

Terms and Conditions of Purchase Order

1. Acceptance of this purchase order shall form a contract between D.F. Stauffer Biscuit Co., Inc. ("Stauffer") and you (the "Seller") for the sale of the goods or performance of the work described hereon on the terms, conditions and stipulations set forth in this order. If this order cannot be filled according to our specifications, price and delivery terms, advise the undersigned at once.
2. Unless otherwise indicated, the delivery date(s) for this order are the dates required on the face hereof. No shipment shall be made prior to such dates unless previously authorized by Stauffer. In the event of late delivery of any items or late performance of any services covered hereunder Stauffer may, at its option and without any further liability hereunder, terminate this Purchase Order for cause, partially terminate this Purchase Order for cause, vary delivery terms hereunder, or obtain the items or services from other sources.
3. Each shipment shall be invoiced separately and such invoices shall be mailed promptly to the address indicated on the face of this order. Unless otherwise specified herein, payment shall be made thirty (30) days following the delivery of the goods to Stauffer's ship to location.
4. All shipments must be accompanied by itemized Packing Lists. Our order number must appear on all packages.
5. The Bill of Lading shall be mailed directly from the point of shipment. If shipment is from point other than shown above, it should be noted on the acknowledgement. A copy of the Bill of Lading, with purchase order number and weight inserted, shall accompany each invoice.
6. When freight is prepaid by Seller and added to the invoice, Seller shall provide freight classification and verification of actual freight paid.
7. Any goods owned by Stauffer which are in Seller's care, custody or control, shall be insured by Seller against loss or damage resulting from fire or allied perils. Property insurance shall be provided on an all risk basis, subject only to standard industry exclusions. The property of Stauffer shall be insured for replacement cost, with Stauffer as loss payee. If such policy is cancelled or materially changed, Seller shall supply notice to Stauffer at least thirty (30) days prior to such cancellation or material change. Seller shall also maintain in force reasonable comprehensive general and product liability insurance with limits of \$ 1,000,000.00 for personal injury or death and property damage, including vendor liability, automobile liability and worker's compensation insurance, and shall supply Stauffer with satisfactory evidence of such insurance.
8. Stauffer, upon delivery of the goods ordered hereunder at Stauffer's ship to location, shall have fifteen (15) days to inspect the goods. Upon inspection, Stauffer may reject all non-conforming goods. Said non-conforming goods shall include, but not limited to, goods which are of inferior quality or shipped contrary to instructions, or in excess of the quantity specified, or substituted for goods ordered or not complying with the specifications shown hereon or incorporated herein, and/or otherwise not in accordance with Seller's obligation under this contract. Stauffer's exercise of its right to inspection of Stauffer's acceptance of the goods or payment for the same shall not affect its right to reject the goods or to revoke its acceptance in whole or in part. Stauffer may accept a part of shipment which conforms to Stauffer's specifications and Seller's warranties, and reject any part which does not conform to said specifications and warranties and consider the order breached to the extent of the amount of the rejected goods. Upon rejection, Stauffer may, at its option, return the rejected goods to Seller for full credit at the prices charged. Rejected goods which are not returned shall be held by Stauffer at Seller's expense and risk. Seller shall be liable for all transportation and inspection costs and all other expenses and losses incurred by Stauffer in connection with said rejected goods. Stauffer reserves the right to have the rejected goods replaced or not replaced by Seller.
9. Drawings, data, design specifications, recipes, other processing and technical information supplied by Stauffer shall remain Stauffer's property and shall be held in confidence by Seller. Any information which

Seller may disclose to Stauffer with respect to the design, manufacture, sale or use of the items covered by this Purchase Order shall be deemed to have been disclosed as a part of the consideration for this Purchase Order and on a non-confidential basis.

10. Seller hereby expressly warrants that all goods delivered and serviced, if any, covered hereunder shall strictly conform to applicable specifications, instructions, drawings, data and samples, if any, including performance specifications, and that said goods shall be fit and suitable for the purposes for which they will be used and that said goods shall be merchantable and free of any and all defects. This warranty shall be in addition to all warranties implied by law including the warranty of the merchantability and warranty of fitness for a particular purpose. All warranties shall survive acceptance of any payment for the goods delivered hereunder, and Seller agrees to indemnify and keep Stauffer free and harmless from any and all direct, indirect or consequential loss, damage and expense whatsoever including attorney's fee, which Stauffer may suffer as a result of Seller's failure to fulfill said warranties, or any provision of this contract. These warranties shall be in addition to all warranties, express, implied or statutory. Neither inspection nor payment by Stauffer shall constitute a waiver of any breach of any warranty. All warranties shall insure to Stauffer its customers and subsequent owners of the items or services covered hereunder or end products of which they are a part. Seller agrees, at its expense and at Stauffer's option, to defend or assist in the defense of any action against Stauffer which action in whole or in part, whether by way of claim, counterclaim or defense, is based upon an alleged breach of any of Seller's warranties. Seller agrees to indemnify Stauffer, its customer or subsequent owners, for all liability loss, cost and expenses including reasonable attorney's fees, resulting from any breach of any of said warranties.

11. Seller agrees to indemnify and hold Stauffer harmless from any and all claims, loss and damage of any kind whatsoever, including consequential damages, along with all costs, including reasonable attorney's fees connected therewith, brought by or on behalf of any person arising out of, directly or indirectly, the performance of this contract, or the goods or services furnished.

12. Stauffer may cancel or modify this purchase order and shall not be held responsible for any losses resulting if the fulfillment of any of the terms or provisions of this contract is delayed or prevented by fire, act of God, or other casualty, strikes, government acts, or without limiting the foregoing, by any other cause not within the control of Stauffer and which, by the exercise or reasonable diligence. Stauffer is unable to prevent, whether of the class of cause hereinbefore enumerated or not. If Seller breaches or fails to comply with any provision in the purchase order, Stauffer may cancel this purchase order, in whole or in part, without cost to Stauffer.

13. Seller, in filling this order, agrees and warrants that it is complying with and shall comply with all applicable government laws, regulations, orders and rules of Federal, State and Municipal governmental bodies and agencies. The Seller hereby warrants to Stauffer that all foods or all substances for use in or for foods comprising each shipment or other delivery hereafter made to Stauffer as of the date of shipment and delivery:

A.) Is neither adulterated nor misbranded within the meaning of the Federal Food Drug and Cosmetic Act of 1938 as amended, the Federal Fair Packaging and Labeling Act of 1966 as amended, or any other Food and Drug law or regulation, the adulterated and misbranding provisions of which are substantially the same as those found in the Federal acts. Additionally, Seller certifies that the foods or all substances for use in or for foods complies with the Model State Weights and Measurement Law as amended, the Model State Packaging and Labeling Regulation as amended, and any other law or regulations which are substantially the same as the Model Act or Regulation; and

B.) Complies with all other State and local laws and regulations.

The Seller will indemnify and hold Stauffer harmless from and against any and all loss, damage, claim and expense arising in connection with third party contamination claims involving food or substances for use in or for foods obtained by Stauffer from Seller. The Seller warrants that it is insured under Product Liability Insurance Policy written by a responsible insurance carrier covering all product liability claims up to a

maximum limit of not less than \$ 1,000,000 for a single occurrence. Stauffer shall be covered by such insurance by the inclusion thereof of a vendor's endorsement in broad form. Seller further agrees to indemnify and hold Stauffer harmless from a loss resulting from Seller's failure to have insurance endorsement and claims protection as aforesaid when such loss does not result from Stauffer's negligence. If Stauffer receives credible evidence that Seller has not done so, Stauffer may cancel this order and refuse to take delivery under same and may return goods delivered hereunder and obtain reimbursement therefore. Seller represents that it complies with the standards and regulations of the Occupational Safety & Health Act of 1970 and that it will comply fully with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor relating to equal opportunity. The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age or national origin. Seller will defend and save Stauffer harmless from any and all damages, liabilities, cost, expenses, attorneys' fees incurred or arising out of any claim, complaint or suit alleging violation of any government laws, regulation, order and rules by Seller.

14. Any Changes, substitutions, amendments, cancellation, extensions, revisions or modifications of this purchase order, in whole or in part and on one or more occasions, shall not be invalid or unenforceable because of lack of consideration, provided that said changes, substitutions, amendments, cancellation, extensions, revisions or modifications shall be in writing, authorized and confirmed by Stauffer.

15. This purchase order contains the entire agreement of the parties hereto and acceptance is limited to the terms hereof. Stauffer objects to the inclusion of any different or additional terms in Seller's acceptance of this purchase order and if they are included in Seller's acceptance, whether in an acknowledgment, acceptance form, invoice or otherwise, a contract shall result only upon Stauffer's terms as stated in this purchase order.

16. The remedies herein provided are cumulative and in addition to all other remedies at law and in equity. No waiver of any breach of any provision hereof shall constitute a waiver of such provision or of any other breach. The conduct of Stauffer in continuing in whole or in part with any provision of this contract shall not be a waiver of any breach of this contract by Seller.

17. No right or interest in this contract shall be assigned by the Seller without the written consent of Stauffer and no delegation of any obligation owned, or of the performance of any obligation by the Seller shall be made without the written consent of Stauffer. Any attempted assignment or delegation not made in conformity with this paragraph shall be wholly paid and ineffectual.

18. Acceptance of a change order constitutes an acceptance of terms and conditions of original order numbers as modified by the charge order and any prior orders.

19. This transaction and the contract formed between Stauffer and Seller shall be construed under and governed by laws of the Commonwealth of Pennsylvania.

20. Seller agrees to exclusive liability under all laws that impose taxes or other exactions on the manufacture or sale of the items to be furnished hereunder or any component part thereof, or on any process or labor involved therein, or on any service to be rendered by Seller, and to pay any and all such taxes except those Stauffer specifically agrees, or is by law required, to pay. Any taxes to be paid by Stauffer shall be separately stated on the invoice. Price shall not include any taxes for which Seller can obtain, or Stauffer can furnish exemption.

21. ARBITRATION, Any and all disputes, controversies or claims arising out of or related to this purchase order of any order relating hereto or any goods or services covered hereby shall at Stauffer's option, be settled by arbitration held in York, Pennsylvania in accordance with the Rules of American Arbitration Association. The arbitration award shall be final and binding upon the parties and judgment may be entered upon such award in any court having jurisdiction. Nothing in this provision shall be construed to limit in any

manner Stauffer's right of lien, right of action against any payments, performance of other surety bond, or right against any security interest or other encumbrance of any kind whatsoever.