

**MICHIGAN SUGAR COMPANY  
TERMS AND CONDITIONS OF PURCHASE  
GENERAL PROVISIONS**



**1. Definitions**

“Seller” means the person, corporation or entity specified on the purchase order and also includes any and all subcontractors, independent contractors and other classes of persons performing any type of work under the purchase order. “Buyer” means the person, corporation or entity specified on the purchase order received by Seller and Michigan Sugar Company.

**2. Offer, Acceptance and Modification**

A. The purchase order may be construed as an offer, an acceptance of an offer, or a confirmation of contract. In the event the purchase order is construed as an offer, the offer expressly limits acceptance to the terms and conditions of the purchase order and any additional terms and conditions as may be attached hereto and incorporated herein so as to preclude the inclusion of any different or additional items in any resulting contract. If the purchase order is construed as an acceptance, the acceptance is expressly conditioned on Seller's assent to any additional or different terms contained herein. If the purchase order is construed as a confirmation of an existing contract, such confirmation is expressly conditioned on Seller's assent to any additional or different terms contained herein. All sections of the Uniform Commercial Code which expressly or impliedly protect the Buyer are hereby incorporated by reference in this form, whether it be construed as an offer, acceptance or confirmation.

B. Seller shall be deemed to have accepted the purchase order upon Seller's acceptance of the purchase order or commencement of performance hereunder. By acceptance of the purchase order and/or performance hereunder, Seller agrees to be bound by and to fully comply with the terms and conditions set forth and incorporated herein.

C. None of Seller's terms and conditions shall apply in acknowledgment or acceptance of the order. Any proposed modification, addition, change or revision to the purchase order or the terms and conditions hereof by Seller shall be deemed to be rejected by Buyer absent Buyer's express written consent to any such proposal. Acceptance by Buyer of the goods, services or work delivered under the purchase order shall not constitute acceptance of Seller's terms and conditions.

**3. Inspection**

Final inspection and acceptance by Buyer of any materials or goods furnished hereunder will be made at the Buyer facility from which the order originates unless otherwise specified by Buyer.

**4. Warranty**

Seller warrants that all goods, services or works supplied or performed by Seller under the purchase order conform to the specifications, drawings, samples, or other descriptions furnished or adopted by Buyer and that they are of good material and workmanship, free from defects, merchantable and fit for their intended purpose. Any articles or material not accepted by Buyer will be returned to Seller, at Seller's expense, for full credit of the purchase price.

Seller's warranty shall be effective for the period of time set forth on the face of the purchase order. If no specific period of time is set forth on the face of the purchase order, Seller's warranty shall be effective for a period of one year. All articles and material returned to Seller for breach of warranty hereunder shall be at Seller's expense, including expenses and penalties incurred by Buyer in recalling such articles and materials which have been delivered to Buyer's customers.

**5. Force Majeure**

If Seller is prevented from delivering or providing, or Buyer is prevented from receiving, the services, materials or articles under the purchase order as a result of government actions, acts of God, fires, strikes, accidents and/or other causes beyond the control of either party, the obligation to receive or deliver of either party shall be suspended for reasonable time during which such conditions continue to exist.

**6. Buyer's Property**

Unless otherwise agreed to in writing, all layouts, designs, sketches, drawings, blueprints, patterns, dies, specifications, engineering data or other technical proprietary information, and any other equipment or material of every description furnished to Seller by Buyer, shall remain the property of Buyer. While in Seller's possession and until delivered back to Buyer, Seller bears the risk of loss and damage to Buyer's property and shall keep Buyer's property insured at such limits and coverages as are acceptable to Buyer. Seller shall not substitute any property for Buyer's property and shall only use such property as necessary to fill Buyer's orders. Such property shall be subject to removal whereby, at Buyer's written request, Seller shall prepare such property for shipment and shall re-deliver the same to Buyer at Seller's expense in the same condition as originally received by Seller, reasonable wear and tear excepted. Any special tooling, the full cost, or a substantial portion of the cost of which is included in the price of the purchase order, shall upon completion of the purchase order become the property of Buyer and Seller shall return the same to Buyer at Seller's expense or otherwise dispose of such property per Buyer's direction or approval.

**7. Patent Rights**

Any and all discoveries, inventions, and designs, whether or not patentable or subject to copyright, conceived, produced, or developed by Seller in connection with the supply of any goods or materials as to which Buyer furnishes the specifications, shall be promptly disclosed by Seller to Buyer and shall become the property of Buyer. Upon Buyer's request, Seller shall execute all papers necessary to assign such discoveries, inventions, and designs to Buyer and to cause patent applications to be filed thereon in favor of Buyer at Buyer's expense. Buyer shall have sole discretion as to whether to file patent applications and to prosecute same.

**8. Patent and Copyright Indemnification**

Seller agrees to indemnify, defend and hold harmless Buyer, its officers, agents, employees, customers and vendees and their respective successors and assigns from and against any and all loss, expense, damages, liability, claims or demands either at law or in equity for actual or alleged infringement of any patent, invention, design, trademark, or copyright arising from or related to the purchase, use or sale of materials or articles covered by the purchase order except where such infringement or alleged infringement arises by reason of designs for such materials or articles furnished to Seller by Buyer.

**9. Changes**

Buyer shall have the right at any time to change any of the drawings, specifications, or instructions for any work, goods or services covered by the purchase order and Seller agrees to comply with such change notices. If such changes result in a decrease or increase in the Seller's cost or in the time for performance, the parties will effectuate an equitable written adjustment to the purchase price and delivery schedules; provided, however, that Seller shall notify Buyer of the request for such adjustments within thirty (30) days after receipt of the change notice.

**10. Assignment and Subcontracting**

Buyer may assign or delegate its rights or obligations under the purchase order without Seller's prior written approval. Seller may not assign or delegate its rights or obligations under the purchase order without Buyer's prior written approval. Seller shall not subcontract any substantial portion of the work to be performed by it under the order without Buyer's prior written consent.

**11. Legal Compliance**

Seller, and any goods or services supplied by Seller, will at all times comply with all applicable federal, state, municipal and local laws, orders, and regulations including, but not limited to, those affecting or limiting prices, production, purchase, sales, and use of materials.

**12. Fair Labor Standards Act**

In accepting the order, Seller shall be deemed to represent that the goods to be furnished hereunder were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and unless otherwise agreed in writing Seller shall insert a certificate on all invoices submitted in connection with the order stating that the goods covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

**13. Equal Employment Opportunity**

The purchase order is subject to, and Seller certifies that it complies with, the provisions of Executive Orders 11246 as amended, 11141, 11625 and 11701; § 401 of the Vietnam Era Veterans Readjustment Act of 1972, as amended; § 503 of the Rehabilitation Act of 1973, as amended; Vets 100 reporting and Public Law 95-507 regarding Equal Employment Opportunity and will require its subcontractors to do likewise.

**14. Payment**

Payment will be processed using the specific terms and conditions as negotiated, and printed on the face of the purchase order, based upon the later of the date the goods and services received or the date of receipt of Invoice.

**15. Price Adjustment**

Buyer will not be required to accept shipment of any goods or materials shipped hereunder at a price in excess of that specified on the purchase order. Any general price decrease announced by Seller with regard to prices for equipment and/or materials similar to the items to be furnished or provided pursuant to the purchase order shall be applied to automatically reduce the prices hereof for such items by a comparable percentage.

**16. Notice of Labor Dispute**

A. Seller agrees that whenever any actual or potential labor dispute delays or threatens to delay the timely performance of the purchase order, Seller shall immediately give notice thereof to Buyer.

B. Seller agrees to insert the substance of this clause in any lower tier subcontract hereunder as to which any actual or potential labor dispute may delay the timely performance of the purchase order, except that for each such delay, the lower tier subcontractor shall immediately notify its next higher tier contractor of all relevant information with respect to such disputes.

**17. Delivery**

The delivery dates indicated by Buyer under the purchase order shall be considered of equal importance to the price and quality. Deliveries shall be made in the quantities and on and at the dates and times specified by Buyer. Buyer will not be required to pay for any goods that exceed the quantities specified in the purchase order. Time is of the essence with respect to any and all delivery schedules established by Buyer. Failure to meet agreed upon delivery shall be considered a breach of the purchase order. In the event of breach, Seller agrees to pay to Buyer any penalty and damages imposed upon or incurred by Buyer for failure of Seller to deliver articles, materials, or work in accordance with the specified delivery terms.

## **18. Over Shipments**

Seller shall only ship the quantity specified in the purchase order and Buyer shall have no obligation to pay for any goods or materials that exceed the specified quantities; provided, however, any deviation caused by conditions of loading, shipping, packing, or allowances in manufacturing processes may be accepted by Buyer according to the overshipment allowance indicated on the face of the purchase order. If no allowance is shown, the overshipment allowance shall be Zero (0%) Percent. Buyer reserves the right to return to Seller, at Seller's expense, any overshipment in excess of the specified allowance.

## **19. Packing and Shipping**

A. **PACKING** - All articles are to be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates, and to meet carrier's requirements. No charges will be allowed for packing, crating, or carriage, unless stated in the order.

B. **MARKING** - Each shipping container must be marked to show order number, and a packing sheet showing order number must be included in each package or single unit of LTL shipment or with each carload or truckload shipment. Once the quantity per shipping and/or immediate container has been established, future orders for that product shall be packaged in that quantity.

C. **ROUTING** - On all shipments, routing on purchase order must be followed and vendor shall exercise due care with bill of lading classification so that the lowest legal rate will apply. The original bill of lading is to be forwarded to Buyer Purchasing Department.

D. **CONSOLIDATION** - All materials to be shipped on a given day via the same mode of transportation from a common shipping point to a common address are to be consolidated into one shipment.

E. **VALUE DECLARATIONS** - For all shipments made F.O.B. shipping point by carriers of limited liability (parcel service, air express, air freight, air freight forwarders and household carriers) Seller shall not declare in excess of the free minimum valuation. Shipments valued in excess of \$75,000 are not to be made F.O.B. shipping point via carriers of limited liability without Buyer's prior written approval. Violation of these instructions will result in Seller being debited for the excess valuation charge.

## **20. Defective Material**

If Buyer rejects any material as defective material, Buyer, at its sole discretion, may require Seller to replace the defective material and/or may exercise any other applicable legal or equitable rights or remedies. Defective material returned to Seller shall be returned collect at Seller's expense. Seller shall bear the risk of loss with respect to defective material and shall be responsible for all costs and expenses including, but not limited to, transportation, substitution or cover, and administrative costs and expenses, incurred by Buyer in connection with the return, storage, or disposal of defective material.

## **21. Termination**

Buyer may terminate the purchase order in whole or in part at any time and for any reason upon the provision of written notice of termination to Seller. Such notice shall state the extent and effective date of such termination and, upon the receipt thereof, Seller will comply with the directions pertaining to work stoppage under the purchase order and the placement of further orders or subcontracts hereunder. The parties shall thereupon agree by negotiation within three (3) months upon the amount of reimbursement, if any, to be paid to the Seller for such termination; provided, however, that Buyer's obligation, if any, shall not exceed the purchase order price for completed work and services provided hereunder together with the actual costs of work-in-process and materials incurred by Seller in producing or supplying the work and services under the purchase order. In no event shall Buyer have any obligation to Seller in the event the purchase order is terminated by Buyer as a result of Seller's default or breach of its obligations hereunder.

**22. Indemnification**

Seller shall indemnify, defend and hold harmless Buyer, its directors, officers, employees, customers and vendees and their respective successors and assigns from and against any and all liability and expenses (including, but not limited to, reasonable attorney fees) arising from or in connection with any claims or demands to recover for personal injury or death, property damages or economic loss arising from or in connection with any of the goods or services supplied by Seller and that are related in any way to Seller's representations, performance or obligations pursuant to the purchase order (regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability or other legal theories).

**23. Insurance**

Seller shall be solely responsible to maintain its own insurance and shall at all times maintain such types and amounts of insurance and necessary bonding, as set forth in **Exhibit A** hereto. Seller shall submit a current Certificate of Insurance ("COI") to Buyer at [purchasing2@michigansugar.com](mailto:purchasing2@michigansugar.com). Seller will promptly inform Buyer of any notice of cancellation required by Contractor as to its insurance or bonding coverage.

**24. Governing Law**

The laws of the State of Michigan, excluding those governing conflicts of law, shall govern the validity, interpretation, and performance of these terms and conditions and any purchases made hereunder. All actions or proceedings arising from or related to this agreement shall be brought in a state court of competent subject matter jurisdiction in Bay County, Michigan, or in the federal courts of competent subject matter jurisdiction in the Eastern District of Michigan, Northern Division. Each party expressly and irrevocably consents to personal jurisdiction and venue in such courts, and agrees not object to such jurisdiction or venue on the ground of forum non conveniens or otherwise.

**25. Modifications, Waivers and Amendments**

The purchase order constitutes the complete and final agreement of the parties and supersedes any and all prior or contemporaneous agreements, discussions, or representations between the parties not otherwise expressly stated herein. Changes, modifications, waivers, additions, or amendments to the terms and conditions of the order shall be binding on Buyer only if such changes, modifications, waivers, additions, or amendments are in writing and signed by Director of Purchasing or an authorized Buyer.

**26. No Waiver**

Failure of Buyer to insist upon strict performances of any of the terms and conditions of the purchase order shall not constitute a waiver of such terms and conditions or a waiver of any default.

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These terms and conditions will apply to all future purchase orders. Please sign, retain a copy for your files, and return the original to Michigan Sugar Company at:

Michigan Sugar Company  
Attn: Blair Huiskens  
122 Uptown Dr. Suite 300  
Bay City MI 48708

BUYER:

MICHIGAN SUGAR COMPANY

By: Scott Stager  
Title: Director of Purchasing  
Date: 10.4.25

SELLER:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_

Rev: 4/23/2026

**Exhibit A- Required Insurance Coverage**

Seller shall secure and maintain all such insurance stated below from insurers rated by A.M. Best Company no less than A-, VII and shall be maintained in full force and effect during the term of the contract created pursuant to the purchase order (the "**Contract**"). Certificates of insurance must be provided prior to commencement of performance or delivery of work associated with the Contract and subsequent renewal certificates provided accordingly.

**The amounts of insurance required herein may be satisfied by the purchase of Umbrella (or Excess) Liability policies which when combined together provide the total limits of insurance specified.**

Except for Workers Compensation, all policies must include Michigan Sugar as an Additional Insured on a Primary and Non-Contributory basis. All policies must include a Waiver of Subrogation in favor of Buyer and provide 30 days' notice (10 days for non-payment) to Buyer in the event of policy cancellation.

| <b>INSURANCE COVERAGE</b>                                | <b>MINIMUM COVERAGE LIMIT</b> |
|--|-------------------------------|
| <b><i>Commercial General Liability</i></b>               |                               |
| Each Occurrence  | \$2,000,000                   |
| Products/ Completed Operations Aggregate                 | \$4,000,000                   |
| General Aggregate  | \$4,000,000                   |
| Damage to Premises Rented to Contractor                  | \$ 300,000                    |
| Medical Expenses   | \$ 10,000                     |
| Environmental & Restoration (per occurrence)             | \$5,000,000                   |
| <b><i>Commercial Auto</i></b>                            |                               |
| Combined Single Limit for Bodily Injury/ Property Damage | \$2,000,000                   |
| <b><i>Workers Compensation</i></b>                       |                               |
| Bodily Injury by Accident/ Each Accident                 | \$1,000,000                   |
| Bodily Injury by Disease/ Policy Limit                   | \$1,000,000                   |
| Bodily Injury by Disease/ Each Employee                  | \$1,000,000                   |

Further, Seller must comply with the following provisions as to insurance to be obtained:

**Commercial General Liability**

General Liability shall be written on an Occurrence form and shall provide coverage for liability arising from all operations by or on behalf of Owner. Insurance shall include coverage for liability arising from premises and operations, independent contractors, products and completed operations, broad form property damage, personal and advertising injury and contractual liability. The policy must contain coverage for cross liability and severability of interest. If the work involves railroad operations, a CG 24 17 Contractual Liability-Railroad endorsement must be attached to the policy coverage extending coverage applicable to work associated with Owner. The policy Aggregate limits may apply on a Per Policy basis.