

**R.E. DARLING CO., INC. ("Buyer")  
STANDARD TERMS AND CONDITIONS OF  
PURCHASE**

R.E. DARLING CO., INC.'s ("Buyer") acceptance of Seller's Products and/or Services is expressly conditioned upon Seller's assent to the below Purchase Order Terms and Conditions. Seller's delivery of, and Buyer's acceptance of, Seller's Products is also deemed by the parties to be Seller's assent to these terms.

1. **ACCEPTANCE.**

Acceptance of this Order and each of its terms and conditions will be evidenced by the Seller's execution of the acknowledgement copy hereof, or by the Seller's commencement of performance or shipping under this Order, or by acceptance of any payment therefore. Unless otherwise specifically indicated on the face hereof, this Order is not an acceptance of any offer, quotation or proposal made by Seller; and, any reference thereto is made solely for the purpose of specifying prices and the nature and description of the goods and services ordered. Any other additional or different terms are objected to by Buyer without need of further notice of objection and shall be of no force or effect. No variations in the delivery schedule, price, quantity, specifications or other provisions of this Order, and no new, additional or different terms or provisions, will be binding on Buyer unless agreed to in writing and signed by the Buyer's Purchasing Agent or its other authorized representative.

2. **ACKNOWLEDGEMENT.**

The acknowledgement copy of this Order must be returned promptly to Buyer. Shipment and delivery of goods must be made to agree with the schedule on the face of this Order. If the Seller cannot meet Buyer's requested schedule, Seller must so state on the acknowledgement copy indicating there on the best schedule that can be met, which Buyer may accept or reject.

3. **REPRESENTATIONS OF MATERIAL FACTS.**

The award of this Contract was in reliance on the facts reflected in certifications and representations made by Seller prior to the award. Those same facts can determine whether the intended end use of Seller's Work is lawful. If, at any time during the performance of this Contract, Seller discovers that any information contained in these certifications and representations is erroneous or is no longer current, Seller must provide immediate written notice of the correction and current information to the Buyer's Procurement agent. Seller and its subcontractors at all tiers are also required to notify their respective buyers, up to and including the Buyer's Procurement Agent if any of them at any tier becomes suspended, debarred or otherwise determined ineligible to participate in contracts. This obligation is a material term of this Contract and must be included in all subcontracts at all tiers. The corrected and current facts could lead Buyer to divert Seller's Work from the intended use, terminate continued performance, or other business decision. A breach of this obligation is grounds for a default termination.

4. **PACKING & SHIPPING.**

- (a) Unless otherwise specified on this purchase order or its related technical documents, all packing and packaging shall comply with good commercial practice and applicable carrier's tariffs. Goods shall be shipped in the proper shipping environment and prepared for shipment and packed to prevent damage or deterioration and give optimum protection of the goods during shipment and for in plant handling and storage. The price includes all charges for such packing and packaging and for transportation to the designated F.O.B. point in the Order; and, if not so designated, at F.O.B. Buyer's plant in Tucson, Arizona U.S.A.
- (b) The packaging, labeling and shipping of all HAZARDOUS SUBSTANCES, including DANGEROUS MATERIALS, must conform to all applicable federal and state laws and regulations.
- (c) Unless otherwise instructed by Buyer, the Seller shall prepay all transportation and related shipping charges and shall itemize such charges on the Invoice. In the absence of specific routing instructions, shipments are to be made in the most efficient manner. Buyer's Order number and other identification specified shall appear conspicuously on all documents, shipping notices, bills of lading, packing lists, invoices and other papers, and on each package, box, keg, bale, bundle or other type container. Local and warehouse shipments of steel and bar stock, and the like, must be marked or tagged with name of shipper and shipping point to facilitate prompt identification upon receipt.

5. **INSPECTION AND QUALITY CONTROL.**

All goods, materials and articles covered by this Order shall be new, unless otherwise specified; and, upon written request, Buyer is entitled to conduct a timely compliance audit of Seller. The audit shall be for the purpose of determining compliance with this Contract. The compliance review may include document review, on-site visits, and employee and subcontractor interviews, and may encompass review of direct and indirect ("corporate")

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functions. Information and material obtained from the compliance review will only be used in furtherance of this Contract, but shall be provided to Government personnel without limitation. Without limitation on the scope or frequency of compliance reviews, Buyer will make reasonable efforts to minimize disruption and cost to Seller. Seller shall include a substantially identical audit provision in all subcontracts in support of this Contract.

Notwithstanding any prior inspection, receipt of goods, payment for goods or physical acceptance of goods, final inspection will be made after receipt by Buyer. Based upon this final inspection, acceptance of product, or rejection of product if found to be defective or non-conforming to the Order, will be made. If rejected, such goods will be held for disposition at Seller's risk. Buyer may require Seller to repair or replace any or all of such rejected goods at Seller's expense. Any Buyer expense or payment on account thereof will be promptly refunded by the Seller without prejudice to any other rights of Buyer under warranties or otherwise, and Buyer may offset such refunds against any other monies currently owing to Seller if it chooses. Rejected goods shall not be retendered to Buyer by Seller unless notification of such past rejection is submitted with the retender and Buyer has consented to such retender in writing.

**6. DELIVERY, ADVANCE MANUFACTURING OR PROCUREMENT.**

Unless otherwise agreed to in writing, Seller shall not make material commitments or production arrangements in excess of the amount ordered or deliver more than fourteen (14) calendar days in advance of the time necessary to meet Buyer's delivery schedule. It is the Seller's responsibility to comply with this schedule, but not to anticipate Buyer's requirements. Goods shipped to Buyer in advance of schedule may be (i) returned to Seller at Seller's expense, or (ii) payments of invoices may be withheld until the required delivery dates, or (iii) goods placed in storage for Seller's account until the delivery date specified at Seller's expense. Delivery according to Buyer's schedule is a major condition of this Order.

**7. WARRANTY.**

(a) Quality.

The Seller expressly warrants to Buyer, to Buyer's successor in interest and its customers, that all goods, materials, articles, or work covered by this Order, (i) shall be of good quality and workmanship and free from defects, latent or patent, (ii) will conform to, and comply with, the terms of this Order, and to the applicable specifications and standards incorporated herein, (iii) will be suitable for the intended use, (iv) will be of merchantable kind and quality, and (v) will be free from defects in design, material and workmanship. The Seller agrees that all goods, materials or articles or work, or any part thereof found defective after delivery to Buyer or to its customer, whichever is later, will be corrected or replaced by Seller without charge, or a credit given to Buyer, if requested by Buyer. The foregoing warranty shall apply to all repairs or replacement of goods. Such warranties are cumulative, and are in addition to any other warranty, express or implied, or service guarantee of Seller relating to the goods, or any other rights and remedies provided by law or equity.

(b) Patents.

Seller warrants that the sale, resale or the use of the goods and materials furnished under this Order will not infringe any patents (except insofar as such infringement necessarily arises solely from the specific use of plans and specifications furnished by Buyer). Seller agrees to defend, protect and hold harmless the Buyer, its successors, assigns, customers and users of the goods and materials from all damages and expenses (including without limit all legal fees) resulting from any and all claims based on any such actual or alleged infringement.

**8. CHANGES.**

Buyer may at any time make changes in this Order, but if such change would cause a delay in Seller's performance or an increase in price, Seller shall notify Buyer immediately in writing and such change shall be made only if expressly authorized by a written Buyer "Change Order". Seller's failure to assert a written claim for adjustment within 30 days after Seller's receipt of Buyer's change order shall constitute a waiver of such claim. Nothing contained in this clause shall relieve Seller from proceeding without delay in the performance of this Order, as changed.

**9. PAYMENT.**

Payment for goods and materials delivered under this Order shall not constitute acceptance thereof. Excluding early delivery pursuant to Paragraph 5, payment terms will be computed from the date of either the shipment or of the invoice as received by Buyer, whichever is later.

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10. **TOOLING AND SPECIAL TEST EQUIPMENT.**

- (a) The Buyer has the option to take possession and title to any dies, tools, gauges, fixtures, patterns, master art work, and other miscellaneous items necessary to meet the requirements of this Order. If Buyer exercises such option and Seller is unable to perform or continue to perform this Order, Buyer will accept responsibility thereof only after Seller promptly notifies Buyer in writing of the issue; and, Buyer shall pay the reasonable unamortized tooling cost at that time.
- (b) Title to, and the right of, immediate possession of all tooling, material and special test equipment furnished by Buyer to Seller shall remain with Buyer or Buyer's Customer, as appropriate, unless the same is identified as property furnished by the U.S. Government in which case title shall remain with the U. S. Government; in which event FAR 52.245-1 [Government Property] shall apply, and is incorporated herein by this reference; except "Contractor" shall be "Seller" therein. Buyer does not guarantee the quality or suitability of such tooling, material or special test equipment.
- (c) Tooling, material and special test equipment subject to this Order shall be maintained in good condition and replaced when necessary at Seller's expense, and must be permanently identified in accordance with Buyer's direction.
- (d) All tooling, material and special test equipment ordered or furnished by Buyer, shall be used solely in the performance of work under this Order, shall be disposed of as Buyer may direct, and may be incorporated into or attached to supplies consumed or expended in the performance of this Order.
- (e) Seller shall make an annual physical inventory of all such tooling, materials and special test equipment bailed by Buyer to Seller, and upon request to Buyer shall execute a written certification confirming that the Seller's property control system is in compliance with above FAR 52.245-1 provisions, if applicable, including appropriate controls and records on acquisition, receiving, storage, movement, consumption, utilization, maintenance and disposition, and that the same has been physically inventoried and inspected within the past year and is in good operating condition unless noted otherwise.
- (f) The provisions of this clause shall be inserted in Seller's purchase orders and subcontracts at all tiers issued under this Order.

11. **TERMINATION, STOP WORK.**

- (a) This Order may be terminated by Buyer by oral, electronic or written communication to Seller (i) for buyer's convenience at any time, and FAR Clause 52.249-2 [Termination for Convenience of the Government (Fixed-Price)] is incorporated herein by this reference, except that the time for Seller to submit its final settlement proposal to Buyer shall be six months from the date of termination. Costs claimed shall be in accordance with FARs Part 31 & Part 49, as applicable; or (ii) for Seller's default, and FAR Clause 52.249-8 [Default (Fixed-Price Supply and Service)] is incorporated herein by this reference; or (iii) for insolvency or in the event of bankruptcy proceeding either by or for Seller under the Bankruptcy Act, or the appointment of a receiver or trustee, or Seller's assignment for the benefit of creditors of Seller, under the provisions of part (a)(ii) above.
- (b) Buyer may issue stop-work orders to Seller pursuant to FAR 52.242-15 [Stop-Work Order], which is incorporated herein by this reference.
- (c) For the purpose of paragraphs (a) and (b) FAR clauses, the terms "Government" and "Contracting Officer" mean "Buyer", and the term "contract" means "this Order", and the term "Contractor" means "Seller".
- (d) Notwithstanding the above, Seller shall not include any claim for any cost of design engineering or development, special tooling or general purpose equipment unless specifically ordered by Buyer. Failure to timely submit a termination claim within the prescribed period, unless extended in writing by Buyer, shall be a waiver of such claim. Buyer shall not be required to notify Seller or make a determination thereof.

12. **INDEMNIFICATION.**

The Seller agrees to indemnify and hold Buyer, its officers, employees and agents, free and harmless from any and all claims and damages caused to persons or property as a result of defects in the goods covered by this Order, and from any and all liability, loss or damage arising out of any act or omission of Seller, or its officers, agents, employees or its subcontractors at any tier, or out of Seller's failure, or any of them, to comply with any applicable laws, or governmental rules and regulations, or with any of these terms and conditions. Without limiting the foregoing, Seller and its subcontractors at all tiers shall obtain public liability and property damage insurance, in commercially reasonable amounts, covering the obligations set forth above, and shall obtain proper Workman's Compensation insurance covering all employees performing this order.

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13. **PROPRIETARY INFORMATION.**

- (a) All proprietary, confidential, and/or trade secret information, or data (including all materials containing or embodying such information or data) belonging to Buyer, or entrusted to Buyer by others, and becoming known to Seller in connection with this Order (hereinafter "Proprietary Information"), will remain the exclusive property of Buyer. Seller will, for the term of this Order, and thereafter, preserve in confidence, not disclose to others without the prior written permission of Buyer, and not use (except in the performance of work for Buyer covered by this Order) any and all Proprietary Information.
- (b) If requested, Seller shall enter into Buyer's Confidentiality Agreement protecting Buyer's rights to all confidential information intended for use by Seller or others with this Order.
- (c) Where Buyer's data, designs, or other Proprietary Information are furnished to Seller's suppliers for procurement of supplies by Seller for use in goods to be supplied in performance of Buyer's Orders, Seller shall insert the substance of this provision in its purchase order for such supplies.

14. **ADVERTISING.**

Seller shall not, without first obtaining the written consent of Buyer signed by an officer of Buyer, advertise, publish or make known to other parties in any manner the fact that Seller has contracted to furnish Buyer the goods, materials or services herein ordered. This is a material condition of this Order, the violation of which is cause for termination for default under Paragraph 10 above.

15. **REPORTING.**

Upon Buyer's request, Seller shall provide the estimated value and source of all Seller's purchases of supplies outside the continental U.S.A. as a result of this Order. Buyer may request of Seller periodic status reports as to its performance under this Order.

16. **LAWS & REGULATIONS.**

Seller agrees to comply with all federal, state and local laws, ordinances, rules and regulations which may be applicable to this Order. Upon request, Seller shall certify in writing such compliance.

17. **APPLICABLE LAW/JURISDICTION.**

The rights and obligations of the parties hereto shall be governed in all respects by the laws of the State of Arizona, U.S.A., except for its internal conflicts of laws provisions. The parties hereby confer jurisdiction upon any court with competent jurisdiction within the State of Arizona to determine any dispute arising out of or related to this Order, or the breach hereof. In any dispute in a court of law to interpret or enforce this Order, the prevailing party shall be entitled to reimbursement of its costs, including reasonable attorney's fees, from the other party, as determined by such court.

18. **ASSIGNMENT OR SUBCONTRACTING.**

- (a) This Order, or any rights thereunder, may not be assigned or hypothecated. None of the work which Buyer contemplates being performed by Seller shall be subcontracted without Buyer's prior written consent; and, if and when subcontracting is allowed, Seller shall continue to comply with, and be bound by, all provisions of this Order.
- (b) Payment to an assignee in accordance with any assignment shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller. Buyer reserves the right to make, without prior notice to assignee, direct settlements or adjustments in price with Seller under the terms of this Order notwithstanding any assignment of monies due or to become due to Seller hereunder.

19. **SUSPECT AND COUNTERFEIT PARTS PREVENTION.**

- (a) Supplier shall establish and maintain controls which seek to prevent the purchase and delivery of Suspect and Counterfeit Parts to Buyer. Supplier shall only purchase products to be delivered or incorporated as Work to Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or through an OCM/OEM authorized distributor chain. Work shall not be acquired by the supplier and furnished to Buyer from independent distributors or brokers unless approved in advance and in writing by Buyer.
- (b) Supplier shall immediately notify Buyer with the pertinent facts if the Supplier becomes aware that it has furnished Suspect or Counterfeit Parts. After such notification, when requested by Buyer, Supplier shall provide copies of OCM/OEM documentation in its possession that authenticates traceability (up to and including other testing validation methods) of the affected items to the applicable OCM/OEM.

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- (c) Suspect or Counterfeit Parts and/or Materials shall be immediately quarantined to prevent parts/materials from getting back into component/materials supply chain until authenticity validation can be conducted.
- (d) In the event that the Supplier delivers items under this Contract that are determined to be counterfeit, Supplier shall, at its expense, (1) promptly replace such Counterfeit Items with items conforming to the requirement of this Contract, and (2) reimburse Buyer for all reasonable, direct costs incurred for the removal and replacement of Counterfeit Items, including any testing costs necessitated by the removal and replacement, if any.

20. **CONFLICT MATERIALS**

The use of any Conflict Minerals in any of the materials or goods provided under this purchase order is prohibited without the prior notification to and written authorization by Buyer's procurement agent. Conflict Minerals are as defined in the U.S. Securities and Exchange Commission Conflict Minerals Final Rule dated 8/22/2012, and include gold, and the ores utilized to produce tantalum, tin, and tungsten originating from the 'Covered Countries' described in the SEC Rule.

21. **MISCELLANEOUS.**

The Order and any documents incorporated herein by reference supersede all prior understandings, transactions and communications, or writings with respect to the matters referred to herein, and constitutes the sole and entire agreement between the parties relating to the subject matter or terms of this Order. Any representation, promise, course of dealing, or trade usage, not contained or referenced herein, shall not be binding on Buyer. No modification, amendment, rescission, waiver, or other change shall be binding on Buyer unless agreed to in writing by Buyer. All warranties herein shall be construed as conditions as well as warranties, and the warranties and conditions herein contained shall not be deemed to be exclusive.

22. **GOVERNMENT PROGRAM SUBCONTRACT FLOWDOWN PROVISIONS.**

If indicated on the face hereof that the goods or services covered by this Order are for use by Buyer in performing any U.S. Government contract, or for performance of a subcontract under such contract, then and in that event the Seller:

- (a) agrees, when purchasing Non-Commercial items, materials and services, to perform in accordance with, to abide by, and to comply with, all of the applicable provisions of Title 48 of the Code of Federal Regulations (CFR) relating to procurement by the U.S. Government as the same may be amended, superseded or modified, and are in effect on the date of this Order; including those FAR/DFARS clauses in ***Addendum to R. E. DARLING CO., INC. ("Buyer") Standard Terms and Conditions of Purchase Conditions Applicable To Orders Placed Under U.S. Government Programs For Non-Commercial Items and Services (Rev. 12/09/14).***
- (b) agrees, when purchasing Commercial items, materials and services that meet the definition of "Commercial Item" [pursuant to FARs 2.101 and Part 12] and have been so determined (in writing) to be a Commercial Item by Buyer pursuant to FAR 52.215-5 and DFARS 244.402(a), to perform in accordance with, to abide by, and to comply with, all of the applicable provisions of Title 48 of the Code of Federal Regulations (CFR) relating to procurement by the U.S. Government as the same may be amended, superseded or modified, and are in effect on the date of this Order; including those FAR/DFARS clauses in ***Addendum to R. E. DARLING CO., INC. ("Buyer") Standard Terms and Conditions of Purchase Conditions Applicable To Orders Placed Under U.S. Government Programs For Commercial Items and Services (Rev. 12/09/14).***
- (c) The supplier will flow down, and be responsible for, all required Buyer and U.S. Government requirements to sub-tier suppliers.
- (d) As used in the following clauses, "Government" and "Contracting Officer" shall mean "Buyer", and "Contractor" means "Seller", and "Contract" means this "Order", and "subcontract (at all tiers)" means "Seller's purchase orders or lower-tier subcontracts issued under this Order".

23. **COST ACCOUNTING STANDARDS.**

When applicable, [for non-commercial goods] Seller shall comply with Public Law 100-679 (41 USC 422), 48 CFR Chapter 99 (FAR Appendix) and all of the rules, regulations and standards prescribed by the Cost Accounting Standards Board (CASB). Seller agrees to indemnify and hold Buyer free and harmless from any and all liability, loss or damage arising out of failure of Seller, or Seller's subcontractors, if any, to comply with said law, rules, regulations or CASB standards, as the same may be revised or amended from time-to-time.

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