

# **Proposed Process for Non-Compliance of a Member with the Monograph**

The purpose of this document is to define a process for addressing potential incidences of GOED members being out of compliance with the GOED omega-3 monograph. As a condition for membership to GOED, member companies have agreed to meet the technical and ethical standards of GOED, including all of the specifications in the GOED monograph.

## **Incidences of Non-Compliance**

Compliance with the monograph is a critical issue for the industry because it maintains the high quality standards companies required to maintain trust in omega-3 products from the consumer and regulatory bodies. Therefore, compliance issues may be brought to the attention of GOED by any person or organization, regardless of whether or not they are members of GOED.

## **Exploratory Committee**

When an allegation of non-compliance is raised by any party against a GOED member ("Member in Question"), an Exploratory Committee shall be formed to investigate the allegations. The Exploratory Committee shall consist of the Executive Director of GOED, the Chairman of the GOED Executive Committee, and one (1) additional member of the GOED Executive Committee.

## **Initial Findings**

The Member in Question will work with the Exploratory Committee to determine if there is merit to the allegation within thirty (30) days. The Exploratory Committee will report back their findings to the Executive Committee as to whether or not there is merit in the allegation. The Exploratory Committee may make one of three findings to the Executive Committee: 1) a finding of "No merit to the allegation," 2) a finding of "Merit to the allegation," and a finding of "Needs further investigation."

The Executive Committee will then vote to accept or reject the findings of the Exploratory Committee by a simple majority. As a result of vote of the Executive Committee, the following actions will be taken:

1. Finding of " No merit to the allegation"
  - a. Finding accepted: The matter will be considered closed and dismissed with no further action required.
  - b. Finding rejected: The Executive Committee shall give specific instructions to the Exploratory Committee as to the further information that will be required to accept the finding, and if that information cannot be obtained then the Exploratory Committee shall be required to revisit its finding within seven (7) days.
2. Finding of "Merit to the allegation"
  - a. Finding accepted: The membership to GOED of the Member in Question will be placed in probation until the member is deemed by the Executive Committee to be back in compliance. The Member in Question will work with the Exploratory

Committee to develop a plan for the member to be back compliance as soon as possible, per the parameters defined in the section entitled “Proposed Plan for Return to Compliance.”

- b. Finding rejected: The Executive Committee shall give specific instructions to the Exploratory Committee as to the further information that will be required to accept the finding, and if that information cannot be obtained then the Exploratory Committee shall be required to revisit its finding within seven (7) days.
3. Finding of “Needs further investigation”
    - a. Finding accepted: The Executive Committee will determine the additional length of time the Exploratory Committee shall have to reasonably determine the merit of the allegation. The Exploratory Committee shall be required to have a definitive finding of “No merit to the allegation” or “Merit to the allegation” by the end of the time period.
    - b. Finding rejected: The Exploratory Committee shall be required to deliver a definitive finding of “No merit to the allegation” or “Merit to the allegation” within seven (7) days.

### **Proposed Plan for Return to Compliance**

In the event the Executive Committee accepts a finding of “Merit to the allegation” against the Member in Question, the Member in Question and the Exploratory Committee will be required to develop a plan to be back in compliance that is proposed to and accepted by the Executive Committee within thirty (30) days of the acceptance of the finding.

The plan must include:

1. A definitive timeframe for coming back into compliance that is reasonable for the Member in Question to achieve.
2. Specific milestones, with deadlines, that should bring the Member in Question back into compliance if all are achieved.
3. Assurance that proper systems are in place to prevent future incidences of non-compliance.

The plan to bring the Member in Question back into compliance must be presented to the Executive Committee for acceptance by a majority vote.

In the event that the Exploratory Committee and the Member in Question cannot agree on a plan proposal for the Executive Committee, then both parties will present separate plans to the Executive Committee. The Executive Committee will then vote by a majority opinion on which plan to accept.

### **Oversight of Plan Achievements**

Once the plan to return to compliance is accepted by the Executive Committee, the Exploratory Committee shall serve an oversight role in determining whether or not the Member in Question is achieving the milestones in the plan. The Member in Question must provide the Exploratory Committee

with information it requests to determine whether or not the Member in Question has achieved the milestones.

If the Member in Question has not achieved the milestones or supplied the requested information to the Exploratory Committee in a timely fashion, then the Exploratory Committee may make a recommendation to the Executive Committee that the Member in Question's membership status in GOED either be suspended or revoked. The Executive Committee shall then take action on the Member in Question's membership status as defined in the GOED bylaws.

### **Compliance**

On the first occasion that an allegation against the Member in Question is accepted to have merit ("First Offense"), as a condition to being back in compliance with respect to the monograph the Member in Question must:

1. Test *at least* three (3) consecutive lots of the produced material in question by the analytical methods laid out in the monograph
2. On the specification in which the Member in Question is deemed non-compliant, the applicable upper or lower bound of one and ninety-six one-hundredth (1.96) standard deviations from the mean, as measured from the three (3) consecutive lots, must be within the specifications set forth in the monograph, providing a 95% confidence interval.
3. Demonstrate on those three consecutive lots that none of the other specifications is violated.

On occasions subsequent to the First Offense, as a condition to being back in compliance with respect to the monograph the Member in Question must:

1. Test *at least* three (3) consecutive lots of the produced material in question by the analytical methods laid out in the monograph
2. On ALL specifications in the monograph, the applicable upper or lower bound of one and ninety-six one-hundredth (1.96) standard deviations from the mean, as measured from the three (3) consecutive lots, must be within the specifications set forth in the monograph, providing a 95% confidence interval.

Until the member is deemed compliant, the member company will test every lot for compliance with the monograph and will not sell material for human or pet consumption that violates the specifications of the monograph.

To be deemed compliant, the Exploratory Committee must make a recommendation to the Executive Committee that the Member in Question's membership status be removed from probation and all rights restored. The Exploratory Committee may only make this recommendation once all of the milestones in the plan have been achieved and all conditions to being in compliance with the monograph have been met.

**Support for the Exploratory Committee**

The Exploratory Committee may consult with outside counsel for GOED and/or the Chair of the Technical Committee in its investigation and oversight of compliance issues.