



RURAL KING DISTRIBUTION

Purchase Order Terms and Conditions

* All References to Vendor Compliance Agreement refer to Rural King Vendor Compliance Agreement that can be found at www.Ruralking.com/Vendors

** All References to an addendum can be found under documents section at www.Ruralking.com/vendors

*** All references to a specific time refer to the legal time zone being used by the State of Illinois, currently Central Time (CT).

1. **Applicability**

This purchase order is an offer by **RKDS, LLC**, d/b/a Rural King Distribution, ("**RK**") for the purchase of the goods specified on the face of this purchase order (the "**Goods**") from the party to whom the purchase order is addressed (the "**Vendor**") in accordance with, and subject to, these terms and conditions (the "**Terms**"; together with the terms and conditions on the face of the purchase order, the "**Order**"). This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Vendor's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Vendor's general terms and conditions of sale or any other document issued by Vendor in connection with this Order. These Terms apply to any repaired or replacement Goods provided by Vendor hereunder. RK is not obligated to any minimum purchase or future purchase obligations under this Order.

2. **Acceptance**

Orders will be generated and transmitted to Vendor via EDI. Vendor must immediately begin the EDI certification or enrollment process by contacting RK-edisetaup@ruralking.com. Vendor acknowledges that it has exactly 30 days to complete EDI enrollment process. Until the Vendor is EDI certified, purchase orders must be sent via Email.

In the event EDI set up is not completed within 30 days, RK reserves the right to fine the Vendor and/or terminate the contract due to Vendor's failure to comply with the terms herein. In such an event, Vendor agrees that all purchase orders will be withdrawn. Vendor will be compensated for goods delivered prior to termination.

3. **Delivery Date**

Orders will be generated with a Requested Ship Date and a cancel date. Vendor shall ship the Goods in the quantities ordered within the ship and cancel dates specified in this Order or as otherwise agreed in writing by the parties, to insure delivery by the specified delivery date (the "**Delivery Date**"). If Vendor cannot ship the Goods to arrive in the specified delivery window, Vendor must notify RK in writing and receive written authorization to ship past the Order cancel date. Timely delivery of the Goods is of the essence. If Vendor fails to ship Goods within the agreed shipping window or fails to deliver the Goods or cause the Goods to be delivered to RK in full on the Delivery Date, RK may terminate the Order immediately by providing written notice to Vendor, and Vendor

shall indemnify RK against any losses, claims, damages, and reasonable costs and expenses directly attributable to Vendor's failure to deliver the Goods on the Delivery Date. RK has the right to refuse or to reject Orders that ship prior to or after the designated shipping window, and RK has the right to return any Goods delivered prior to or after the agreed Delivery Date at Vendor's expense, and Vendor shall redeliver such Goods on the Delivery Date. In the event that Vendor fails to deliver seasonal items within the specified delivery window, RK may terminate the order effective immediately. In such an event, Vendor must issue a full refund to RK plus a 25% fee due within fifteen (15) days of order termination. See **Rates and Fees** addendum.

4. **Hazardous Materials**

Prior to delivery, Vendor shall provide RK with all known Hazardous Materials information about Goods being sold. The Vendor Compliance Agreement section titled "Hazardous Material" outlines the responsibilities of Vendor to provide RK Hazardous Materials information. All SDS information shall be submitted via email to sds@ruralking.com.

5. **Quantity**

If Vendor delivers more than the quantity of Goods ordered, RK may reject the entire Order or any excess Goods. Any such rejected Goods shall be returned to Vendor at Vendor's risk and expense including RK labor expense to process. If Vendor delivers less than the quantity of Goods ordered, RK may reject the entire Order. If Order is accepted, the shorted quantity will be cancelled. If RK does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted on a pro-rata basis. RK reserves the right to charge a storage fee for any rejected Goods until Vendor has them returned. See **RK Rates and Fees** addendum for applicable rates and fees. If the storage fees accumulate to a value in excess of Goods, then RK may take possession of Goods in whole or partial satisfaction of the fee owed.

6. **Scheduling and Delivery Location**

All Goods shall be delivered to a specified delivery location ("**Delivery Location**") according to the Vendor Compliance Agreement and shall follow applicable instructions for scheduling. A Delivery Location is the agreed location where Vendor transfers Goods to RK, including but not limited to, RK distribution center, RK store, or location where RK picks up Goods from Vendor. RK reserves the right to change the Delivery Location at the time of scheduling. In the event the Goods are not delivered to the Delivery Location at the agreed delivery time ("**Delivery Time**"), and the agreed Delivery Time is not modified by RK, RK may, in RK's sole discretion, reject the Goods and such rejected Goods shall be returned to Vendor at Vendor's risk and expense.

7. **Shipping Terms**

Delivery shall be made to the Delivery Location, in accordance with the terms on the face of this Order. Vendor shall provide RK all shipping documents as outlined in the Vendor Compliance Agreement.

8. **Title and Risk of Loss**

Title passes to RK upon delivery of the Goods to the Delivery Location. Vendor bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location. RK reserves the right to make claims after the Goods are checked in and assessed for count discrepancies and/or damage to Goods. Under no circumstance shall RK assume title or risk of loss prior to delivery, regardless of whether RK assists with transportation to the Delivery Location.

9. **Packaging**

All goods shall be packed for shipment according to Article 4 of the Vendor Compliance Agreement requirements. Vendor cannot require RK to return any packaging material. Any return of such packaging material shall be made at Vendor's expense.

10. **Amendment and Modification**

No change to any Order is binding upon RK unless it is in writing, specifically states that it amends the Order, and is signed by an authorized representative of RK.

11. **Inspection and Rejection of Nonconforming Good**

RK has the right to inspect the Goods on or after the Delivery Date. RK, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. All expired product shall be considered defective, and all product received without a one month minimum shelf life shall be considered expired, unless express written consent to waive this requirement is provided by RK, referring to this Paragraph. RK does not accept substitution of Goods. If RK rejects any portion of the Goods for any of the foregoing reasons, RK has the right, effective upon written notice to Vendor, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If RK requires replacement of the nonconforming, defective or substituted Goods, Vendor shall, at its expense, replace such Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the rejected Goods and the delivery of replacement Goods. If Vendor fails to timely deliver replacement Goods, RK may replace them with goods from a third party and charge Vendor the cost thereof and terminate the Order for cause pursuant to **Section 20**. Any inspection or other action by RK under this Section shall not reduce or otherwise affect Vendor's obligations under the Order, and RK shall have the right to conduct further inspections after Vendor has carried out its remedial actions.

12. **Price**

The price of the Goods is the price stated in the Order (the "**Price**"). Unless otherwise specified in the Order, the Price includes all packaging, transportation costs to the Delivery Location, insurance, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of RK.

13. **Payment Terms**

Vendor shall issue an invoice to RK upon shipment of the Goods. RK will pay all properly invoiced amounts due to Vendor in accordance with the terms of this Order, except for any amounts disputed by RK in good faith. All payments hereunder will be in US Dollars and shall be paid in the form of a check issued by RK or ACH/Direct Deposit. **Prior to receiving payment via ACH/Direct Deposit, Vendor must contact ap@ruralking.com to enroll.** By enrolling in ACH/Direct Deposit, Vendor authorizes RK and any designated financial institution to process credit entries for accounts-payable related funds. In the event of a payment dispute, RK shall deliver a "Rural King Invoice Refusal Form" to Vendor prior to the due date, listing all disputed items and providing a reasonably detailed description of each disputed item. The parties shall seek to resolve all such disputes expeditiously and in good faith. Vendor shall continue performing its obligations under the Order notwithstanding any such dispute. EDI is required for invoices. Please see Article 2 of the Vendor Compliance Agreement for invoice instructions. Vendor hereby agrees to pay all applicable fines and fees, as imputed pursuant to this Agreement or the Rates and Fees Schedule. Should Vendor believe that an assessed fee is erroneous or incorrect, Vendor shall have five (5) business days from the date of notice to dispute. If Vendor fails to dispute in writing within five (5) business days, the assessed fee shall be deemed accepted, with Vendor waiving all defenses pursuant to this agreement. In the event Vendor fails to timely pay for any obligation, all assessed fines and fees and will be billed to Vendor, with interest at the rate of nine percent (9%) per annum.

14. **Set-off**

Without prejudice to any other right or remedy it may have, RK reserves the right to set off at any time any amount owing to it by Vendor against any amount payable by RK to Vendor.

15. **Defectives**

Vendor is subject to the requirements outlined in the "Customer Returns and Defective Goods Policy".

16. **General Indemnification**

Vendor shall defend, indemnify, and hold harmless RK and RK's affiliates, successors or assigns and their respective directors, officers, shareholders, members and employees, and RK'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 under this contract or to indemnification hereunder and the cost of pursuing any insurance providers or collection (collectively, "**Losses**") arising out of or occurring in connection with the products purchased from Vendor or Vendor's breach of the Terms, Vendor's failure to provide Instructions, or the negligence or willful misconduct of Vendor or any agent of Vendor. Vendor shall not enter into any settlement without RK's or Indemnitee's prior written consent.

17. **Intellectual Property Indemnification**

Vendor shall, at its expense, defend (with counsel acceptable to RK), indemnify and hold harmless RK and any Indemnitee against any and all Losses arising out of or in connection with any claim that RK's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Vendor enter into any settlement without RK's or Indemnitee's prior written consent.

18. **Insurance**

Vendor shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than \$2,000,000.00 per occurrence; \$10,000,000 per occurrence if determined by RK that Vendor is a high-risk vendor. Vendor shall provide RK with a certificate of insurance from Vendor's insurer evidencing the insurance coverage specified, and the certificate of insurance shall name RK as an additional insured. Insurance shall be with financially sound and reputable insurer located in the United States. Insurance must be written with a carrier with an A.M. Best Key Rating of at least A-. Vendor shall provide RK not less than thirty (30) days' advance written notice in the event of a cancellation or material change in Vendor's insurance policy. Except where prohibited by law, Vendor shall require its insurer to waive all rights of subrogation against RK's insurers and RK or the Indemnitees. Please list RK Holdings, LLP and RKDS, LLC located at 4216 Dewitt Ave, Mattoon, IL, 61938, as certificate holder on all Certificates of Insurance. All Certificates of Insurance must be emailed to vendorcompliance@ruralking.com.

19. **Compliance with Law**

Vendor is in compliance with and shall produce and provide the Goods to comply with, all applicable state and federal laws, regulations (including but not limited to all FDA regulations), and ordinances. Vendor has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order and to place the Goods into commerce, and similarly shall maintain and provide a list of all states that such Goods are restricted for sale. Vendor is responsible for giving notice to RK of changes in the law affecting Goods within thirty (30) days of Vendor becoming aware of the change. Stop Sale Order Fees shall apply to any product pulled from the shelf due to failure to comply with this Paragraph. The requirements of the Paragraph shall apply to all Vendors, including but not limited to Vendors who supply food, feed, seed, and any other service or tangible product.

19.1 Vendors of Food, Pet Food, and Livestock Feed

Vendors of human consumables, pet food, and livestock feed items shall take reasonable steps to prevent the cross contamination of allergens and shall actively control biological, chemical, and physical hazards in any food products, feed products, or pet food items it supplies prior to shipment. As evidence of such efforts, Vendor shall maintain a HACCP or FSMA policy, and further agrees to submit a copy of the same upon request. All such submissions shall be submitted to rkcompliance@ruralking.com.

19.2 Vendors of Vendors of Commercial Livestock Feed and Agricultural Seed

In accordance with this section, any Vendor that manufactures or distributes commercial feed or agricultural seed products to RK must pay State tonnage fees or licensing fees for products supplied. Tonnage reports and payments shall be sent directly to the requesting agency. Any fine or fee acquired by RK as the result of Vendor's failures to satisfy this term will be back billed to Vendor.

20. **Termination**

In addition to any remedies that may be provided under these Terms, RK may terminate this Order with immediate effect upon written notice to the Vendor, either before or after the acceptance of the Goods, if Vendor has not performed or complied with any of these Terms, in whole or in part. If the Vendor becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then RK may terminate this Order upon written notice to Vendor. If RK terminates the Order for any reason, Vendor's sole and exclusive remedy is payment for the Goods received and accepted by RK prior to the termination.

21. **Limitation of Liability**

Nothing in this Order shall exclude or limit (a) Vendor's liability under Sections 15, 16, 17 and 23 hereof, or (b) Vendor's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

22. **Waiver and Compliance**

No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Vendor shall strictly comply with all Purchase Order Terms and Conditions.

23. **Confidential Information**

All non-public, confidential or proprietary information of RK, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by RK to Vendor, 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 Order is confidential ("**Confidential Information**"), solely for the use of performing the Order, and shall not be disclosed

or copied unless authorized by RK in writing. Upon RK's request, Vendor shall promptly return all documents and other materials received from RK. RK shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Vendor at the time of disclosure; or (c) rightfully obtained by the Vendor on a non-confidential basis from a third party. All vendors for RK's private label products are required to sign and agree to RK's standard Mutual Confidentiality and Nondisclosure Agreement, and the terms of such agreement are incorporated herein and made a part of this Paragraph, with Vendor expressly acknowledging that signature to this agreement constitutes written agreement to said Mutual Confidentiality and Nondisclosure Agreement.

24. **Force Majeure**

Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). *Force Majeure* Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. Vendor's economic hardship or changes in market conditions are not considered *Force Majeure* Events. Vendor shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any *Force Majeure* Event are minimized and resume performance under the Order. If a *Force Majeure* Event prevents Vendor from carrying out its obligations under the Order for a continuous period of more than thirty (30) days, RK may terminate this Order immediately by giving written notice to Vendor. Written notice of Vendor's failure or delay in performance due to force majeure must be given to the other party no later than five (5) business days following the force majeure event commencing, which notice shall describe the force majeure event and actions taken to minimize the impact thereof. The parties have a duty to mitigate. All delivery dates under agreement affected by force majeure shall be tolled for the duration of such force majeure event.

25. **Assignment**

Vendor shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of RK. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Vendor of any of its obligations hereunder.

26. **Relationship of the Parties**

The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity or exclusive dealing shall be construed from this Order.

27. **No Third-Party Beneficiaries**

This Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

28. **Governing Law**

All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of Illinois without giving effect to any choice or conflict of law

provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Illinois.

29. Submission to Jurisdiction

Any legal suit, action or proceeding arising out of or relating to this Order shall be instituted in the following courts 1) a state court located in Coles County, Illinois or federal court located in the Central District of Illinois or 2) a state or federal court located in state that a) Vendor is domiciled in *and* b) RK Holdings, LLP has a physical Rural King store in that state. Each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

30. Cumulative Remedies

The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

31. Execution and Notices

This Contract may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same Contract, and shall be binding upon the parties signing any one of the counterparts. Facsimile or electronic transmission of the signatures of the parties hereto, including but not limited to signature through DocuSign or the Rural King portal, shall be deemed valid signatures once transmitted, and shall have the same force and effect as the original thereof. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be provided or designated by the receiving party in writing. Nevertheless, all written Notices shall be delivered by electronic mail (e-mail), addressed to vendorcompliance@ruralking.com. Additionally, notices to Vendor may be delivered through the Vendor Portal at rkvendor.com, and Vendor shall have a duty to monitor the vendor portal for notices.

32. Severability

If any term or provision of this Order is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision or invalidate or render unenforceable such term or provision in any other jurisdiction.

33. Proposition 65 Compliance and Indemnification

Vendor warrants that all Goods sold to RK will be compliant with California's Proposition 65, the Safe Drinking Water and Toxic Enforcement Act, including having proper notice labeling required on products. Vendor shall defend, indemnify, and hold harmless RK from and against any third-party demands, claims, losses, damages, liabilities, obligations, for bodily injury (including death) or damage to property associated with Goods not being compliant with California's Proposition 65.

34. Effective Date

The provisions of the Agreement shall come into full force and effect upon execution by the parties. Unless otherwise acknowledged by express written consent, the parties hereby agree to be bound by the terms within the agreement for all past, present, and future orders.

35. Liquidating Damages

If Vendor fails to comply with shipping schedules and fill rates outlined in Purchase Orders it shall be considered a material breach of this Agreement and shall result in liquidating damages, outlined as follows. In the event of a said material breach of this Agreement by Vendor, RK shall be entitled to receive the greater of 5% of the underlying invoice or \$500 as liquidated damages, in addition to any remedy outlined in Paragraph 11 above. The parties acknowledge that RK's actual damages in the event of said material breach by Vendor under this Agreement will be difficult to ascertain,

and that such liquidated damages represent the parties' best estimate of such damages. If Vendor violates this provision three times, then RK may Cancel all orders and discontinue business with Vendor.

36. Non-solicitation and Engagement of RK Employees

Vendor acknowledges that in the course its business relationship with RK, it will work and have contact with certain employees of RK who are responsible for establishing, maintaining, and managing that relationship with the Vendor ("RK Contact Employees"). Vendor further acknowledges that RK devotes significant time and expense to the training and development of its employees, including RK Contact Employees, and that RK Contact Employees will generate and/or have access to Confidential Information and knowledge specific to the business relationship between Vendor and RK. Vendor therefore agrees that without the written consent of the RK, which may be withheld by RK in its sole discretion, Vendor will not solicit, hire, employ, or engage as an independent contractor any RK Contact Employee(s) while any such person is employed by RK and for a period of one year after any such person ceases to be an employee of RK. RK shall be entitled to injunctive relief for any violation of this Section, together with reasonable attorney fees it incurs enforcing this section, wither or not an action is filed.

I have read, understand, and agree

Signature and Date

Company