



QTrade Teas & Herbs

15 Westchester Court

Coto de Caza, CA 92679

Tel: (949) 766-0070

Fax: (949) 766-0090

Web: www.qtradeteas.com

Email: sales@qtradeteas.com

Dear QTrade Client -

We are happy to research new products for you and to create the custom blends and products you have in mind. There are costs involved in these functions and we'd like you to take a moment to look these over before partnering with us on your projects.

Our R&D lab is staffed by professionals and ready to meet your needs - note that the following rates will apply to custom blends, items brought in specially for your needs and organic and fair trade items.

Opening Orders

To open an account with QTrade, we require an initial order of US\$1000, subsequent orders must be made in increments of \$150.

Basic Staff and Sampling Charges

We are able to offer free samples of our stock teas in the amount of 3 per client. If further sampling is needed a charge of \$3.00 per sample will apply. We ship via UPS ground service, expedited service is available at an added charge.

Research & Development

If R&D is needed we can accommodate your needs, a discussion with your sales person will help to determine the cost of this service on a case by case basis. Generally, we require a \$100 per blend deposit to begin a development project. This deposit will cover the R&D process and a series of as many as 4 samplings of each of your specified blends.

With your direction and our experienced blending team we find that we arrive at very satisfactory results in either the first or second round. We retain this deposit and apply this towards our materials, professional and shipping costs for the newly developed blend (50 pound minimum order on custom blends).

Proprietary Blend Ownership

When we develop a proprietary blend, we retain ownership of the recipe. This recipe will be set aside and blended only for your needs. We are happy to provide ingredient statements for your labeling needs as well as status of added flavoring oils and essences (organic, all natural, nature identical, etc.), but the sources of the flavorings and essences used and their specific ingredients shall remain in our archives or those of our trusted suppliers.

Blending to Your Recipe

We can blend teas to your recipe. In order to do this we must ask for all the specifics of your blend and we will gladly enter into a confidentiality agreement to protect your proprietary Information. If we must bring in special items for your use, the charges outlined below (see “New Items Cost”) shall apply.

New Items Cost

We are happy to bring in new items for your particular needs should you decide this is necessary.

There are always minimum quantities required when we order a new tea, herb, spice or flavoring (oils and essences) and these minimums vary from item to item.

Should you decide that a special ingredient is needed, we will locate the item and let you know the minimum required and the costs involved. A deposit in full will be required before we order the item. Note that most of these items will have an expiration date, we will store the item for you until this date.

Minimums Quantities

Minimum quantities of 50 pounds per blend will be required whenever ordering a custom blend. With no exceptions, this minimum will apply each and every time you order the blend.

Organic Certification

We will have your custom blends and special ingredients certified as “organic” if the item meets the criteria needed for this. The charge for this is quite nominal.

We charge \$300 per submission. In a given submission you we can certify up to 5 ingredients, to avoid higher charges, time your requests for submission accordingly. Note that each custom blend must be certified as a separate ingredient.

Kosher Certification

Our facilities are inspected and certified by KSA. When product leaves our warehouses they are kosher certified. If you plan to open and repack these products and then re-sell them as kosher certified, you must obtain a kosher certification for your own warehouse and packing facility.

Fair Trade Certification

Fair Traded products carry a premium, in other words there is a charge that must be paid if you are going to use the Fair Trade logo. Usually this charge will vary, visit the TransFair website to determine your costs in handling Fair Trade products. You must register with TransFair if you use their logo, QTrade will add the appropriate fees to your billings at time of sale. Please ask your sales person to explain this process.

Your review of the cost structure outlined above should assist you in determining the costs of your individual projects and get you on par with your QTrade sales person. Again, we here at QTrade are proud and happy to have you on board.

Best regards,
Manik Jayakumar
Chief Executive