



STANDARD TERMS AND CONDITIONS

Ruiz Food Products, Inc., a California corporation ("Buyer") and Seller hereby agree that the following terms and conditions will apply to all Products sold by Seller to Buyer

- 1. Purchase and Sale.** Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer Products from time to time the products specified in a written agreement between the parties, or if no written agreement, the products specified in a Purchase Order. (The written agreement or the Purchase order, whichever is applicable, shall be referred to in these Standard Terms and Conditions as this "Agreement.") This Agreement shall not establish any required volume of purchases or sales of Products and does not impose any exclusivity requirements on either party. Any purchases must be accompanied by a Ruiz Foods Purchase Order ("Purchase Order"). The Purchase Order shall constitute an offer by Buyer for the purchase of the Products specified on the face of the Purchase Order ("Products"). The Purchase Order will not be binding on Buyer until seller accepts the Purchase Order in writing. If Seller does not reject the Purchase Order in writing within two (2) days of receipt of the Purchase Order, it shall be binding upon Seller to the extent that the terms stated in the Purchase Order are not inconsistent with this Agreement. The Purchase Order expressly limits Seller's acceptance to the terms of the Purchase Order. This Agreement shall apply to any repaired or replacement Products provided by Seller hereunder.
- 2. Delivery, Inspection and Rejection of Nonconforming Products.** Seller shall deliver the Products in the quantities and on the date(s) specified in the Purchase Order, or if no delivery date is specified, Seller shall deliver the Products within five (5) days of Seller's receipt of the Purchase Order ("Delivery Date"). Timely delivery of the Products is of the essence. If Seller fails to deliver the Products in full on the Delivery Date, Buyer may terminate the Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Products on the Delivery Date. The Delivery Location for all Products purchased by Buyer shall be to Buyer's facility as designated in the Purchase Order. Buyer has the right to inspect the Products on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Products, and may reject all or any portion of the Products if it determines the Products are nonconforming or defective. If Buyer rejects any portion of the Products, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Products at a reasonably reduced price; or (c) reject the Products and require replacement of the rejected Products. If Buyer requires replacement of the Products, Seller shall, at its expense, within five (5) days replace the nonconforming Products and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective Products and the delivery of replacement Products. If Seller fails to timely deliver replacement Products, Buyer may replace them with Products from a third party and charge Seller the cost thereof and terminate the Purchase Order without charge to Buyer. Any inspection or other action by Buyer shall not reduce or otherwise affect Seller's obligations under the Purchase Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.
- 3. Prices.** During the Initial Term, the prices for the Products shall be as stated on the front of the Purchase Order or as specified in the Parties' written agreement. The prices stated include all packaging, transportation costs to the Delivery Location, insurance, fees, taxes, levies and the costs incurred in the manufacture and packing of the Products.
- 4. Terms of Payment.** Terms of payment are 2% 10 net 45 days based on periodic billing date, unless specifically stated otherwise in the Purchase Order.
- 5. Risk of Loss; Shipment.** Risk of loss to the Products shall pass to Buyer when the vehicle of Seller or its carrier comes to rest at Buyer's designated Delivery Location; except that if Buyer provides transportation, then risk of loss shall pass to Buyer when the products are loaded onto the vehicle of Buyer or its carrier. Each order will be shipped at Seller's earliest practicable schedule date. After orders are placed, delays in approving printing proofs shall extend the date of delivery, at the option of Seller.
- 6. Federal Food, Drug and Cosmetic Act.** Seller guarantees that no article comprise any shipment or other delivery hereafter made by Seller to or on the order of Buyer is, as of the date of such purchase or delivery, adulterated or misbranded, or unsafe, within the meaning of the Federal Food, Drug and Cosmetic Act, with all revisions and amendments pertaining thereto (including the Pesticide and Food Additive

Amendment of 1958) or within the meaning of any substantially similar state or municipal law or ordinance, or is an article which may not under any federal, state, or municipal law or ordinance be introduced into interstate or intrastate commerce. If at any time Seller is notified by any state, federal or other governmental entity that Products sold to Buyer are the subject of any regulatory inquiry or action, Seller will immediately notify Buyer, and, in such event, Buyer may, in its absolute discretion, discontinue sourcing Products from Seller for such period as Buyer determines notwithstanding any contract between the parties.

7. **Warranties.** Seller warrants that the Products (a) will be manufactured in compliance with Buyer's written specifications; (b) will be free from defects in materials and workmanship; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Products by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Products with the foregoing warranties. If Buyer gives Seller notice of noncompliance with this Section, if Buyer so requires, Seller shall, at its own cost and expense, within five (5) days replace or repair the defective or nonconforming Products and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming Products to Seller and the delivery of repaired or replacement Products to Buyer. Any claims for breach of warranty shall be brought in writing within 60 days after discovery thereof.
8. **Indemnification.** Seller shall defend, indemnify and hold harmless Buyer, and Buyer's affiliates, successors or assigns, directors, officers, shareholders and employees and Buyer's customers (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the Products purchased from Seller or Seller's negligence, willful misconduct or breach of this Agreement. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.
9. **Insurance Requirements.** Seller shall, at all times, maintain commercial general liability insurance, including premises, operations, products and contractual liability, with a combined single limit of not less than Five Million Dollars

(\$5,000,000.00) per occurrence for personal injury and property damage. Such insurance shall be issued by reputable insurers reasonably acceptable to Buyer. This insurance shall name Buyer as an additional insured under an "Additional Insured-Suppliers" endorsement, shall be primary over any insurance maintained by Buyer, and shall provide that Buyer will be given at least thirty (30) days' prior written notice of any cancellation or reduction in coverage. Upon execution of this Indemnity agreement, and thereafter ten (10) days prior to any renewals, Seller shall provide Buyer with a Certificate of Insurance evidencing the coverages herein required, and identifying the "Certificate Holder" as Ruiz Food Products, Inc. Seller shall cause its insurers to endorse the required insurance hereunder to waive any rights of subrogation against Buyer. Should Seller fail to adhere to the requirements of this Section, Buyer may order any such insurance and charge the cost thereof to Seller, which amount shall be due and payable by Seller upon demand. The indemnity and insurance obligations of Seller shall remain in effect for so long as Seller is supplying any Products or services to Buyer and, thereafter, for a period equal to any applicable statute of limitations.

10. **Trademarks and Confidential and Proprietary Information.** Seller agrees and acknowledges that Buyer is the exclusive owner of all trademarks and trade names relating to the Products. Seller may use such trademarks and trade names during the term of this Agreement for the sole purpose of supplying Products to Buyer under this Agreement. Seller shall acquire no proprietary or other rights with respect to any such trademarks or trade names, and shall forthwith discontinue all use of such trademarks and trade names upon the termination of this Agreement. All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Purchase Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer.
11. **No Waiver.** No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

12. **Records.** Seller shall keep accurate books of account and records covering all transactions relating to the Products and this Agreement. During the term of this Agreement and for a period of twelve (12) months thereafter, Buyer or its representatives, shall have the right upon reasonable notice to examine and photocopy such books and records during normal business hours to determine compliance with this Agreement.
13. **Compliance with Laws.** Sellers and their designated manufacturing facilities must fully comply with all applicable national and/or local laws and regulations, including, but not limited to, those related to labor, immigration, health and safety, and the environment. Sellers must ensure the following:
- (a) All labor utilized in connection with providing Products to Buyer is voluntary. Slave, child, underage, forced, bonded, or indentured labor will not be tolerated. Sellers shall not engage in or support trafficking in human beings.
 - (b) Sellers must implement hiring practices that accurately verify workers' age and legal right to work in the country prior to employment. All terms and conditions of employment including, but not limited to, hiring, pay, training, promotion, termination, and retirement must meet or exceed legal requirements.
 - (c) Sellers must provide workers with a safe and healthy work environment. Suppliers must take proactive measures to prevent workplace hazards.
14. **Equal Opportunity Employer.** Company is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.
15. **Severability.** If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be found to be invalid, void, or unenforceable, the remaining provisions of this Agreement and any application thereof shall, nevertheless, continue in full force and effect without being impaired or invalidated in any way.
16. **Notices.** Whenever notice is to be served hereunder, service shall be given under this Agreement in writing to the address set forth on the first page of this Agreement. Service shall be by (i) hand delivery, and deemed received upon delivery, (ii) first class certified mail, return-receipt request, postage prepaid, and deemed received five (5) business days after being so mailed, or (iii) a reputable overnight delivery service, postage or delivery charges prepaid, and deemed received three (3) business days after being so sent. Any party may change its address for notice and the address to which copies must be sent by giving notice of the new address to the other party pursuant to this paragraph.
17. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, regardless of the laws that might be applied under applicable principles of conflicts of laws. The parties irrevocably submit to the exclusive jurisdiction of (i) the Courts of the State of California in Tulare County, and (ii) if federal jurisdiction exists, to the Eastern District Court located in Fresno County for the purposes of any suit, action, or other proceeding arising out of the Agreement.
18. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one instrument. Delivery of executed signature pages to this Agreement may be by facsimile transmission with confirmation of received transmission or other electronic means that faithfully reproduces the original with the same effect as if a manually signed original were personally delivered.
19. **Amendment.** No modification or amendment of this Agreement shall be effective unless made in writing and signed by both Parties.
20. **Survival; Assignment.** The provisions of paragraphs 3 through 4 and 9, inclusive, of the Parties' Confidentiality and Non-Disclosure Agreement and paragraphs 7 through 12, inclusive, of the Standard Terms and Conditions, shall survive and continue in full force and effect after any termination or expiration of this Agreement. This Agreement may not be assigned by Seller without Buyer's written consent. Seller will promptly notify Buyer of any change in its ownership or certification information on file with Buyer.
21. **Entire Agreement.** The entire Agreement between the parties regarding the subject matter is set forth herein.

Revised Effective 7/21/2014