

Investigation Process for Allegations of Non-Compliance with the Code of Ethics and Business Practices and the GOED Voluntary Monograph

The purpose of this document is to define a process for addressing potential violations by GOED members of GOED's Code of Ethics and Business Practices and the quality standards set forth in the GOED Voluntary Monograph (the "GOED Standards and Practices"). GOED members have signed affidavits as a condition of membership that commit them to observing fair business practices in their dealings with consumers, the general public and other industry members and manufacturing product that is in compliance with the GOED Voluntary Monograph. GOED and its members should recognize that the credibility of individual companies in the Omega -3 industry depends on fairness in the marketplace with respect to fellow members as well as others in the Omega-3 industry, and the maintenance of high quality standards.

Allegations of Non-compliance

Compliance with the GOED ethics and quality standards is a critical issue for the industry as it maintains highest standards of operation required to retain trust in Omega-3 products from the consumer and the industry at large. Therefore, compliance issues may be brought to the attention of GOED by any person or organization, regardless of whether they are a GOED member. An allegation can be made anonymously as long as it is fully supported by facts and documentation. Additionally, the GOED Executive Committee can, at its own discretion, raise allegations against a member company for investigation.

Ethics Task Force

The GOED Executive Committee has established a permanent Ethics Task Force ('Task Force') to assess and investigate allegations of non-compliance. The Task Force shall consist of the Executive Director of GOED, the Chairman of the GOED Executive Committee, and the Vice-Chairman of the GOED Executive Committee. Additionally, in cases where an allegation involves a permanent member of the Task Force, the representative of the member in question will be replaced by another member of the Executive Committee selected by the remaining members of the Task Force.

When an allegation of non compliance is raised by any person against a GOED member ('Member in Question'), the Task Force must determine whether there are sufficient grounds to open an investigation into the allegation. If a majority of the Task Force determines that insufficient grounds exist, then the Task Force may ask the complainant for further information but will not investigate the claim until sufficient grounds exist. If a majority of the Task Force concludes sufficient grounds do indeed exist to merit an investigation, then the allegation against the Member in Question will be assessed against the guidelines below and a report with initial findings will be written by the Task Force for consideration by the Executive Committee at its next regularly scheduled meeting as described below.

Guidelines for Assessing Non-Compliance with GOED Standards and Practices:

Non-compliance with the Monograph

- Determine if the Member in Question's product in question is within the scope of the Monograph,
- Determine whether or not the product is within the quality and safety parameters set in the Monograph, and/or
- Determine whether the Member in Question has accurately represented the EPA and DHA Omega-3 content in the product.

Violation of Code of Ethics

- Determine whether the Member in Question has violated regulatory requirements of their national, state/provincial, or local governments,
- Determine whether the Member in Question conforms to the Code of Ethics and Business Practices, Bylaws and other policies of GOED,
- Determine whether the Member in Question has engaged in false or misleading advertising,
- Determine whether the Member in Question has used its GOED membership for personal or partisan gain,
- Determine whether the Member in Question has used the Proud Member of GOED logo or the GOED logo in violation of GOED's rules for their use,
- Determine whether the Member in Question has used the GOED name in a way that implies an unauthorized endorsement of its products and/or services,
- Determine whether the Member in Question has violated the anti-trust policies set forth in the GOED Code of Ethics and Business Practices,
- Determine whether the Member in Question has been unfair or untruthful in dealings with vendors and customers, specifically by taking actions that could be reasonably understood to threaten the Omega-3 industry, or has disparaged competitors in a manner that is designed for personal or partisan gain , and/or
- Determine whether the Member in Question has failed to respond to the Task Force's reasonable requests for information in connection with an investigation.

Whether or not a specific allegation is being discussed, the Task Force will provide a summary report of all of its activities at each regular meeting of the Executive Committee.

Initial Findings

If the Task Force concludes sufficient grounds exists to merit an investigation, the Task Force will notify the Member in Question within five (5) business days of such determination describing the nature of the allegation. The Member in Question will work with the Task Force over the next thirty (30) days to determine if there is merit to the allegation. The Task Force will prepare its initial findings (the "Initial Findings") and report them to the Executive Committee as to whether or not there is merit to the allegation, and shall include in its report any written statements or other information specifically provided by the Member in Question for presentation to the Executive Committee. The Task Force 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 3) a finding of 'Needs further investigation.'

The Executive Committee will then vote at its next regularly scheduled meeting whether to accept or reject the Initial Findings of the Task Force by a simple majority. If a member of the Executive Committee is affiliated with the Member in Question, such member shall abstain from the vote on the Initial Findings. As a result of vote of the Executive Committee, the following actions may 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. The person or organization raising the allegation and the Member in Question will be notified in writing by GOED.
 - b) Finding rejected: The Executive Committee may reject the finding on the basis that additional information is needed to make a definitive decision. In such event, the matter shall be treated as if a finding of 'Needs further investigation' has been accepted, as described below. Alternatively, the Executive Committee may reject the finding on the basis that, based on the report of the Task Force, there is 'Merit to the

allegation,' in which case matter shall be treated as if a finding of 'Merit to the allegation' has been accepted, as described below.

2. Finding of 'Merit to the allegation':
 - a) Finding accepted: The 'Member in Question' will be informed of the decision and will be asked to engage in the 'Proposed Plan for Resumed Compliance.'
 - b) The Executive Committee may reject the finding on the basis that additional information is needed to make a definitive decision. In such event, the matter shall be treated as if a finding of 'Needs further investigation' has been accepted, as described below. Alternatively, the Executive Committee may reject the finding on the basis that, based on the report of the Task Force, there is 'No merit to the allegation,' in which case matter shall be treated as if a finding of 'No merit to the allegation' has been accepted, as described above.
3. Finding of 'Needs further investigation':
 - a) Finding accepted: The Executive Committee will determine the additional length of time the Task Force shall have to reasonably determine the merit of the allegation. The Executive Committee may also direct the Task Force as to the type of information needed to make a definitive determination. The Task Force 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, unless the delay is caused by the Member in Question, in which case the Executive Committee may extend the time period.
 - b) Finding rejected: The Task Force may be required to deliver a definitive finding of 'No merit to the allegation' or 'Merit to the allegation' within seven (7) days. Alternatively, the Executive Committee may determine, based on the Task Force findings, that (i) there is 'Merit to the allegation,' in which case the matter shall be treated as if a finding of 'Merit to the allegation' had been accepted as described above, or (ii) there is 'No merit to the allegation,' in which case the matter shall be treated as if a finding of 'No merit to the allegation' had been accepted as described above.

Appeal

If the Executive Committee accepts a finding of 'Merit to the allegation' against a Member in Question, the Member in Question may appeal such determination by notifying the Executive Committee within 5 business days of the receipt by the Member in Question of the Executive Committee's decision (the "Notice of Appeal"). Within 15 days of the Notice of Appeal, the Member in Question shall provide in writing to the Task Force and the Executive Committee the reasons for challenging such decision and the facts and evidence supporting the challenge. The Task Force shall have 7 days after receiving such writing from the Member in Question to send a written response to the Member in Question and the Executive Committee. The Executive Committee shall then consider the appeal at its next regularly scheduled meeting and promptly notify the Member in Question of its decision, which shall be by majority vote (with those affiliated with the Member in Question abstaining).

Proposed Plan for Resumed Compliance

In the event that the Executive Committee accepts a finding of 'Merit to the allegation' against a Member in Question, whether initially or on appeal, the Member in Question will be required to develop a plan to resolve the allegation made and ensure that everything is in place to change the practice and conform to the GOED Standards and Practices (the "Plan"). The Plan must be submitted to the Executive Committee within thirty (30) days of the final determination of 'Merit to the allegation.'

The Plan must include the following:

1. A definitive timeframe to address the allegation that is reasonable for the Member in Question to achieve.
2. Specific milestones, with deadlines, that should enable the Member in Question to bring its actions back to ethical acceptance
3. Assurance that proper procedures are in place to prevent further incidences of such unethical behaviour or violations of the Monograph.

The Plan must be presented to the Executive Committee for acceptance by a majority vote of those not affiliated with the Member in Question.

Oversight of Plan Achievements

Once the Plan is accepted by the Executive Committee, the Task Force shall serve an oversight role to determine whether or not the Member in Question is complying with the Plan. The Member in Question must provide the Task Force with information it reasonably requests to determine whether or not the Member in Question is complying with the Plan.

If the Member in Question is not complying with the Plan or not providing to the Task Force in a timely fashion requested information regarding the Member in Question's compliance with the Plan, then the Task Force 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.

Support for the Task Force

The Task Force may consult with outside counsel for GOED in its investigations and oversight of compliance issues.