

**TERMS AND CONDITIONS
THE TERMS AND CONDITIONS BELOW CONSTITUTE THE AGREEMENT BETWEEN
THE PARTIES**

These Purchase Order Terms and Conditions ("Terms") govern all purchase orders ("Orders") issued by DePalo Foods Inc. ("DePalo"), a wholesale food manufacturing company, to the supplier named in the Order ("Supplier"). By accepting an Order, Supplier agrees to be bound by these Terms, which, together with the Order and any referenced policies or agreements, constitute the entire agreement ("Agreement") between DePalo and Supplier. These Terms supersede any conflicting terms in Supplier's documents unless expressly agreed in writing by DePalo.

1. Acceptance of Order

1.1 Supplier shall accept the Order by written confirmation or by commencing performance. Any modifications to the Order must be approved in writing by DePalo.

1.2 Supplier's acceptance of a Purchase Order is expressly limited to these Terms and Conditions. Any different or additional terms proposed by Supplier are hereby objected to and shall be of no force or effect unless specifically agreed to in a writing signed by DePalo's authorized representative. No course of dealing or usage of trade shall modify these Terms.

1.3 DePalo reserves the right to cancel or modify any Order, in whole or in part, prior to delivery, provided Supplier is notified in writing and subject to payment of Supplier's reasonable, documented costs incurred prior to cancellation, if Supplier takes all reasonable steps to mitigate such costs.

2. Product Specifications and Compliance

2.1 Supplier represents, warrants, and guarantees that all products, ingredients, packaging, and labeling ("Products") supplied under an Order shall:

- (a) Comply with all applicable federal, state, and local laws, regulations, and standards, including but not limited to the Federal Food, Drug, and Cosmetic Act (FFDCA), the Food Safety Modernization Act (FSMA), the Federal Meat Inspection Act, the Poultry Products Inspection Act, and applicable Texas regulations (25 TAC 229.210-229.222), as well as any amendments thereto.
- (b) Be manufactured, packaged, labeled, and stored in accordance with Current Good Manufacturing Practices (GMPs) and Hazard Analysis and Critical Control Point (HACCP) requirements.
- (c) Be fit for human consumption, free from adulteration or misbranding as defined by the FFDCA, and not contain banned or controlled substances (e.g., PFAS, BPAs, BHAs, BHTs, PFOAs) above permitted thresholds.
- (d) Conform to all specifications, samples, or standards provided by DePalo or agreed upon in writing, or, if none are provided, to Supplier's specifications provided to DePalo.
- (e) Be free from defects in material, workmanship, and design.

2.2 Supplier shall provide DePalo with all required documentation, including certificates of analysis, allergen statements, nutritional data, and third-party audit reports, to verify compliance with these Terms and applicable laws.

2.3 Supplier shall notify DePalo immediately of any safety issues, defects, or non-compliance discovered in the Products, whether before or after delivery, and shall indemnify DePalo for any costs arising from such issues, including recall expenses.

2.4 Supplier warrants that all perishable Products shall meet or exceed industry-standard remaining shelf life upon delivery, and shall be stored, handled, and transported under conditions that maintain required temperature, humidity, and contamination controls. Supplier shall provide shipping documentation confirming temperature compliance upon request and shall be liable for any losses caused by temperature excursions, premature spoilage, or shelf life failure.

2.5 In the event of a Product recall or market withdrawal involving the Products, Supplier shall immediately notify DePalo and cooperate fully in all related actions, including investigation, communication, retrieval, remediation, and reporting. Supplier shall bear all costs associated with recalls attributable to the Products or Supplier's acts or omissions, including notice, destruction, replacement, loss of profits, and reputational harm.

3. Pricing and Payment

3.1 The price stated in the Order shall be fixed and not subject to increase unless expressly authorized in writing by DePalo through a revised Order.

3.2 Unless otherwise agreed in writing, DePalo shall not be responsible for any taxes, duties, or fees (e.g., sales, use, or franchise taxes) arising from Supplier's manufacture, sale, or delivery of Products, except where such taxes are legally imposed on DePalo.

3.3 Supplier shall verify any changes to DePalo's payment instructions by directly contacting DePalo's designated representative using previously established contact information. DePalo shall not be liable for any losses due to Supplier's failure to verify changes to payment instructions.

3.4 Supplier shall submit accurate invoices matching the Order, achieving at least a 98% invoice-to-Order match rate. Payment terms are net 30 days from receipt of a correct invoice, unless otherwise specified in the Order.

3.5 DePalo reserves the right to withhold payment for non-conforming Products until Supplier remedies the issue or provides replacement Products at DePalo's discretion.

4. Delivery and Risk of Loss

4.1 Supplier shall deliver Products to the location specified in the Order by the agreed delivery date. Time is of the essence. Late or non-conforming deliveries may be rejected at DePalo's discretion. DePalo shall have five (5) business days following delivery to inspect and notify Supplier of non-conforming or rejected Products. Failure to inspect within that time shall not waive DePalo's rights to later revoke acceptance in the event of latent defects.

4.2 Title and risk of loss pass to DePalo upon delivery and acceptance of the Products at DePalo's designated facility, unless otherwise specified in the Order.

4.3 Supplier shall package Products to prevent damage and ensure compliance with food safety and transportation regulations, including sanitary transportation requirements (25 TAC 229.801-229.807).

Supplier shall also package and transport Products to prevent contamination, spoilage, and temperature excursions, and to ensure compliance with all applicable food safety and sanitary transportation regulations, including 21 CFR Part 1, Subpart O, and 25 TAC 229.801–229.807. Products shall be shipped in clean, food-grade containers with documented temperature logs if refrigeration or freezing is required.

5. Inspection and Rejection

5.1 DePalo may inspect Products upon receipt and reject any that fail to conform to these Terms, the Order, or applicable specifications. Rejected Products may be returned at Supplier's expense, and Supplier shall promptly refund or replace them at DePalo's option. Failure to inspect shall not constitute acceptance of latent defects, nor limit DePalo's right to revoke acceptance for Products later determined to be non-conforming or defective.

5.2 DePalo's right to inspect extends to Supplier's facilities and records to verify compliance with these Terms, applicable laws, and DePalo's quality standards. Supplier shall cooperate fully with such inspections, which shall be at DePalo's expense unless non-compliance is found, in which case Supplier shall reimburse DePalo for inspection costs and related damages.

5.3 DePalo shall be entitled to inspect Supplier's facilities, ingredients, and records to verify compliance with these Terms or applicable specifications. Supplier shall fully cooperate with such inspections. If non-compliance is discovered, Supplier shall reimburse DePalo for all related costs.

5.4 DePalo reserves the right to audit Supplier's food safety programs, including HACCP plans, sanitation records, preventive controls, pest control logs, supplier verification procedures, and any other documents necessary to confirm compliance with applicable food safety standards. Supplier shall provide access to such records within five (5) business days of request.

6. Warranties

6.1 In addition to the representations in Section 2, Supplier warrants that:

- (a) It has clear title to the Products and the authority to sell them to DePalo.
- (b) The Products do not infringe any third-party intellectual property rights.
- (c) All services provided in connection with the Products shall be performed in a professional manner, consistent with industry standards.

6.2 These warranties survive inspection, delivery, acceptance, and payment and extend to DePalo, its affiliates, customers, and successors.

7. Indemnification

7.1 Supplier shall indemnify, defend, and hold harmless DePalo, its affiliates, officers, directors, employees, agents, and customers from and against any and all claims, liabilities, damages, losses, penalties, settlements, and expenses (including attorneys' fees) arising out of or in connection with: (i) any breach of these Terms or Supplier's representations or warranties; (ii) any actual or alleged defect in or contamination of the Products; (iii) any infringement or misappropriation of intellectual property; or (iv) any personal injury, death, or property damage caused by the Products or Supplier's negligence or misconduct.

7.2 DePalo shall promptly notify Supplier of any claim, and Supplier shall assume defense of the claim at its expense, subject to DePalo's right to approve counsel and settlements.

8. Force Majeure

8.1 Neither party shall be liable for delays or non-performance due to events beyond their reasonable control, including acts of God, natural disasters, strikes, or government regulations ("Force Majeure"). The affected party shall notify the other promptly and take reasonable steps to mitigate the impact. Force Majeure shall not include labor shortages, supply chain delays, material unavailability, or transportation issues unless such events are unforeseeable and beyond Supplier's reasonable control. Supplier shall use best efforts to mitigate the impact of any such event.

8.2 If a Force Majeure event continues for more than 30 days, the unaffected party may terminate the Order without liability.

9. Termination

9.1 DePalo may terminate an Order, in whole or in part, without liability if:

- (a) Supplier breaches any provision of these Terms and fails to cure within 10 days of written notice.
- (b) Supplier becomes insolvent, files for bankruptcy, or ceases operations.
- (c) DePalo provides written notice of termination for convenience, subject to payment of Supplier's reasonable, documented costs incurred prior to termination.

9.2 Upon termination, Supplier shall cease work, protect DePalo's property, and deliver any completed Products or materials as directed by DePalo.

10. Confidentiality

10.1 Supplier shall treat all non-public information provided by DePalo, including specifications, pricing, and business practices, as confidential and use it solely to perform the Order. All formulations, specifications, labels, and deliverables developed by or provided to Supplier by DePalo shall remain the exclusive property of DePalo and constitute DePalo Confidential Information. Supplier shall not use, disclose, or assert any ownership over such materials without DePalo's prior written consent

10.2 Supplier shall not disclose such information to third parties without DePalo's prior written consent, except as required by law, and shall return or destroy it upon DePalo's request.

11. Governing Law and Dispute Resolution

11.1 These Terms and the Agreement shall be governed by the laws of the State of North Carolina, without regard to its conflict of laws principles.

11.2 Any disputes arising under these Terms shall be resolved through good-faith negotiations. If unresolved, disputes shall be submitted to binding arbitration in Mecklenburg County, North Carolina, under the rules of the American Arbitration Association. The prevailing party shall be entitled to reasonable attorneys' fees and costs.

12. Miscellaneous

12.1 Supplier shall comply with DePalo's Supplier Code of Conduct, available upon request, and maintain adequate quality, safety, and security procedures to ensure Product compliance.

12.2 Supplier shall not assign or subcontract any portion of an Order without DePalo's prior written consent.

12.3 Any provision of these Terms found to be invalid or unenforceable shall be severed, and the remaining provisions shall remain in full force and effect.

12.4 These Terms may be amended by DePalo with written notice to Supplier, effective for future Orders.

12.5 All notices to DePalo under these Terms shall be in writing and delivered to the addresses specified in the Order.

Contact Information:

DePalo Foods Inc.

2010 Oaks Parkway Belmont, NC 28012

Phone: 704-827-0245

12.6 These Terms are for the sole benefit of the parties and their permitted successors and assigns. Nothing herein shall confer any rights or remedies on any third party.

12.7 Supplier shall maintain insurance coverage in commercially reasonable amounts, including commercial general liability, product liability, and product recall insurance, each with minimum limits of \$1,000,000 per occurrence. Upon request, Supplier shall furnish certificates of insurance naming DePalo Foods Inc. as an additional insured.

12.8 Supplier shall maintain and, upon request, provide documentation supporting full traceability of all ingredients, raw materials, and components incorporated into the Products, including lot codes, sources, and date codes. Supplier shall also maintain and implement a written business continuity plan designed to minimize disruption in supply of the Products.

By accepting this Order, Supplier acknowledges that it has read, understood, and agrees to be bound by these Terms and Conditions

Supplier Representative: _____

Date: _____