

PURCHASE ORDER TERMS AND CONDITIONS (“PO T&C”)

These Purchase Order Terms and Conditions (“PO T&C”) constitute a legally binding agreement between the Seller and/or Vendor of products and/or Services to Hormel Foods Corporation and its affiliates, subsidiaries, and joint ventures (“Buyer”).

1. **Acceptance of Purchase Order.** The offer referenced in a Purchase Order (“PO”) will be deemed accepted expressly contingent on Seller’s acceptance of these PO T&C and in the event of performance by Seller under . The Purchase Order and these PO T&C together are considered the “Agreement.” Seller’s shipment of the Goods described in the Purchase Order (“Goods”) or the Seller’s performance of the Services described in the Purchase Order (“Services”) is conclusively deemed an unconditional acceptance of this Agreement. The parties agree that no different, conflicting, or additional terms may be made a part of this Agreement unless separately agreed to in writing by Buyer. Any terms or conditions provided by Seller after the date of the issuance of the PO for which an invoice is issued by Seller are expressly rejected and not made part of this Agreement. These PO T&C will control and govern over any and all additional terms or conditions provided by Seller as part of the invoicing process for Goods or Services provided in response to a PO.

2. **Changes.** Buyer has the right to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause either a change in the cost or the time required for performance, the parties must agree to modify the price accordingly by separate writing to make the modifications binding on Buyer.

3. **Term; Termination.** These PO T&C are in effect for all purchases from Seller by Buyer until expressly terminated or modified by the parties. Unless otherwise specified in the Purchase Order, Buyer may at any time terminate all or part of any purchase order by giving Seller written notice prior to delivery of the Goods or completion of the Services. Upon receipt of a termination notice, Seller will stop all work related to the Purchase Order. In such event, Buyer’s sole liability will be reimbursement to Seller of costs actually incurred by the Seller prior to the termination notice, and Seller must provide Buyer with documentation of said costs. If the cancelled Goods are standard stock Goods and are still in salable condition as determined by Seller in its sole discretion, Buyer may return them to Seller for full credit.

4. **Delivery.** The Goods must be delivered to the destination specified on the Purchase Order no later than the date specified. All Goods are to be provided DDP, unless otherwise agreed to by Buyer in writing.

5. **Inspection; Return and Rejection.** Buyer has a reasonable time within which to inspect Goods or Services before accepting or paying for them. If Buyer determines that Goods do not conform to Purchase Order description or any representations by Seller, Buyer may charge Seller all expenses of unpacking, examining, repacking and returning such Goods to Seller. If Buyer receives Goods or Services containing defects or non-conformities that are not apparent on examination, Buyer reserves the right to require replacement. Buyer may retain a sample of said Goods as evidence of the kind and quality of Goods tendered. If any Goods are nonconforming or delivery is not made as required, Buyer may reject the whole, or accept any unit or units and reject the rest. Buyer will specify all claimed defects and nonconformity in its notice of rejection, but Buyer’s failure to state a particular defect does not preclude Buyer from relying upon the unstated defect to justify rejection or to establish breach.

6. Seller’s Warranties and Covenants –

- a. **This Section Is Applicable To Goods Intended for Human Consumption.** Seller represents, warrants and guarantees that Goods which are food related products, including the contents, packaging, and labeling, sold to, constituting or being a part of any shipment or other delivery now or hereafter made by Seller to or on the order of Buyer, and their manufacture, branding and sale, will at the time of such shipment or delivery:
 - i. comply with the Federal Food, Drug and Cosmetic Act of June 25, 1938, as amended (the “FFDCA”), including the Food Additives Amendment of 1958 and the Food Allergen Labeling and Consumer Protection Act of 2004; the Federal Meat Inspection Act, as amended; the Poultry Products Inspection Act, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act; the Fair Packaging and Labeling Act; the Poison Prevention Packaging Act of 1970, (collectively, and

- as applicable, the “Acts”); the HACCP food safety systems requirements of the USDA/FSIS; the provisions of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002; the registration requirements of the Food Safety Modernization Act (FSMA); the country-of-origin labeling provisions of the Farm Security and Rural Investment Act of 2002 as amended; and any applicable state food and drug law, the adulteration and misbranding provisions of which are (i) identical with or substantially the same as those found in the Acts, and (ii) are not preempted by the Acts or federal law;
- ii. be manufactured in accordance with current good manufacturing practices and any specifications for the Goods to be delivered under these Purchase Terms or any Order and, where applicable, fit for human consumption; and
 - iii. not be articles which may not, under the provisions of Section 404 or 505 of the FFDCA, be introduced into interstate commerce.
 - iv. Seller further represents and warrants that all color additives that Seller sells or delivers to Buyer will be manufactured by Seller and (where color additive regulations require certification) will be from batches certified in accordance with the applicable regulations issued under the FFDCA.
- i. **Banned Substances.** Seller warrants that no banned substances and no controlled substances over specific concentration thresholds, including but not limited to PFAS, BPAs, BHAs, BHTs, and PFOAs, are used or will be used in the manufacture, processing or packaging of the Goods supplied to Buyer under these Purchase Terms. If any reportable substance is used in a manufacturing process or as an ingredient in any part, sourced product, accessory, or packaging (even if the substance is not present in the final form) then the details of the substance’s use must be reported to Buyer. Upon request, Seller will provide to Buyer certificates of compliance certifying that the products, packaging and/or packaging material for the Goods provided under these Purchase Terms are in compliance with the requirements set forth above. Seller will provide updates on usage to Buyer on a per change basis.
 - j. **Reporting Obligations.** Seller will comply with all reporting obligations required by applicable federal, state and local laws, orders, rules and regulations or as otherwise required by Buyer. Seller will provide Buyer with any requested data in connection with such reporting obligations.
- b. **This Section Is Applicable To Services.** Seller will provide Services purchased in any Order in accordance with these Purchase Terms and the applicable Order. If the Order describes Services in a general or non-specific manner, the Services will include not only those Services specifically described in such Order but also those that are an inherent, necessary or a customary part of those Services. Except as provided by the applicable Order, Seller will be responsible for all materials, facilities, equipment, software and other resources required to provide the Services and Seller shall ensure that all equipment used in connection with an Order is maintained in good working order and in compliance with the manufacturer’s instructions and current regulations.
- i. The Seller represents and warrants that any Services performed by the Seller (or its duly appointed sub-contractor) will comply to all applicable statutory rules and regulations and shall not infringe or misappropriate any patents, copyrights, trademarks, trade names, trade secrets or other intellectual property rights and be performed (i) in a good, timely, efficient, professional and workmanlike manner using then-current technology, (ii) using sufficient numbers of personnel who have suitable competence, ability, education, training and other qualifications for any assigned roles, (iii) with at least the degrees of accuracy, quality, efficiency, completeness, timeliness and responsiveness as are equal to or higher than the accepted industry standards applicable to the performance of the same or similar Services, and (iv) in compliance with the requirements of the Order and these Purchase Terms.
 - j. **Compliance with Buyer Policies and Procedures in Performance of Services.** Seller will ensure that the Seller personnel, while assigned to provide Services or otherwise visiting or accessing Buyer’s facilities, will (i) comply with Buyer’s then-current environmental, health, safety, and security policies and procedures and other policies and regulations applicable to Buyer personnel at those facilities, (ii) comply with all reasonable requests of Buyer personnel, as applicable, pertaining

to personal and professional conduct, and (iii) otherwise conduct themselves in a professional and businesslike manner.

- k. **Rights for Non-Conforming Services.** In the event the Services do not conform with these Purchase Terms and the stipulations in any applicable Order, Buyer shall, without prejudice to any of its other rights or remedies, have the right to (i) terminate the Order in whole or in part without liability by notice effective when received by Seller as to Services not yet performed, (ii) refuse to accept any subsequent performance of the Services which Seller attempts to make, (iii) suspend any payment obligation in respect to the Services, and (iv) purchase Services to correct or replace the non-conforming Services from an alternative provider after giving Seller notice and charge Seller any cost incurred
- c. **This Section Is Applicable To Durable Goods Not Intended for Human Consumption.** Seller expressly warrants and covenants that (a) all Goods conform to Buyer's Specifications, or if applicable, to samples furnished by Seller, (b) all Goods will be new unless otherwise agreed to by Buyer, and will be of good material and free from defects, (c) all Goods conform to any statements made on the containers or labels or advertisements for such Goods or Services, (d) all Goods will be contained, packaged, marked and labeled adequately and as required by any applicable law or regulation, (e) all Goods will be merchantable, and be safe and appropriate for the purpose for which goods and services of that kind are normally used, (f) if Seller knows or has reason to know the particular purpose for which Buyer intends to use the Goods or Services, Seller warrants that such Goods or Services are fit for such particular purpose, (g) Seller has absolute title to and full right to transfer all Goods sold hereunder and will deliver Goods free from any security interest or other lien or encumbrance of any kind whatsoever, (h) Seller will satisfy all of Seller's obligations owed to any third party for labor or material contributed by such third party toward the production and furnishing of the Goods, (i) the use, consumption or sale of the Goods does not infringe any patent or other proprietary rights, or any trademark or trade name, (j) all Goods conform with all applicable federal, state, and local regulations and laws, (k) all Goods or Services will be produced in compliance with the Fair Labor Standards Act of 1936, as amended, and comply with the Occupational Health & Safety Act of 1970, as amended, and applicable federal, state or local standards, (l) Seller is in and will remain in compliance with the nondiscrimination requirements of Section 202 of Executive Order 11246, as amended, the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 701 et seq.), and the Vietnam Era Readjustment Act of 1974, as amended (38 U.S.C. Sec. 2012), the Americans with Disabilities Act of 1990, as amended, and all implementing rules and regulations prescribed thereunder, the "Equal Opportunity Clauses" and the "Affirmative Action Clauses" required by Title 41 CFR, Chapter 60, which are incorporated herein by reference, and Seller warrants compliance with all requirements of a "Contractor" under those clauses, and (m) Seller is in and will remain in compliance with the provisions of the Toxic Substances Control Act of 1976, as amended (15 U.S.C. Sec. 2601 et seq.), and the regulations thereunder, and Seller warrants that purchase or resale of the Goods is not prohibited by same. Seller's warranties run to Buyer, its successors, assigns and customers, and users of products sold by Buyer.

7. **Printed Goods.** If the Goods are or include printed material, proofs must be submitted for inspection and preapproval by Buyer before Seller may proceed with the printing of Goods.

8. **Price; Invoice.** Unless otherwise specified in the Purchase Order, if Seller fails to submit its invoice for Goods or Services within 9 months after Buyer receives the Goods or Seller completes the Services, Seller forever waives its right to collect payment for said Goods or Services. Seller warrants that prices on the Purchase Order are complete, and that except for shipping and tax, if they are the responsibility of Buyer pursuant to the PO, no additional charges (e.g. charges for packaging, labeling, custom duties, storage, insurance, boxing, carting) will be added without Buyer's prior written consent.

9. **Discounts.** Any cash discount period will be calculated from the date of receipt of the Goods or Services or the date of the invoice, whichever is later. The cash discount period for invoices returned to Seller for correction will be calculated from date of the corrected invoice.

10. **Insurance.** Seller must carry at its own expense, and cause its subcontractors to maintain at their expense, sufficient insurance coverage with generally acceptable insurers, including but not limited to the following coverage types and amounts: (i) Workers Compensation Insurance to statutory limits, (ii) Employer's Liability Insurance in minimum limits of US\$500,000 for bodily injury by accident or disease, (iii) Commercial General Liability Insurance (including Contractual Liability, Products/Completed Operations, and Personal Injury coverages) with minimum limits of US\$2,000,000 for each occurrence and in the aggregate, (iv) *if vehicles are used for the Products/Services under this PO*, Automobile Liability Insurance covering owned, non-owned, rented, and hired vehicles with a combined single limit of US\$1,000,000 for each accident for bodily injury and property damage, (v) *if Seller is a licensed professional (e.g. auditor, consultant, designer, engineer, software developer, etc.)* Professional Liability Insurance covering liability for damages caused by an error, omission, or negligent act with minimum limits of US\$5,000,000 per occurrence and in the aggregate, (vi) *if Seller is supplying Goods intended for Human Consumption, including packaging materials*, Product Recall insurance with minimum limits of US\$5,000,000. Seller may choose to self-insure for product recall coverage only after vetting by Buyer of Seller's financial wherewithal and ability to finance the necessary actions, costs, claims, and settlements related to any Recall Action (defined below). Seller retains sole financial responsibility for all costs associated with a recall irrespective of coverage. Where available, these insurance requirements may be met with a combination of primary and umbrella/excess insurance policies. Such policies must be with carriers with a rating of at least "A-" from the AM Best rating service or its equivalent and in a form reasonably satisfactory to Buyer. Seller will ensure Buyer including its parents, subsidiaries, divisions, affiliates, directors, officers, employees, and agents are included as an additional insured with respect to the liability policies. The foregoing insurance coverages will be primary and non-contributory to Buyer's insurance or self-insurance. The Seller's Commercial General Liability, Automobile Liability and Workers Compensation insurers will waive rights of subrogation against Buyer and its insurers. Seller must provide Buyer with thirty (30) days advance written notice of cancellation of policies. If requested, Seller must provide Certificates of Insurance for such policies within 30 days of Buyer's request. Seller agrees that Buyer maintain this insurance for 3 years following delivery by or performance of Seller under this Agreement. Seller, at its own expense, will cooperate fully with any reasonable requests by Buyer related to investigation or defense of a claim by Buyer or a third party.

11. **Indemnity; limitation of liability.** Seller agrees to indemnify, defend and hold harmless Buyer from and against all claims, demands, actions, penalties, fines, damages, losses, expenses (including but not limited to reasonable attorneys' fees and costs), known or unknown bodily and personal injuries or death or property damage and the consequences thereof, and liabilities of any kind (together, "Claims") related to any Goods sold to Buyer by Seller or any Services performed by Seller for Buyer, except to the extent such Claims arise out of Buyer's gross negligence, Buyer's intentional misconduct, or Buyer's improper storage or handling of Goods. Seller must defend Buyer in any actions or legal proceedings arising out of Claims with counsel reasonably satisfactory to Buyer. This indemnification obligation will survive Seller's delivery of Goods or furnishing of Services to Buyer. The amount of Seller's insurance in no way limits Seller's indemnification obligations. Mutual indemnification on food especially – limitation of liability

12. **Non-Compliant Products.**

- a. **This Section Is Applicable To Goods Not Intended for Human Consumption.** Seller must provide all Goods according to Buyer's Specifications and in compliance with all applicable federal, state and local laws, rules, and regulations. Seller must notify Buyer of any process deviations or any other non-compliance with Buyer's Specifications (collectively, "Non-Compliant Product"). If Seller has reason to believe that any Goods sold by Seller to Buyer are, or will become, Non-Compliant Products, Seller will immediately notify Buyer of the same.
- b. **This Section Is Applicable Only To Goods Intended for Human Consumption.** Seller must provide all Goods according to Buyer's Specifications and in compliance with all applicable federal, state and local laws, rules, and regulations including but not limited to the requirements set forth in the Food Allergen Labeling and Consumer Protection Act of 2004 (collectively, "Laws"). Seller must notify Buyer of any process deviations or any raw materials that Seller has reason to believe contain pathogens or foreign substances (including without limitation pesticides), or any other non-compliance with Buyer's Specifications (collectively, "Non-Compliant Product"). Seller will discuss such Non-Compliant Product with Buyer's quality control personnel prior to notifying any regulatory authorities. If Buyer reasonably considers it necessary to (a) recall any final products or (b) withhold from further distribution any final products or work-

in-process, due to a Non-Compliant Product containing Goods provided by Seller, or due to Seller's negligence, or due to Seller's failure to comply with Laws, Seller will be responsible for all damages and costs of such recall and recovery. Such damages and costs include, but are not limited to, loss of Products, transportation of Products, notices and communications necessary or appropriate to implementing the recall, and all costs and expenses (including but not limited to reasonable attorneys' fees and costs) incurred in defending actions brought in connection with such recall. If Seller has reason to believe that any Goods sold by Seller to Buyer are, or will become, Non-Compliant Products, Seller will immediately notify Buyer of the same.

13. **Recall.** Buyer has the exclusive right to initiate and/or direct any recall, market withdrawal, stock recovery, product correction, or advisory safety communication (a "Recall Action") regarding the Goods or any product incorporating the Goods. Buyer may direct Seller to, and upon such direction Seller will, conduct such Recall Action. Buyer will determine, in its discretion, the manner, text, and timing of any publicity or communications regarding such matters. Seller will take all such steps as are reasonably requested to investigate the situation and to implement the Recall Action in a timely and complete manner. In addition to any other remedy available to Buyer and notwithstanding any suggestion to the contrary elsewhere herein, Seller will bear all costs associated with any Recall Action that are attributable to the Goods or to Seller's actions or omissions giving rise to the Recall Action.

14. **Confidentiality.** All information sent by Buyer to Seller related to a Purchase Order is confidential, remains the property of Buyer, and may be used and disclosed by Seller only to the extent necessary for Seller's performance of the terms of the PO or these terms and conditions.

14. **Offset.** Buyer has the right to offset for Seller's overcharge of any amounts to Buyer. Buyer may offset, with prior notice to Seller, for Buyer's losses or damages due to (a) Seller's breach of any representations, warranties, or other obligation under this Agreement, (b), or (c) any Claims made against Buyer for which Seller has an indemnification obligation to Buyer, by withholding an amount equal to the alleged loss or damage from any amounts due and owing to Seller under this Agreement.

15. **Force Majeure.** Neither party will be liable for damages due to failure to perform under this Agreement if such failure is due to acts of war, terrorism, civil commotions, acts of any government or governmental authority, interference in telephone or electronic communications, epidemic disease or quarantines, fire, flood, windstorms, or other acts of God, or any cause of a like or different kind beyond the reasonable control of such party. However, if Seller is unable to meet Buyer's delivery schedule due to Force Majeure, Buyer may, without liability to Seller, refuse shipment.

17. **Modification.** This Agreement may be modified or rescinded only by a document that specifically states that it is intended to modify this Agreement and must be signed by authorized representatives of both parties. This Agreement may not be amended or supplemented by any course of dealing, course of performance, or usage of trade.

18. **Assignment.** Seller may not assign this Agreement nor delegate its duties under this Agreement without Buyer's prior written consent.

19. **Governing Law; Waiver of Jury Trial.** All rights and obligations under this Agreement will be governed by the laws of the State of Minnesota without regard to conflict of laws principles. The parties specifically agree that unless stated to the contrary in this Agreement, the Minnesota Uniform Commercial Code will apply to any sales of Goods made to Buyer by Seller under this Agreement. SELLER AND BUYER WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING OUT OF THIS AGREEMENT.

20. **Waiver.** If either party fails to enforce at any time any of the provisions of this Agreement or fails to exercise any right or require at any time performance of any of the provisions in this Agreement, such failure will not be construed as a waiver of such provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of either party to enforce each and every such provision. No waiver will be valid unless made in writing and signed by the waiving party and then only to the extent specified.

21. **Severability.** If any term or provision of this Agreement is held to be illegal or in conflict with any federal, state or local law or regulation, the validity of the remainder of this Agreement will not be affected, and the rights and

obligations of the parties will be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

22. **Remedies Cumulative**. In addition to any remedies granted Buyer hereunder, in the event of Seller's breach, Buyer is entitled to all remedies provided by law and all such remedies are cumulative and are in addition to, and not in lieu or exclusive of, any rights and remedies to which Buyer is entitled under the Uniform Commercial Code ("UCC"), except as expressly limited herein or inapplicable.