initial setup will require the submission of a new IRS form to accounting@hemispheres.wine. Please schedule a time via e-mail to accounting@hemispheres.wine to verify all changes to banking info, and then call the USA number, (310) 691-2154 at the scheduled time to verify the changes.

Mandatory: Complete IRS Form found in [Appendix A](#)



PURCHASE ORDER DOCUMENTS

UPON RECEIPT OF PURCHASE ORDER

Important Notes

1. The Supplier, whether international or domestic, must provide the mandatory documents (detailed in [Appendix D](#)) prior to the issuance of a PO for any new wine. Acknowledgement of receipt of the PO is required within 3 business days.
2. Modifications to the PO are not permitted. Changes must be communicated to and confirmed by the Logistics team who will then issue a new PO.
3. Please do not plan for collection, shipment or delivery of a product until a PO has been received.
4. The invoice must reference the PO number.



Hemispheres LLC
 1125 E Broadway #183
 Glendale CA, 91205
 United States
<http://hemispheres.wine/>

Purchase Order

#PO000100
 2/13/2020

Vendor
 ABC Vendor

Ship To
 Receiving
 140 Aker Dr
 Cobleskill NY 12043
 United States

Terms	Pickup Date	Ship Via	Inco Terms	Loading Location	Purchase Type
Net 30	2/13/2020	XYZ Logistics	EXW		Transfer in Bond

Quantity	Item	Description	Price/Unit	Amount
60	KR123	Sparkling Rose	\$XXX.XX	\$Y,YYY.YY
Total				\$Z,ZZZ.ZZ

THIS ORDER IS SUBJECT TO ALL THE TERMS AND CONDITIONS APPEARING ON THIS PURCHASE ORDER AND OUTLINED IN OUR SUPPLIER GUIDELINES: <http://hemispheres.wine/pdf/suppliernguidelines.pdf>. NO CHANGES TO ANY OF THE TERMS OF THIS ORDER, INCLUDING BUT NOT LIMITED TO PRICE, QUANTITY, PRODUCT, VARIETAL OR VINTAGE, WILL BE ACCEPTED UNLESS AUTHORIZED IN WRITING BY THE BUYER IN THE FORM OF A REVISED PURCHASE ORDER PRIOR TO SHIPMENT. All invoices must be sent to accounting@hemispheres.wine, must reference the purchase order number appearing on this order, and must match the unit of measure, quantity, price, vintage, varietal and total amount due stated on this order. Invoices with any variances will be rejected.



PO000163

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PURCHASE ORDER CONFIRMATION

PO Confirmation Process

Actions following receipt of a PO:

1. Acknowledge receipt of the PO to the Hemispheres Logistics Team within 3 business days of receipt by sending PO confirmation back to supplierdocs@hemispheres.wine and mark@hemispheres.wine.
2. Confirm the wine, vintage, price and ship date.
3. If any information contained within the PO is not accurate, please send a separate follow-up communication regarding the discrepancy so that the PO can be revised and re-issued. Any modifications made to the PO will be rejected.
4. ***Please inform Hemispheres Logistics as soon as possible if the schedule for collection (EXW, and FOB-US), shipment (FOB), or delivery cannot be met. Please provide details of the issue in order for the revised schedule to be considered.***
5. If the product or quantity loaded differs in any way from the confirmed PO, or from the documents accompanying the goods, the Supplier must notify Hemispheres with reasonable **notice prior to shipping the product(s)**. If the products are received without the required packaging, then the product will be deemed in violation of these guidelines resulting in additional service fees. The Supplier will be sent an email, notifying them of the violation and the amount due to Hemispheres. The Supplier must then issue a credit memo to Hemispheres within one week of receiving the email notification. Otherwise, Hemispheres will issue an invoice to the Supplier for the amount of the violation that is due upon receipt. Please view *the Schedule of Product Violations & Additional Service Fees in [Appendix C](#)*.



Note: Invoices must reference the PO number and match the purchase order's unit of measure, quantity, vintage, rate, and total amount due. Invoices with any variances will be rejected.

Standard Communication of Changes

To avoid disruption to any existing or future orders, please notify Hemispheres as early as possible, but not less than 6 weeks prior to shipment, of any changes or updates to:

- Production facility or collection addresses
- Holiday closures
- Stock availability
- Planned maintenance downtime
- Any other events that would cause a break in production
- Bank accounts and financial information (all such changes must be recorded on the **Supplier Form**. Financial information must additionally be verified verbally between the Supplier and the Hemispheres Accounting Team).



COMPLIANCE DOCUMENTS

BRAND EXCLUSIVITY

Appointment Letter

All domestic and international brands in the United States, whether finished wine or in-bulk juice, must have an *Appointment Letter* completed and sent to supplierdocs@hemispheres.wine prior to shipment. This letter is an acknowledgment from the Supplier that Hemispheres has the authority to sell these wines into specific states in the United States, to conduct federal and state submissions on behalf of the brand, and to submit price postings. Please note that the brand name does not need to include vintage, varietal, volume, alcohol content, or any further details.

The *Appointment Letter* template is in [Appendix B](#) and must be placed on the supplier's letterhead and signed.

Mandatory: Complete *Appointment Letter* found in [Appendix B](#)



LABEL SUBMISSION

Label Artwork

Label artwork refers to the label artwork on the bottle.

All labels for the wine brand that appear on the bottle (including neck labels) must be e-mailed (in digital, soft copy form) to: natalia.r@hemispheres.wine with a .JPG extension.

Hemispheres will file an application for the Certificate of Label Approval ("COLA"). Hemispheres will provide the Supplier with the approved COLA application once received from the Alcohol and Tobacco Tax and Trade Bureau ("TTB"), U.S Department of the Treasury. TTB requirements to obtain approval on wine labels are listed under [Label Requirements](#).

Any missing information or technical non-compliance must be corrected by the Supplier in order to be compliant with the TTB wine label regulations.

All label changes or updates to an existing approved label must be emailed to natalia.r@hemispheres.wine. Please see [Label Changes to Approved COLA](#) for more information.



Label Artwork Requirements

1. Size

- Each label in inches for width and height
- Do not include sizes on artwork
- File size under 750 KB
- Type size minimum 2 millimeters for bottles over 187 ml

2. Brand Name

- Name under which the wine is marketed

3. Wine Varietal/Type

4. Alcohol Content

- Statement listed as:
 - i. ___% alcohol by volume or ___% ALC. BY VOL.
 - ii. Alcohol ___% by volume or ALC. ___% BY VOL.

5. Health Warning Statement

- **GOVERNMENT WARNING:** (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

6. Name and Address

Domestic Wine:

- Name and address of bottler or packer with statement "Bottled By". "Packed By" statement is for 4L or more.

Imported Wine:



- Name and address of importer, agent, etc. with statement "Imported By".

7. Net Contents

8. Sulfite Declaration

- Wine containing 10 or more parts per million (ppm) of sulfur dioxide, the required statement is "CONTAINS SULFITES" or "CONTAINS SULFITING AGENT"
- If no sulfites were added in the production process, the statement must read "CONTAINS NATURALLY OCCURRING SULFITES" or "NO SULFITIES ADDED, CONTAINS ONLY NATURALLY OCCURRING SULFITES"
- *Organic statements must prove levels of sulfite by laboratory analysis.*

9. Country of Origin

10. Appellation

11. UPC (Hemispheres' requirement)

- Supplier must provide a UPC to Hemispheres
 - If the Supplier cannot provide a UPC, then please contact natalia.r@hemispheres.wine
- Please see [UPC Requirements](#) for more details

12. Organic claims

- Review [Organic Claim Requirements](#) prior to adding statements to the label

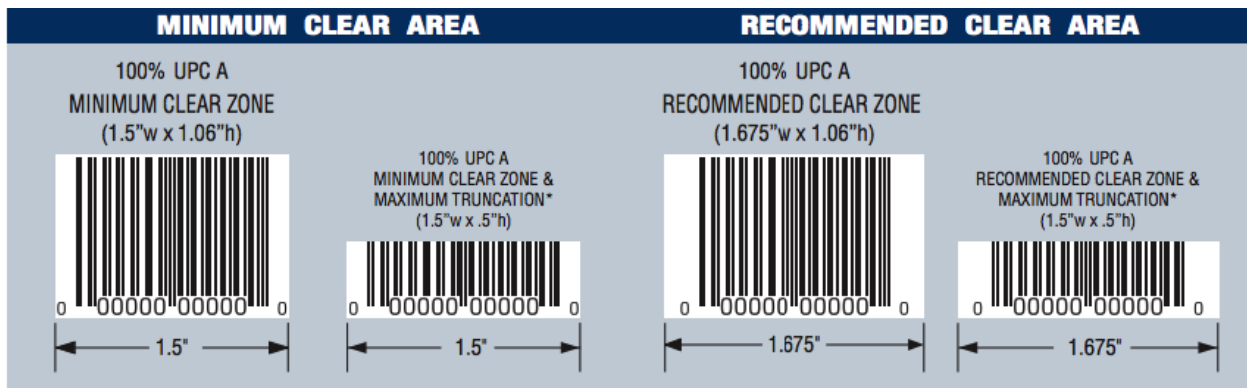
UPC Requirements

The barcode/UPC must be provided by the Supplier to Hemispheres for each label. If the Supplier cannot provide a barcode, please contact natalia.r@hemispheres.wine. This barcode must appear in the design of the label. If Hemispheres assists the Supplier in providing the barcode, then the barcode will be issued at the time of PO. The barcode must have a "clear zone," an area free from color and design, in order for scanners to register the number. It is always best to print barcodes as 100% black on a white background. Never print a barcode in red as it will not be recognized by most scanners.

Barcode Minimum Clear Area: 1.5"w x 0.5 - 1.06"h

Barcode Recommended Clear Area: 1.675"w x 1.06"h

Visual example:



Note: Barcodes may be truncated to a reduced height of not less than 0.5"h.



Organic Claim Requirements

Organic claims require that the labels be overseen and approved by a certifier/ACA responsible for verifying that the wine meets the specifications of the U.S. Department of Agriculture. The organic certification must be submitted to TTB at the time of label submission. (Example of acceptable certifier: Eco-cert.)

The term "*organic*" must meet all of the following TTB requirements:

- Added sulfites are prohibited; only naturally occurring (i.e., less than 10 parts per million) sulfites permitted
- All agricultural ingredients (such as grapes) must be certified organic
- Yeast must be certified organic unless the desired strain isn't available in organic form
- Wine label has been overseen by certifier/ACA

The claim "*made with organic grapes*" must meet all of the following TTB requirements:

- Sulfur dioxide only up to a maximum 100 parts per million
- Added sulfites must be disclosed on the label
- Wine label has been overseen by certifier/ACA



Label Changes to Approved COLA

Any changes to the label must be discussed with the Hemispheres Compliance team by emailing natalia.r@hemispheres.wine as changes may require re-submission for governmental approval at a federal or state level.

Labels must be submitted for each wine product, vintage, and varietal even if Certificate of Label Approval (COLA) has been approved previously by the TTB. All updated labels, including vintage changes, alcohol content changes, or addition of seals or statements must be emailed to natalia.r@hemispheres.wine. Even if a COLA is determined to not be necessary, the labels must be submitted to Hemispheres in order for Hemispheres to register the brands in the states where the wine will be sold.

Please use the *Product Form* to complete any label submissions.

Mandatory: Please fill in Product Form

Food and Drug Administration (FDA)

Requirement for International Suppliers only.

All international Suppliers need to register with the FDA as a Food Facility and provide Hemispheres with their FDA registration number.

Registration, at no cost, can be found at through the [FDA Online Account Administration](#).



MARKETING INFORMATION REQUEST

TECHNICAL WINE SHEET REQUIRED UPON SHIP DATE

Please supply a technical one-sheet summary with an image for the wine product upon ship date to supplierdocs@hemispheres.wine. The suggested technical points are:

1. Varietal
2. Type
3. Appellation
4. Tasting Notes
5. Food Pairing
6. Alcohol Content
7. Serving Temperature
8. Technical information
9. Brand Story
10. Notes of interest

Talking Points

ESTATE/PRODUCER



- Name of estate, people/family involved.
- Are there any press quotes about the estate?
- What is the history of the winery - how strong is the international reputation?
- Do you have any famous neighbors/next door appellation?
- Can you provide some interesting anecdotes to highlight why this producer is special? These do not have to be wine-related.

WINEMAKER

- Name of winemaker - has he/she won awards?
- Wine making history - where has he/she worked before?

Support Documents

Note that any information submitted about the wine product must be true and accurate. Marketing alcoholic beverages in the USA is highly regulated by the federal government and supporting documentation may be requested at any time to substantiate marketing statements.

Technical Sheet Example 1



PRODUCTA VIGNOBLES

L'Expression Bordeaux



ARNOZAN

LUSSAC - SAINT-EMILION



THE VINEYARD

The Lussac Saint-Emilion appellation is found to the north of the hill of Saint-Emilion. The first vineyard to be designated a World Heritage Site, the region is full of charm, with prestigious historic houses and Romanesque churches dominating its many hillsides. The vineyard is planted on hillsides, plateaux and at the foot of the slopes. The soil can be Perigord sand or clay-limestone, producing wines which can be enjoyed young as well as those designed for long ageing.

HISTORY

Cours Xavier Arnozan is the historic and strategic home of Bordeaux wine merchants. Linking the centre of Bordeaux with the quai des Chartrons, an important commercial port in the 17th century, merchants based themselves here to export to many foreign countries where the wines of Bordeaux were already appreciated. Discover the world of Arnozan through its complete palate of appellations: Bordeauxc dry white, Bordeaux rosé, Bordeaux red, Bordeaux supérieur, Côtes de Bergerac moelleux (sweet), Médoc, Saint-Estèphe, Lussac Saint-Emilion... and now the red and white Bordeaux Esprit d'Arnozan.

WINEMAKING AND AGEING

Destemming and crushing of the grapes. Alcoholic fermentation at controlled temperature with selected yeasts and maceration of the skins. This step takes about 2 to 3 weeks to obtain a supple, round wine. Malolactic fermentation, then ageing in stainless-steel and concrete tanks.



GRAPE VARIETIES

70% Merlot, 20% Cabernet sauvignon, 10% Cabernet franc



FOOD PAIRINGS

Serve at between 16 and 18°C. Can be enjoyed throughout the meal.



TASTING

On the nose, a wine with a fruity aromatic structure, with notes of blackcurrant, blackberry and fresh fruit. On the palate the wine is an exact reflection of the nose, fleshy, light and fruity.



PRODUCT SHIPMENT

SHIPMENT PROCESS

Lead-Time

Suppliers can expect the following preparation times (unless otherwise agreed in writing with Hemispheres):

- *POs: minimum of 3 weeks prior to shipping*
- *Label artwork generation and sign-off: 10 weeks prior to shipping*

Please contact Hemispheres as soon as possible if you anticipate you will not be able to meet these preparation timelines for one or more products. The above lead times are typical but, in some instances, Hemispheres may ask for a product to be expedited to maximize sales of the product.

Product Violations and Service Fees

Hemispheres will send an email to the Supplier regarding any non-compliance with these guidelines and the applicable service fees due to Hemispheres. The Supplier must issue a credit memo to Hemispheres within one week of receiving the email notification. If Hemispheres does not receive the Supplier's credit memo on a timely basis, Hemispheres will issue an invoice to the Supplier for the amount of the service fees that will be due upon receipt. See [Appendix C](#) for the *Schedule of Product Violations and Additional Service Fees*.



Distribution

Hemispheres will arrange pick-up on Supplier's premises for all POs issued by Hemispheres for products destined for the U.S. market.

Standard Delivery Terms:

EXW, FOB-US

Bottle Configuration

In order to reduce breakage and challenges during shipping, the height and weight of each glass bottle used must be within the specifications below. Any deviation from these specifications, such as using light-weight glass, must be discussed and approved by Hemispheres in advance in writing.

Weight

Medium-weight glass or heavier (minimum weight 23 ounces)

Height

Minimum height - 11.5" inches / 29.21 cm

Maximum height - 14.0" inches / 35.56 cm

Failure to comply may result in rejection of delivery or an additional service fee charge. Refer to [Appendix C](#).



Transit Packaging/Cartons:

Wine products must be vertically packed.

Non-wine items or accessories must also follow the same guidelines on packaging as outlined below, including marking outer boxes and pallets.

Bottles are packaged in industry-standard 12-bottle (6-bottle exceptions exist) single wall corrugated cardboard outer carton with divider covering bottle from bottom to shoulder.

Outer cartons are required to show the following information:

1. *Hemispheres*
2. *Wine Name*
3. *SKU*
4. *Vintage*
5. *Weight on each package*
6. *Quantity per case*

The Hemispheres SKU should be marked on at least two sides of all cartons. If an issue is found with incorrect labeling of cartons, there will be a relabeling charge of \$50.00 USD per pallet. As long as the above carton label design is followed, it does not need to be approved by Hemispheres.

Inkjet printing of the carton information is also an acceptable alternative to labeling provided all information is legible.

If the carton label varies from the above specifications, please contact Mike Besich: mike@hemispheres.wine



Example of Carton Specifications for wine deliveries to the U.S. only:

Standard single-walled corrugated wine shipper carton with single wall corrugated divider.

Example of Carton Markings for wine deliveries to the U.S. only:

Outer carton should have at least 2 faces of the carton 4 to 5 inches high listing the 6 requirements.

Transportation Equipment Type:

As a guide, the default equipment types are shown below:

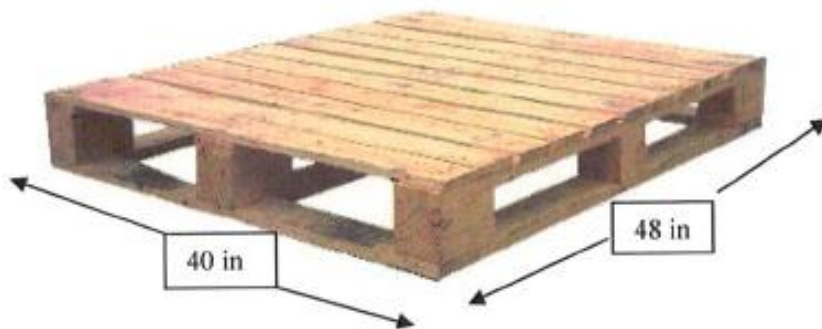
Europe	40-ft standard container
South Africa	40-ft standard container
Argentina/Chile	40-ft standard container
Australia/New Zealand	40-ft standard container
United States	40-ft standard container

The Supplier may refuse to load if the transport equipment is considered unfit for the purpose of transporting wine. In this case Hemispheres must be immediately informed of the issue by the Supplier via email to supplierdocs@hemispheres.wine and include photographs so that Hemispheres can determine whether different equipment is required for transport.

Palletization:

Pallets must be strong (Grade B or better), in good condition, *VMF specification, 48-in x 40-in, 4-way entry, and wood*, conforming to the latest requirements relating to fumigation and heat-treatment for movement into the U.S. Pallets are non-returnable and the cost of pallets must be included in the agreed contract price.

U.S. FOUR WAY VMF FUMIGATED NIMP PALLET – 48 inches by 40 inches



Lower grade pallets cannot be stacked as high and are not desirable for the Hemispheres distribution centers. European-sized pallets can be accepted if the Supplier cannot provide U.S.-sized VMF pallets, but Hemispheres must be notified of the exception prior to shipment. For questions, please contact Hemispheres at supplierdocs@hemispheres.wine for approval before preparing the load. Press board is not acceptable.



Failure to comply with pallet quality requirements and/or correct pallet configurations will result in a \$50 per pallet service fee if the warehouse is required to restack onto pallets that meet these specifications. Refer to [Appendix C](#).

Cases should always be inter-locked (brick-bonded). Please do not place one case directly on top of another. The cases must sit within the perimeter of the pallet so that there is no overhang on any edge of the pallet. Also, any gap between edge of pallet and carton should be minimal.

Pallets must be adequately shrink-wrapped. The shrink-wrap must be tied to the leg of the pallet, wrapped tight, more than single thickness, bind the pallet to the bottom layer of cases, and extend over the top layer.

Pallets are 60 cases per pallet (international)/56 cases per pallet (domestic) made up of 14 cases per layer, 5 layers high. If the Supplier cannot fit 70 cases per pallet, please provide Hemispheres with the external carton dimensions and the proposed numbers of cases per pallet. This will assist in internal logistics for planning loads and adjusting the order quantity accordingly to multiples of full pallets.

Hemispheres does have a heavy weight program, on exception, that allows for 6 layers high. However, there is a protocol that must be followed, namely maintaining the same size for all pallets for warehouse logistics. Please contact Hemispheres for more information. This program is available only upon Hemispheres' prior written approval on a case-by-case basis.



Labelling Pallets and Loading Plans:

Each pallet should be labeled with the Supplier name, Hemispheres' name, vintage, and product SKU. These labels need to be on a colored paper or printed in color.

Any single pallet with mixed product must be clearly labeled to also clearly state quantity per SKU, though it should be noted that Hemispheres does not allow multiple SKUs on one pallet without prior written approval.

If there are different numbers of cases per pallet for the same product within a container, please label the pallet clearly and/or provide a loading plan to make it clear to our receiving staff that those differences exist.

Loading:

The Supplier must take all reasonable measures to ensure that product and packaging are fit for transportation, and that loading obligations meet the required standards in order to minimize risk of injury at the unloading destination. Any non-conformity with these requirements will result in a \$50/pallet service fee for restacking.

Blocking and bracing is required for all containers or full trailer loads and is the responsibility of the Supplier. This may include airbags, wood plank bracing, or netting as necessary, depending on the type of transportation. If there are any concerns regarding the block and bracing requirements, please contact Hemispheres to arrange for a freight forwarder representative to visit the Supplier location and facilitate the blocking and bracing techniques.

Pallets must be used unless otherwise specified by Hemispheres when issuing the PO.



Security of Product in Transit:

Seals must be used for closure of full-load orders and the Supplier is responsible for making a clear note of the seal number on the documentation accompanying the delivery.

Goods Found to be Missing Upon Receipt:

The Hemispheres receiving team have multiple checks throughout the receipt process. If the receipt quantity does not match the documentation in the first count, then a second count will be performed to validate the discrepancy. A third count is then conducted by supervisory staff to confirm the discrepancy. If there is no indication that the goods have been tampered with while in transit, Hemispheres will make a claim to the Supplier for the cost of the missing goods.

Please note, in our experience only a very small percentage of deliveries have quantity discrepancies. However, as a precaution we advise that Suppliers take photos of their loaded goods at the time of dispatch to assist in the event of an inquiry.



Goods Found to be Damaged Upon Receipt:

Goods found to be damaged at point of receipt are assessed for possible causes. Experience to date shows that the most common causes are:

- *Preparation of the pallet is inadequate*
- *Loading of the container/trailer is incorrect*
- *Damaged labels*

Where damages are deemed to be the fault of the Supplier, Hemispheres will make a claim to the Supplier for the cost of the damaged goods plus any additional handling charges. Hemispheres will provide photographic evidence upon request along with a quote of the estimated handling and service fees for product violations.



SERVICE LEVEL AGREEMENT

Agreement to Supplier Compliance Guidelines

I have read and understand these Supplier Compliance Guidelines and will adhere to all of the requirements and processes set forth herein with respect to all transactions with Hemispheres. I have the authority to enter into this agreement on behalf of the company named below.

I agree to notify Hemispheres in advance in writing of any anticipated changes or non-conformities. I agree to correct all non-conformities prior to execution and I warrant all products provided will conform to the specifications set forth in the Purchase Order issued by Hemispheres. I assume responsibility for any costs and fees incurred by Hemispheres in connection with any transactions that do not conform to these Supplier Compliance Guidelines.

Please sign and date below (digital signature required):

Signature:

Title:

Company Name:

Email:

Date:



APPENDIX A

IRS FORM

MANDATORY DOCUMENT

New Suppliers need to complete one of the below forms and provide bank information. Any changes to bank information after initial set-up must be provided to Hemispheres via an updated form. Any change to bank information must be verified by Hemispheres. Please contact accounting@hemispheres.wine to set-up a phone verification.

Match your business to the description below and fill out the form by clicking on the link.

IRS Forms List

U.S. entity or U.S. citizen or resident	Form W-9
Foreign entities	Form W-8BEN-E
Foreign individuals	Form W-8BEN-A
Foreign individuals or entities claiming that income is effectively connected with the conduct of trade or business within the U.S. (unless claiming treaty benefits)	Form W-8ECI
Foreign partnerships, foreign simple trusts, or foreign grantor trusts (unless claiming treaty benefits) (see instructions for exceptions)	Form W-8IMY
Foreign governments, international organizations, foreign central banks of issue, foreign tax-exempt organizations, foreign private foundations, or government of a U.S. possession claiming that income is effectively connected U.S. income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (unless claiming treaty benefits) (see instructions for other exceptions)	Form W-8ECI or W-8EXP
Any person acting as an intermediary (including a qualified intermediary acting as a qualified derivatives dealer)	Form W-8IMY



APPENDIX B

APPOINTMENT LETTER

MANDATORY DOCUMENT

Appointment Letter Template

Date

To Whom It May Concern:

As the brand owner of the following products, we hereby appoint Hemispheres, LLC ("Hemishperes") as the American Primary Source for each brand listed below:

- List Brand Name(s)

This appointment authorizes Hemispheres to import, file applications with the TTB, file product registrations, and price post for the above products as required by law. We grant Hemispheres the rights to distribute the above products throughout the United States.

If you have any questions, please call (310) 691-2154

Signature

Name

Contact information (e-mail, phone number)



APPENDIX C

SCHEDULE OF PRODUCT VIOLATIONS AND ADDITIONAL SERVICE FEES

Hemispheres will send an email to the Supplier regarding any non-compliance with these guidelines and the applicable service fees due to Hemispheres. The Supplier must issue a credit memo to Hemispheres within one week of receiving the email notification. If Hemispheres does not receive the Supplier's credit memo on a timely basis, Hemispheres will issue an invoice to the Supplier for the amount of the service fees that will be due upon receipt.

Bottle configuration meets weight requirements (B-1)

- *Medium weight glass or heavier (23 ounces and above)*

Failure to comply will result in a service fee of \$50 per pallet that does not meet weight or height specifications. Failure to comply with height specifications may result in rejection of delivery.

All Product must be clearly labeled (C-1)

Outer cartons are required to show the following information:

1. *Hemispheres*
2. *Wine Name*
3. *SKU*
4. *Vintage*
5. *Weight on each package*
6. *Quantity per case*



The Hemispheres SKU should be marked on at least two sides of all cartons. If an issue is found with incorrect labeling of cartons there will be a relabeling service fee of \$50.00 USD per pallet.

Pallets must be strong (Grade B or better): C-2

- *Good condition*
- *VMF specification*
 - *48in x 40in, 4-way entry, and wood, conforming to the latest requirements relating to fumigation and heat-treatment for movement into the U.S.*

Lower grade European pallets cannot be stacked as high and are not desirable for the Hemispheres Distribution Centers. European size pallets can be accepted if the Supplier cannot provide U.S. size VMF pallets, but Hemispheres must be notified of the exception prior to shipment. For questions, please contact and confirm before preparing the load. Press board not acceptable.

Failure to comply with quality pallets will result in a service fee of \$50 per pallet if the warehouse is required to restack onto a pallet that meets our specifications in order to bulk stack product.

Pallet configurations must be standardized: C-3

- *4 layers of either 14 to 15 cases per layer*

Warehouse racking can only hold pallets of 4 layers of standard case goods. Hemispheres heavy weight program does allow for pallet configurations up to a maximum of 6 layers of 14 to 15 cases each (Pre-approval required for pallets stacked 6 layers).



Failure to comply with standardized pallet configurations will result in a service fee of \$50 per pallet if the warehouse is required to reduce pallets sent with 6 or more layers.

Product and packaging must be fit for transportation: C-4

The Supplier must take all reasonable measures to ensure that their product and packaging are fit for transport along with any loading obligations to meet the required standards, this is to minimize risk of injury at the destination point of unloading.

Failure to comply will result in a service fee of \$50 per pallet if the carrier is required to restack.

Table 1. Summary of Product Violations and Additional Service Fees

Fee Code	Description of Non-Compliant Products	Additional Fee (USD)
B-1	Bottle Configuration not to specification	\$50/pallet
C-1	Outer carton is not correctly labelled	\$50/pallet
C-2	Pallet is not Grade B or not VMF specification	\$50/pallet
C-3	Pallet configurations are not standardized (4 layers of either 14 to 15 cases per layer)	\$50/pallet
C-4	Product and packaging must be fit for transportation	\$50/pallet



APPENDIX D

SUMMARY CHECKLIST

MANDATORY DOCUMENTS PRIOR TO ISSUANCE OF PO

- Supplier Form* – online submission
- Product Form* – online submission
- IRS Form* – send completed form from Appendix A for new Suppliers only to supplierdocs@hemispheres.wine and accounting@hemispheres.wine

UPON RECEIPT OF PO

- Confirm receipt within 3 days

UPON PO CONFIRMATION

- Label artwork for TTB submission in JPG under 750 KB
Send label artwork to supplierdocs@hemispheres.wine
 - Includes UPC/barcode
 - No changes to artwork after COLA approval
- Appointment letter – send completed letter from Appendix B to supplierdocs@hemispheres.wine



UPON SHIPDATE

- Technical wine sheet

PRODUCT SHIPMENT FROM SUPPLIER

- Bottles meet specifications on weight and height
- Outercarton has details listed on both sides of carton
 - Hemispheres name
 - Wine Name
 - SKU
 - Vintage
 - Quantity
- Each pallet should be labeled on colored paper or printed in color
 - Supplier name
 - Hemispheres' name
 - Vintage
 - Product SKU
 - Number of cases
- Grade B pallets
- 4 layers of either 14 to 15 cases per layer