

## LUNDBERG FAMILY FARMS STANDARD PURCHASE ORDER TERMS AND CONDITIONS

These standard terms and conditions of purchase apply to all purchase orders issued by Wehah Farm, Inc. d/b/a Lundberg Family Farms, a California corporation, or any of its affiliates (“Lundberg”) and to each and every company selling products to Lundberg. “Seller” shall mean the company, vendor or supplier to whom a purchase order has been issued. “Purchase Terms” shall refer to these terms and conditions as amended from time to time.

**Agreement.** Seller's shipment of the goods subject to a purchase order shall be deemed an effective mode of acceptance. Any acceptance is limited to acceptance of the express terms contained in the purchase order and these Purchase Terms. Any proposal or documents of Seller providing additional or different terms, or any attempt by Seller to vary any of the terms of the purchase order or these Purchase Terms, is hereby expressly objected to and rejected.

**Order of Precedence.** If a provision in a purchase order directly conflicts with a provision in these Purchase Terms, the provision in these Purchase Terms will prevail unless the purchase order specifically states that the provision in the purchase order will prevail.

**Passage of Title; Risk of Loss.** Title to the goods and risk of loss shall remain with Seller until the goods have been delivered to Lundberg's facility. If a shipment is not accompanied by a bill of lading, packing slip or similar delivery document, Lundberg's count and/or weight will be conclusive.

**Price.** The purchase order will be filled at the price shown on the purchase order. Any change must be authorized in writing by Lundberg. Prices include all customs, duties, sales, use, excise and property taxes, shipping, packaging, boxing, crating, labeling, storage, insurance and similar charges, unless otherwise provided in the purchase order.

**Invoices; Payment.** Seller will present Lundberg with an invoice for the amounts due and owing pursuant to each purchase order within the time period set forth in the applicable purchase order. Each invoice will be in a form reasonably acceptable to Lundberg. Lundberg will pay all undisputed amounts on each invoice within the time period set forth in the applicable purchase order. Lundberg will have no obligation to pay any amounts that Seller fails to invoice to Lundberg within 180 days after the amounts were incurred. Except as required by applicable law, Lundberg will not be required to pay any late charge, interest, finance charge or similar charge.

**Warranties.** Seller represents, warrants and guarantees that all goods furnished under any purchase order shall conform in all respects to all samples, specifications and appropriate standards, will be new, and will be free from defects in materials or workmanship. All warranties implied by California's Commercial Code, including California's implied

warranties of merchantability and fitness for a particular purpose, shall apply to all goods furnished under any purchase order, notwithstanding any other terms or disclaimers set forth in Seller's invoices or other confirming documents. All warranties shall survive inspection, test, acceptance and use. Seller's warranty shall run to Lundberg, its successors, assigns, customers and users of products sold by Lundberg. Seller represents and warrants to Lundberg that the title conveyed on all goods produced and delivered to Lundberg under these Purchase Terms and any purchase order will be good and marketable, and the goods will be delivered free from any security interest or other lien or encumbrance (including any statutory or common law lien). In addition, Supplier represents, warrants, guarantees, covenants and agrees that (A) all goods furnished under any purchase order and Supplier's manufacture, production, packaging, warehousing, distribution, labeling and sale thereof, shall comply with all laws, rules and regulations applicable thereto and (B) Supplier shall comply with all requirements set forth in Lundberg's Supplier Quality Expectations Manual, as the same may be amended from time to time in Lundberg's discretion (the “Supplier Manual”).

**Food Related Warranties.** Seller represents, warrants and guarantees that goods which are food products, including contents, packaging, and labeling, and their growing, harvesting, handling, milling, processing, packaging, warehousing, distribution, labeling and sale, will at the time of shipment or delivery:

1. comply with the Federal Food, Drug, and Cosmetic Act (the “FFDCA”); the Federal Insecticide, Fungicide, and Rodenticide Act; the Fair Packaging and Labeling Act; the Poison Prevention Packaging Act of 1970; the Poultry Products Inspection Act; the Federal Meat Inspection Act; the Consumer Product Safety Act, and the Bioterrorism Preparedness and Response Act of 2002, the California Safe Drinking Water and Toxic Enforcement Act of 1986, and any other state or local laws, rules or regulations imposing requirements on Seller which are substantially the same as the statutes cited above, each as may be amended from time to time, and all other applicable laws, rules or regulations;
2. be manufactured in accordance with current good manufacturing practices and any specifications for the goods to be delivered under these Purchase Terms and any purchase order and, where applicable, fit for human consumption;
3. not be adulterated or misbranded within the meaning of the FFDCA, as amended, or within the meaning of any applicable laws, rules or regulations in which the definitions of adulteration and misbranding are substantially the same as those contained in the FFDCA, as

the FFDCa and such laws are constituted and effective at the time of such shipment or delivery; and

4. not be articles which may not, under the provisions of Section 404 or 505 of the FFDCa, be introduced into interstate commerce.

Seller further represents, warrants and guarantees that goods which are designated as organic food products in the applicable purchase order, including contents, packaging, and labeling, and their growing, harvesting, handling, milling, processing, packaging, warehousing, distribution, labeling and sale will comply with:

1. the Organic Foods Production Act ("OFPA") of 1990 and regulations promulgated thereunder;
2. the National Organic Program ("NOP") administered by the United States Department of Agriculture; and
3. the International Federation of Organic Agriculture Movements ("IFOAM") Organic Guarantee System.

**Records.** For a period of five years after the sale of any goods or such longer period as may be required by applicable law, Seller will maintain complete and accurate books and records of all transactions and activities of Seller that relate to Seller's production, storage, delivery and sale of the goods, including complete and accurate manufacturing, processing, packaging and quality control records, and allow Lundberg to audit such books and records. Without limiting the generality of the foregoing, with respect to goods designated as organic food products in the applicable purchase order, accurate records will be kept of field location and acreage used for growing such organic crops, and the applications made to the soil or applied to the plants or added to the irrigation water and any other records required by NOP.

**Non-Conforming Goods.** Any goods that fail to conform to the requirements of the applicable purchase order or these Purchase Terms or that a governmental agency declares are unfit or otherwise unsafe for their intended use or in violation of any law will be considered non-conforming ("Non-Conforming Goods"). Seller will promptly furnish to Lundberg all information and copies of all documents (including any complaints, inquiries, test or inspection results, internal reviews, warnings, declarations or notices) that Seller receives that suggest or indicate that any goods, or any ingredient of, or any material included in, any goods, or any packaging or supplies used in connection with any goods, may be Non-Conforming Goods, and in any event satisfy all requirements and timelines as are set forth in the Supplier Manual with respect to Non-Conforming Goods.

1. Lundberg will have the right to reject any Non-Conforming Goods by written notice after Lundberg discovers the nonconformity.
2. If Seller requests, Lundberg will either return such rejected Non-Conforming Goods to Seller or dispose of same, at Seller's risk and expense, and Seller will reimburse Lundberg for all commercially reasonable charges, expenses or commissions incurred in the inspection,

receipt, transportation, care, custody and disposal of the Non-Conforming Goods; provided that Lundberg shall have the right to approve the disposition of any Non-Conforming Goods that bear the name, trademark, trade name, trade dress, logo or other identifying marks owned by or licensed to Lundberg or any of its affiliates.

3. Lundberg may require Seller to replace the rejected Non-Conforming Goods as soon as possible or terminate the applicable purchase order pertaining to the Non-Conforming Goods for cause pursuant to these Purchase Terms. If payment has already been made for the rejected Non-Conforming Goods, then Lundberg will be entitled to a credit or refund of that payment, and Seller will reimburse Lundberg for all commercially reasonable charges, expenses or commissions incurred in the inspection, receipt, transportation, care, custody and disposal of the Non-Conforming Goods.
4. If Lundberg has incorporated any rejected Non-Conforming Goods into any products, and such products remain in Lundberg's possession or control, Seller will reimburse Lundberg for the costs incurred in the production of such products along with all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such products, net of any salvage value received in connection with such disposal.
5. If Lundberg has incorporated any rejected Non-Conforming Goods into any products, and such products are no longer in Lundberg's possession or control, Lundberg will have the right to field correct, withdraw, recall or repurchase such Non-Conforming Goods or products from any third party in possession or control of such Non-Conforming Goods or products, and Seller will reimburse Lundberg for all reasonable costs incurred by Lundberg in connection therewith, including all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such Non-Conforming Goods or products, net of any salvage value received in connection with such disposal. Upon Lundberg's request, Seller will assist Lundberg in any or all reasonable aspects of a field correction, withdrawal, recall or repurchase, including developing a plan therefore and preparing and furnishing any required reports, records and other information.

**Indemnification.** Seller will indemnify, defend and hold harmless Lundberg, its officers, directors, shareholders, employees, agents, successors and assigns from any and all third party claims, demands, actions or threats of action (whether in law, equity or in an alternative proceeding), losses, liabilities, damages (including taxes), and all related costs and expenses, including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties (collectively, "Losses"), and threatened Losses due to, arising from or relating to any defect or nonconformance in the goods purchased hereunder, or from any act or omission of Seller, its agents, employees or

subcontractors. This indemnification shall be in addition to the warranty obligations of Seller. Lundberg may be represented by and actively participate through its own counsel at its own expense in any suit or proceeding.

**Limitation on Lundberg's Liability.** In no event shall Lundberg be liable for anticipated profits or indirect, incidental, consequential, punitive, special or exemplary damages or for penalties of any description.

**Insurance.** Seller shall maintain such public liability insurance, including product liability, contractual liability, automotive liability insurance (including non-owned automotive liability), workers' compensation and employer's liability insurance as will adequately protect Lundberg against all damages, liabilities, claims, losses and expenses. Seller agrees to submit certificates of insurance evidencing its insurance coverage when requested by Lundberg. All insurance coverage provided to Lundberg by Seller pursuant to these terms and conditions shall be primary insurance with respect to Seller's obligations, and shall not be or be considered to be contributing insurance with any of Lundberg's policies of insurance. No recovery by Lundberg under any policy of insurance procured by Seller shall limit, waive or bar any other right, remedy, claim, cause of action or recovery that Lundberg may have against Seller under these terms and conditions or applicable law.

**Force Majeure.** Lundberg may delay delivery or acceptance occasioned by causes beyond its control, such as government action or failure of the government to act where such action is required, strike or other labor dispute, fire, act of God or unusually severe weather. Seller shall hold such goods at the direction of Lundberg and shall deliver them when the cause of the delay has been removed.

**Termination for Convenience of Lundberg.** Lundberg may terminate any purchase order or any part of a purchase order for its convenience at any time upon 15 days prior notice to Seller.

**Termination for Cause.** Lundberg may terminate a purchase order or any part of a purchase order for cause in the event of any default by Seller, including any failure to comply with any terms and conditions set forth in a purchase order or these Purchase Terms. Late deliveries, deliveries of products that are defective or that do not conform to the applicable purchase order and failure to provide Lundberg, upon request, with reasonable assurances of future performance shall all be bases for termination for cause.

**Assignments and Subcontracting.** No part of any purchase order may be assigned or subcontracted by Seller without prior written approval of Lundberg.

**Notices.** All notices must be in writing and will be deemed given only when sent by first class mail (return receipt requested), hand-delivered or sent by documented overnight delivery service to the party to whom the notice is directed, at its address indicated in the applicable purchase order or by written notice.

**Entire Agreement.** The purchase order, these Purchase Terms and any documents included by reference in the purchase

order constitute the entire agreement between Lundberg and Seller and may not be modified by course of performance, course of dealing or usage of trade.

**Modifications.** No purchase order nor these Purchase Terms may be modified or amended except in writing signed by both Lundberg and Seller specifically referring to the applicable purchase order and/or these Purchase Terms.

**Waiver.** Lundberg's failure to insist on performance of any of the terms or conditions in a purchase order or these Purchase Terms or to exercise any right or privilege, or Lundberg's waiver of any breach of a purchase order or these Purchase Terms shall not waive any other terms, conditions or privileges, whether of the same or similar type.

**Severability.** If any clause or provision in these Purchase Terms is determined to be invalid, the remaining provisions of these Purchase Terms will remain in full force and effect.

**Choice of Law and Venue.** These terms and conditions shall be interpreted pursuant to the laws of the State of California without giving effect to its choice of law provisions. Litigation brought to contest disputes arising under this purchase order shall be brought only in the state or federal courts of the State of California.

**Remedies.** Each of the rights and remedies reserved by Lundberg in a purchase order or in these Purchase Terms shall be cumulative and additional to any other or further remedies provided by law or equity, or in these Purchase Terms.

**Last Updated: 09/1/15**