

PURCHASE TERMS FOR NORTH AMERICAN GOODS AND SERVICES SUPPLIERS

Unless otherwise agreed in writing, the following terms and conditions (these “Purchase Terms”) will apply when Sara Lee Corporation or any of its affiliates (“Sara Lee”) is purchasing goods and services from a seller, provider or other supplier (“Supplier”) pursuant to a written request from Sara Lee which has been accepted by Supplier whether in writing or by beginning to perform in accordance with such request (a “Purchase Document”).

1. **GOODS PURCHASE PROVISIONS.**

1.1 Delivery; Risk of Loss.

Supplier will deliver goods in the quantities, on the dates and to the places specified in the applicable Purchase Document. Supplier will deliver the goods F.O.B. at the place identified in the applicable Purchase Document. Supplier will use any mode of shipment, carrier and routing that Sara Lee specifies. Title to and risk of loss of the goods, including, but not limited to, shipping and transit costs, will pass to Sara Lee upon the delivery of the goods to Sara Lee. Delivery of the goods to an approved transportation carrier of Sara Lee will constitute delivery to Sara Lee. Supplier will bear the risk of loss of or damage to the goods until Sara Lee has accepted them. If a shipment is not accompanied by a bill of lading, packing slip or similar delivery document, Sara Lee’s count and/or weight will be conclusive.

1.2 Prepayment.

If Sara Lee pays any amount for the goods before Supplier delivers them to Sara Lee, then (i) title (but not risk of loss) to each item of the goods will pass to Sara Lee upon identification of the item to the applicable Purchase Document, (ii) to the extent necessary to protect Sara Lee’s title to the goods, Supplier grants Sara Lee a security interest in the goods to secure Supplier’s obligation to deliver them to Sara Lee and all of Supplier’s other present and future obligations to Sara Lee, and (iii) Supplier will obtain from each person that holds a security interest in or lien upon the goods a written agreement releasing that security interest or lien or subordinating it to Sara Lee’s interest in the goods.

1.3 Export and Import Requirements.

Supplier will prepare, maintain and, to the extent required under applicable laws, rules or regulations promulgated by any governmental or self-regulatory agency having jurisdiction over a party (collectively, “Laws”) submit to the applicable customs authorities, all necessary information and documentation to comply with the applicable customs and export and import requirements of each country from which the goods will be exported and each country into which they will be imported.

1.4 Title.

Supplier represents and warrants to Sara Lee that the title conveyed on all goods produced and delivered to Sara Lee under these Purchase Terms and any Purchase Document will be good and marketable, and its transfer rightful, and the goods will be delivered free from any security interest or other lien or encumbrance (including any statutory or common law lien).

1.5 Information regarding Non-Conforming Goods.

Any goods that fail to conform to the requirements of these Purchase Terms or the applicable Purchase Document or that a governmental agency declares are unfit or otherwise unsafe for their intended use or in violation of any Law will be considered non-conforming (“Non-Conforming Goods”). Damaged goods will be considered Non-Conforming Goods if the damage renders them unsuitable for Sara Lee’s intended purposes. Supplier will promptly furnish to Sara Lee all information and copies of all documents (including any complaints, inquiries, test or inspection results, internal reviews, warnings, declarations or notices) that Supplier receives that suggest or indicate that any goods, or any ingredient of, or any material included in, any goods, or any packaging or supplies used in connection with any goods, may be Non-Conforming Goods.

1.6 Rights with respect to Non-Conforming Goods.

- (a) Sara Lee will have the right to reject any Non-Conforming Goods. Sara Lee will provide Supplier with written notice of its rejection of any Non-Conforming Goods as soon as reasonably practicable after Sara Lee discovers the nonconformity. Any notice of rejection will specify the reasons for such rejection.
- (b) Upon Supplier’s request, all such rejected Non-Conforming Goods will be returned to Supplier by Sara Lee or be disposed of by Sara Lee as instructed in writing by Supplier, at Supplier’s risk and expense, and Supplier will reimburse Sara Lee for all commercially reasonable charges, expenses or commissions incurred in the inspection, receipt, transportation, care, custody and disposal of the Non-Conforming Goods. Any Non-Conforming Goods returned to Supplier which bear the name, trademark, trade name, trade dress, logo or other identifying marks owned by or licensed to Sara Lee or any of its affiliates may not be disposed of by Supplier (except by destruction) without the prior written approval of Sara Lee. Upon

Sara Lee's request, Supplier will provide Sara Lee with a certificate of disposal signed by an authorized representative of Supplier.

- (c) Sara Lee may require Supplier to replace the rejected Non-Conforming Goods as soon as possible, cancel the applicable Purchase Document for the rejected Non-Conforming Goods or terminate the applicable Purchase Document pertaining to the Non-Conforming Goods for cause pursuant hereto. If payment has already been made for the rejected Non-Conforming Goods, then Sara Lee will be entitled to a credit or refund of that payment, and Supplier will reimburse Sara Lee for all commercially reasonable charges, expenses or commissions incurred in the inspection, receipt, transportation, care, custody and disposal of the Non-Conforming Goods.
- (d) If Sara Lee has incorporated any rejected Non-Conforming Goods into any products, and such products remain in Sara Lee's possession or control, Supplier will reimburse Sara Lee for the costs incurred in the production of such products along with all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such products, net of any salvage value received in connection with such disposal.
- (e) For any rejected Non-Conforming Goods, and any products into which Non-Conforming Goods have been incorporated, that are no longer in Sara Lee's possession or control, Sara Lee will have the right to field correct, withdraw, recall or repurchase such Non-Conforming Goods or products from any third party in possession or control of such Non-Conforming Goods or products, and Supplier will reimburse Sara Lee for all reasonable costs incurred by Sara Lee in connection therewith, including all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such Non-Conforming Goods or products, net of any salvage value received in connection with such disposal. Upon Sara Lee's request, Supplier will assist Sara Lee in any or all reasonable aspects of a field correction, withdrawal, recall or repurchase, including developing a plan therefore and preparing and furnishing any required reports, records and other information.

2. FOOD RELATED PROVISIONS.

2.1 Representations and Warranties.

Supplier represents, warrants and guarantees that goods which are food products, including contents, packaging, and labeling, sold to, constituting or being a part of any shipment or other delivery now or hereafter made by Supplier to or on the order of Sara Lee, and their manufacture, branding and sale, will at the time of such shipment or delivery:

- (a) comply with the Federal Food, Drug, and Cosmetic Act (the "FFDCA"); the Federal Insecticide, Fungicide, and Rodenticide Act; the Fair Packaging and Labeling Act; the Poison Prevention Packaging Act of 1970; the Poultry Products Inspection Act; the Federal Meat Inspection Act; the Consumer Product Safety Act, and the Bioterrorism Preparedness and Response Act of 2002, the California Safe Drinking Water and Toxic Enforcement Act of 1986, and any other state or local laws imposing requirements on Supplier which are substantially the same as the statutes cited above, each as may be amended from time to time, and all other applicable Laws;
- (b) be manufactured in accordance with current good manufacturing practices and any specifications for the goods to be delivered under these Purchase Terms or any Purchase Document and, where applicable, fit for human consumption;
- (c) not be adulterated or misbranded within the meaning of the FFDCA, as amended, or within the meaning of any applicable Law in which the definitions of adulteration and misbranding are substantially the same as those contained in the FFDCA, as the FFDCA and such laws are constituted and effective at the time of such shipment or delivery; and
- (d) not be articles which may not, under the provisions of Section 404 or 505 of the FFDCA, be introduced into interstate commerce.

Supplier further represents and warrants that all color additives that Supplier sells or delivers to Sara Lee will be manufactured by Supplier and (where color additive regulations require certification) will be from batches certified in accordance with the applicable regulations issued under the FFDCA.

2.2 Records.

For a period of two years after the sale of any goods, Supplier will maintain complete and accurate books and records of all transactions and activities of Supplier that relate to Supplier's production, storage, delivery and sale of the goods, including complete and accurate manufacturing, processing, packaging and quality control records, and allow Sara Lee to audit such books and records.

3. SERVICES PROVISIONS.

3.1 Performance of Services.

Supplier will provide the services described in each Purchase Document in accordance with these Purchase Terms and that Purchase Document. If the Purchase Document describes services in a general or non-specific manner, the services will include not only services specifically described in such Purchase Document but also those that are an inherent, necessary or a customary part of those services. Except as provided in the applicable Purchase Document, Supplier will be responsible for all materials, facilities, equipment, software and other resources required to provide the services.

3.2 No Substance Abuse in Performance of Services.

Supplier will ensure that none of its, or any of its subcontractor's, employees, agents, consultants or other individuals acting on Supplier's behalf who are directly or indirectly involved in the performance of Supplier's obligations under these Purchase Terms or any Purchase Document (collectively, "Supplier Personnel") engages in drug or other substance abuse while at a Sara Lee facility, in a Sara Lee vehicle or otherwise while performing services.

3.3 Replacement of Supplier Personnel.

If Sara Lee determines that the continued assignment to Sara Lee of any Supplier Personnel is not in the best interests of Sara Lee, Supplier will remove that individual from providing services and replace that individual with Supplier Personnel of suitable ability and qualifications without charge to Sara Lee.

3.4 Compliance with Sara Lee Policies and Procedures in Performance of Services.

Supplier will ensure that the Supplier Personnel, while assigned to provide services or otherwise visiting or accessing Sara Lee's facilities, will (i) comply with Sara Lee's then-current environmental, health, safety, and security policies and procedures and other rules and regulations applicable to Sara Lee personnel at those facilities, (ii) comply with all reasonable requests of Sara Lee personnel, as applicable, pertaining to personal and professional conduct, and (iii) otherwise conduct themselves in a professional and businesslike manner.

3.5 Services Warranty.

Supplier represents and warrants that it will perform the services (i) in a good, timely, efficient, professional and workmanlike manner using then-current technology, (ii) using sufficient numbers of Supplier Personnel who are fully familiar with the technology, processes and procedures to be used to deliver the services and 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 Purchase Document. If Supplier breaches this warranty, Supplier will promptly correct or cause the correction of the deficiencies giving rise to the breach at Supplier's sole expense.

4. DEVELOPMENTS PROVISIONS.

4.1 Ownership of Developments.

Sara Lee will own exclusively all materials, software, ideas and other work product developed, in whole or in part, by or on behalf of Supplier pursuant to the Purchase Document (collectively, "Developments") together with all related patent, copyright, trade secret, trademark, trade name, database, design and model, or other intellectual property or proprietary rights (collectively, "Intellectual Property Rights") throughout the world. To the fullest extent permitted by applicable Laws, the Developments will be deemed "works made for hire" and Sara Lee will be deemed the author. To the extent that Sara Lee is not deemed the author of any Developments, Supplier will and hereby does perpetually and irrevocably assign to Sara Lee any and all worldwide right, title or interest that Supplier may now or hereafter possess in or to the Developments in perpetuity (or to the maximum period permitted by applicable Laws). Supplier will execute and deliver all documents and provide all testimony reasonably requested by Sara Lee to register and enforce its Intellectual Property Rights in the Developments solely in the name of Sara Lee.

4.2 Ownership of Outside Materials.

Supplier and its licensors will retain ownership of all materials, software, ideas and other work product developed or acquired by Supplier prior to the date or independently of the Purchase Document, together with all related Intellectual Property Rights (collectively, "Outside Materials").

4.3 Incomplete Developments.

Partial or incomplete versions of Developments will be deemed Developments. Upon Sara Lee's request or upon termination of any Purchase Document, Supplier will immediately provide to Sara Lee the then-current version of any Developments in the possession of Supplier or any Supplier Personnel.

4.4 License of Outside Materials.

Supplier hereby grants to Sara Lee, each other entity named in the applicable Purchase Document as a licensed person, and their respective successors and assigns (each, a "Licensed Person"), a perpetual, irrevocable, fully-paid up, worldwide non-exclusive right and royalty-free license to all Intellectual Property Rights in all Outside Materials that Supplier embeds in or otherwise provides with any Developments to the extent required to fully and completely use and enjoy the Developments. The parties acknowledge and agree that the foregoing right and license includes the right for each Licensed Person to (i) use, copy, modify, develop derivative works, sublicense, distribute, display and perform the Outside Materials, (ii) designate third parties to exercise those rights and licenses on behalf of any Licensed Persons, and (iii) sublicense, transfer or assign its right and license in connection with any assignment of the copyright in the associated Developments.

5. **UNITED STATES GOVERNMENT CONTRACT FLOW-DOWN CLAUSES.**

Supplier acknowledges that, as a matter of United States federal procurement law, that (i) Supplier may be deemed a "subcontractor" to a Sara Lee entity under one or more of such entity's contracts with the federal government, (ii) the goods or services provided or to be provided by Supplier in such circumstances may constitute "commercial items" as that term is defined in the Federal Acquisition Regulation, 48 C.F.R. Section 52.202, and (iii) "subcontractors" providing "commercial items" under government contracts are subject to certain mandatory "flow-down" clauses (currently, (A) Equal Opportunity, (B) Affirmative Action for Special Disabled and Vietnam Era Veterans, and (C) Affirmative Action for Handicapped Workers) under the Federal Acquisition Regulation, 48 C.F.R. Section 52.244-6. Insofar as such clauses are required to flow down to Supplier, Supplier will comply with such clauses at no additional cost to Sara Lee.

6. **COMPENSATION.**

6.1 Invoices.

Supplier will present Sara Lee with an invoice for the amounts due and owing pursuant to the Purchase Document within the time period set forth in the applicable Purchase Document. Each invoice will be in a form reasonably acceptable to Sara Lee.

6.2 Payments.

Sara Lee will pay all undisputed amounts on each invoice within the time period set forth in the applicable Purchase Document. Sara Lee will have no obligation to pay any amounts that Supplier fails to invoice to Sara Lee within 120 days after the amounts were incurred. Except as required by applicable Laws, Sara Lee will not be required to pay any late charge, interest, finance charge or similar charge.

6.3 Expenses.

Sara Lee will reimburse Supplier for its reasonable expenses, without markup, that are described as reimbursable in the applicable Purchase Document and actually incurred by Supplier in performing its obligations under the applicable Purchase Document.

6.4 Right to Set Off.

Sara Lee will have the right to set off amounts owed by Supplier or any of Supplier's affiliates to Sara Lee or any of Sara Lee's affiliates against amounts payable under these Purchase Terms.

6.5 Taxes.

Sara Lee will reimburse Supplier for all sales, use, excise, value-added, products, consumption and other similar taxes or duties that Supplier is permitted or required to collect from Sara Lee under the Laws of the jurisdiction where Sara Lee receives the goods or services. Each party will be responsible for employment taxes with respect to its own employees. Supplier will be responsible for all other taxes.

6.6 No Liens.

Supplier will not file, and will not permit any subcontractors acting on its behalf to file, any mechanic's or materialman's liens, retention rights, security rights or any security interests to secure payment under any Purchase Document. If any such liens, rights or interests arise, Supplier will remove them at its cost.

7. **CONFIDENTIALITY.**

7.1 Confidential Information.

Sara Lee has made and will continue to make available to Supplier information that is not generally known to the public and is proprietary or confidential to Sara Lee ("Confidential Information").

7.2 Obligations.

Supplier will use the same care and discretion to avoid disclosure, publication or dissemination of any Confidential Information received from Sara Lee as Supplier uses with its own similar information that it does not wish to disclose, publish or disseminate (but in no event less than a reasonable degree of care). Supplier will use Sara Lee's Confidential Information only to perform its obligations under these Purchase Terms and the applicable Purchase

Document. Supplier will not translate, de-compile, disassemble or reverse engineer any goods, equipment or other materials that are part of the Confidential Information.

7.3 Survival of Confidentiality Obligation.

Supplier's confidentiality obligations will survive perpetually for trade secrets and personally identifiable information and for a period of five years from the date of disclosure for all other Confidential Information.

7.4 Return or Destruction.

Supplier will return or destroy any Confidential Information promptly upon Sara Lee's request. If Sara Lee so requests, Supplier will provide a certificate, signed by an authorized representative, certifying that all Confidential Information has been returned or destroyed.

7.5 Conflict.

If Sara Lee and Supplier have signed a separate agreement protecting any Confidential Information, then both the other agreement and this Section will be effective, but if there is a direct conflict between them, then the provision that is more protective of such Confidential Information will control.

8. COMPLIANCE.

8.1 Compliance with respect to Goods and Services.

Supplier represents and warrants that (i) all goods and services provided by Supplier to Sara Lee will conform to the requirements of these Purchase Terms and the descriptions thereof in the applicable Purchase Document, (ii) Supplier will perform all of its obligations to Sara Lee in compliance at all times with all applicable Laws, and (iii) Supplier will not infringe, violate or misappropriate any Intellectual Property Rights of Sara Lee or any third party in performing its obligations. **Except as set forth in these Purchase Terms or in the applicable Purchase Document, Supplier does not make any other representations or warranties of any kind, express or implied, with respect to the goods and services, including, but not limited to, any warranty of merchantability or fitness for a particular purpose.**

8.2 Compliance with Sara Lee Corporation's Global Standards.

Supplier represents and warrants that Supplier is and will continue to be in full compliance with Sara Lee Corporation's Global Standards for Business Partners, as those standards appear from time to time on the "Business Partners" section of the Sara Lee website at www.saralee.com. Sara Lee's internal and external auditors and personnel may conduct inspections or audits of Supplier's records and facilities for compliance with the Standards. Supplier's employees will cooperate fully with any such auditors and personnel in connection with any such audit.

8.3 Compliance with Anti-Corruption Laws.

Supplier represents and warrants that it is fully aware of and will comply with, and in the performance of its obligations to Sara Lee will not take any action or omit to take any action that would cause either Sara Lee or Supplier to be in violation of, (i) the U.S. Foreign Corrupt Practices Act, (ii) the Dutch Penal Code Articles 177, 177a, 178, and 178a, or (iii) any other applicable anti-corruption Laws. Supplier represents and warrants that it is not a government official, political party, state-owned enterprise, or a public international organization such as the United Nations, or a representative of any such person (each, an "Official"). Supplier further represents and warrants that, to its knowledge, neither it nor any of the Supplier Personnel has offered, promised, made or authorized to be made, or provided any contribution, thing of value, gift, or any other type of payment to, or for the private use of, directly or indirectly, any Official for the purpose of influencing or inducing any act or decision of an Official to secure an improper advantage in connection with, or in any way relating to, (i) any government authorization or approval involving Sara Lee, or (ii) the obtaining or retention of business by Sara Lee (a "Payment"). Supplier further represents and warrants that it will not in the future offer, promise, make or authorize to be made, or provide any Payment and that it will take any and all lawful and necessary actions to ensure that no Payment is promised, made or provided in the future by any of the Supplier Personnel. Any violation of this Section will be deemed a material breach of these Purchase Terms.

8.4 Certificates of Compliance.

Upon Sara Lee's request, Supplier will give Sara Lee certificates of compliance with the representations and warranties contained in these Purchase Terms or any Purchase Document signed by an authorized representative of Supplier.

9. MUTUAL INDEMNITY.

Supplier and Sara Lee (each, an "Indemnitor") will indemnify, defend and hold harmless the other, their respective officers, directors, and employees (collectively, with the Indemnitors, "Indemnified Person") from any and all third party claims, losses, liabilities, damages, and expenses, including reasonable legal fees and disbursements, incurred by the Indemnified Person as a result of (i) a material breach of these Purchase Terms and/or any Purchase Document by the Indemnitor, (ii) any actual or alleged infringement, violation or misappropriation of the Intellectual Property Rights of any third person by the Indemnitor, or (iii) the death or bodily injury of any person or the

damage, loss or destruction of any real or tangible personal property caused by the negligence or willful or reckless acts or omissions of or by the Indemnitor or the failure of the Indemnitor to comply with its obligations under these Purchase Terms or the Purchase Document (collectively, “Indemnified Claim”). Promptly after receipt by an Indemnified Person of notice of the commencement or threatened commencement of any Indemnified Claim, the Indemnified Person will notify the Indemnitor of the Indemnified Claim. No delay or failure to so notify the Indemnitor will relieve it of its indemnification obligations under these Purchase Terms except to the extent that the Indemnitor has suffered actual prejudice by such delay or failure. No settlement or compromise that imposes any liability or obligation on any Indemnified Person will be made without the Indemnified Person’s prior written consent. The Indemnified Person will be entitled to employ counsel at its own expense to participate in the handling of the Indemnified Claim.

10. LIABILITIES NOT LIMITED.

Notwithstanding anything to the contrary, no limitations of liability, disclaimers or waivers of any damages that are set forth in these Purchase Terms or any Purchase Document will apply to losses or obligations arising in connection with (i) Supplier’s breach of its confidentiality obligations, (ii) a party’s actual or alleged infringement, violation or misappropriation of the Intellectual Property Rights of any third person, (iii) the death or bodily injury of any person or the damage, loss or destruction of any real or tangible personal property caused by the negligence or willful or reckless acts or omissions of or by a party, or (iv) a party’s indemnification obligations.

11. LIMITATION OF LIABILITY.

11.1 Exclusion of Consequential Damages.

Except as otherwise agreed, neither party will be liable to the other party for indirect, incidental, consequential, punitive, special or exemplary damages, regardless of the form of the action or the theory of recovery, even if that party has been advised of the possibility of those damages.

11.2 Acknowledged Direct Damages.

Notwithstanding anything to the contrary, the following will be considered direct damages and Supplier will not assert that they are indirect, incidental, consequential, punitive, special or exemplary damages: (i) costs of completing the manufacture, processing or development of goods or the performance of services which are incomplete, (ii) costs of obtaining a suitable alternative facility or supplier, (iii) cover damages, including costs to procure replacement goods or services from an alternate source, to the extent in excess of the applicable charges, (iv) for Non-Conforming Goods accepted by Sara Lee, the difference at the time and place of acceptance between the value of goods accepted and the value they would have had if they had been as promised, (v) costs of overtime, straight time and related expenses and allocated overhead (including travel, lodging, wages), (vi) lost profits on orders for Sara Lee products received by Sara Lee from its customers as of the date of Supplier's failure to perform that Sara Lee is unable to fill and payments, fines or penalties imposed on Sara Lee by its customers in connection therewith, (vii) payments or penalties imposed by a governmental or regulatory authority as a result of a failure to comply with applicable Laws, (viii) costs of reconstructing or reloading data, (ix) costs of implementing and performing work-arounds to mitigate Supplier’s failure to perform, and (x) costs of replacing lost, stolen or damaged goods, materials or other personal property.

12. INSURANCE.

12.1 General.

Supplier will procure and maintain in effect, at its own expense, insurance of the types and with respective limits of not less than the minimum amounts set forth in this Section, and will furnish Sara Lee with certificates of insurance issued by an insurance company acceptable to Sara Lee having an A.M. Best financial rating of “A” or better as evidence of the required insurance, naming Sara Lee as an additional insured where applicable. If Supplier fails to maintain such insurance, the amount of the required insurance will be added to any limit on Supplier’s liability.

Type of Coverage	Limits of Liability
Worker’s Compensation	Statutory Limits
Employer’s Liability	\$1,000,000 per occurrence
Motor Vehicle Liability (covering leased, owned and non-owned vehicles)	\$1,000,000 per occurrence for bodily injury and/or property damage

Type of Coverage

General Liability (including completed operations coverage, products liability coverage, broad form of property damage and blanket contractual liability coverage endorsed to cover Supplier's contractual liability assumed under these Purchase Terms)

Limits of Liability

\$1,000,000 of primary and/or umbrella/excess coverage per occurrence for bodily injury and/or property damage

12.2 Material Changes.

If there is a material change in or cancellation of the insurance required by these Purchase Terms or any Purchase Document, then Supplier will use commercially reasonable efforts to provide Sara Lee with at least 30 days prior written notice.

12.3 Property of Employees and Subcontractors.

Supplier will require all subcontractors and others performing any services at Sara Lee facilities to procure and maintain in effect the insurance required by these Purchase Terms or any Purchase Document. Supplier waives any and all rights of recovery it may have against Sara Lee for damage or destruction of property of Supplier or its employees. Supplier's policies insuring any such property will contain a waiver of subrogation clause or endorsement.

13. FORCE MAJEURE.

Neither party will be liable to the other party for any non-performance or delay in performance under these Purchase Terms or any Purchase Document (other than its payment obligations) caused solely by an event beyond the affected party's reasonable control, if the affected party (i) promptly notifies the other party of the event, (ii) provides the other party with a detailed description of the non-performance or delay that it will cause, and (iii) uses commercially reasonable efforts to perform despite such event.

14. ILLINOIS LAW.

14.1 Governing Law; Jurisdiction.

These Purchase Terms and every Purchase Document will be governed by and construed in accordance with the applicable laws of Illinois, without giving effect to the principles of that State relating to conflicts of laws. Each party irrevocably agrees that any legal action, suit or proceeding brought by it in any way arising out of these Purchase Terms or any Purchase Document must be brought solely and exclusively in, and will be subject to the service of process and other applicable procedural rules of, the state or Federal courts located in the Northern District of Illinois, and each party irrevocably submits to the sole and exclusive personal jurisdiction of the state and Federal courts located in the Northern District of Illinois, generally and unconditionally, with respect to any action, suit or proceeding brought by it or against it by the other party. Notwithstanding the foregoing, claims for equitable relief may be brought in any court with proper jurisdiction within the United States.

14.2 Waiver of Jury Trial.

Both parties agree to waive any right to have a jury participate in the resolution of the dispute or claim, whether sounding in contract, tort or otherwise, between any of the parties or any of their respective affiliates arising out of, connected with, related to or incidental to these purchase terms or any purchase order.

15. TERMINATION.

15.1 Termination for Cause.

Either party may terminate any Purchase Document for cause, in whole or in part, as of the date specified in a termination notice, if the other party materially breaches its obligations under these Purchase Terms or any Purchase Document and does not cure the material breach giving rise to the right to terminate within a reasonable period after receipt of such notice.

15.2 Termination for Convenience.

Sara Lee may terminate any Purchase Document for convenience, in whole or in part, at any time by giving Supplier at least 15 days' prior written notice of the termination date, in which case Sara Lee will reimburse Supplier for the actual, reasonable and demonstrable unrecoverable out-of-pocket costs incurred by Supplier to perform under the terminated Purchase Document (but not more than what Sara Lee would have paid absent the termination).

15.3 Termination for Financial Insecurity.

Either party may terminate any Purchase Document, in whole or in part, as of the date specified in a termination notice if the other party (i) files for bankruptcy, (ii) becomes or is declared insolvent, (iii) is the subject of any

proceedings (not dismissed within 30 days) related to its liquidation, insolvency or the appointment of a receiver or similar officer for that party, (iv) makes an assignment for the benefit of all or substantially all of its creditors, (v) takes any corporate action for its winding-up, dissolution or administration, (vi) enters into an agreement for the extension or readjustment of substantially all of its obligations, or (vii) recklessly or intentionally makes any material misstatement as to financial condition.

15.4 Amounts Payable.

Upon any termination, Sara Lee will be liable for all amounts properly payable by Sara Lee as of the effective date of termination for goods or services provided prior to the effective date of termination and will receive a credit or refund of all amounts paid in advance therefor not yet provided by Supplier as of the effective date of termination.

15.5 Survival.

The provisions of these Purchase Terms and any Purchase Document that expressly or by their nature contemplate performance or observance after the Purchase Document terminates or expires will survive and continue in full force and effect.

16. GENERAL.

16.1 Order of Precedence.

The provisions of any Purchase Document and these Purchase Terms will be read, to the extent possible, to be consistent. If a provision in a Purchase Document directly conflicts with a provision in these Purchase Terms, the provision in these Purchase Terms will prevail unless either (i) the provision of the Purchase Document specifies characteristics, quantities, prices, delivery times or other similar commercial terms for goods, services, equipment, software and/or content to be provided under that Purchase Document, or (ii) the Purchase Document specifically states that the provision in the Purchase Document will prevail. If provisions in these Purchase Terms or a Purchase Document conflict, the provision most closely describing the type of transaction giving rise to the issue will prevail.

16.2 Assignment.

Neither party may assign any rights or delegate any obligations under these Purchase Terms or any Purchase Document without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed. However, Sara Lee may assign these Purchase Terms, any Purchase Document, or any of its rights hereunder or thereunder, in whole or in part, without Supplier's consent (i) to any existing or future Sara Lee entity, or (ii) in the case of a Sara Lee merger, acquisition, divestiture, consolidation or corporate reorganization (whether or not Sara Lee is the surviving entity).

16.3 Subcontractors.

Supplier will not subcontract any of its obligations without obtaining Sara Lee's prior written approval of that subcontractor. Notwithstanding any approval by Sara Lee, Supplier will remain solely responsible for all of its obligations and will be liable for any subcontractor's failure to perform or abide by the provisions of these Purchase Terms or any Purchase Document.

16.4 Notices.

All notices must be in writing and will be deemed given only when sent by first class mail (return receipt requested), hand-delivered or sent by documented overnight delivery service to the party to whom the notice is directed, at its address indicated in the applicable Purchase Document or by written notice.

16.5 Electronic Communication.

Electronic communications will be (i) considered "written" or "in writing" for purposes of these Purchase Terms, and neither party shall deny the legal effect, validity, or enforceability of a signature, contract or other document transmitted electronically, provided the information transmitted is in an agreed upon format under an agreed upon protocol, and (ii) treated as signed writings and original records. The previous sentence shall not apply where these Purchase Terms expressly require a manual signature or Sara Lee's or Supplier's written consent or agreement, in which case, the written consent or agreement must include a manual signature.

16.6 Independent Contractors.

The parties will at all times be independent contractors. Neither party will have any right, power or authority to enter into any agreement for or on behalf of, or to assume or incur any obligation or liabilities, express or implied, on behalf of or in the name of, the other party.

16.7 Modification.

Any amendment, modification or change of these Purchase Terms or any Purchase Document will be valid only if it is in writing and manually signed by an authorized representative of the party to be bound. No provisions and conditions on proposals, quotations, invoices, order acknowledgements, sales confirmations, delivery receipts, packing slips or other documents received by Sara Lee from Supplier, in writing, electronically or otherwise, will have any force or effect between the parties, even if Sara Lee signs or accepts such documents.

16.8 Rights and Remedies Cumulative.

All rights and remedies provided for in these Purchase Terms will be cumulative and in addition to, and not in lieu of, any other remedies available to either party at law, in equity or otherwise. If a party has a choice of one action "or" another action, then the party may take both of those actions.

16.9 Severability.

If any provision of these Purchase Terms conflicts with the law under which these Purchase Terms are to be construed or is held invalid or unenforceable by a court of competent jurisdiction, that provision will be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable Law.

16.10 Third Party Beneficiaries.

Supplier acknowledges and agrees that, to the extent identified in the applicable Purchase Document, Sara Lee affiliates, customers, employees, suppliers, business partners and divested companies will be considered an intended third party beneficiary of these Purchase Terms and will be entitled to rely upon all rights, representations, warranties and covenants made by Supplier in these Purchase Terms to the same extent as if each of those third parties were Sara Lee hereunder. Otherwise, no third party will be deemed to be an intended or unintended third party beneficiary of these Purchase Terms.

16.11 Publicity.

Supplier will not, without Sara Lee's prior written consent, (i) use the name, trademark, service mark, trade dress, logo or other identifying marks of Sara Lee in any sales, marketing or publicity activities or materials, or (ii) issue any public statement regarding its relationship with Sara Lee.

16.12 Waivers.

The failure of either party to enforce strict performance by the other party of any provision of these Purchase Terms or to exercise any right under these Purchase Terms will not be construed as a waiver to any extent of that party's right to assert or rely upon any provision of these Purchase Terms or right in that or any other instance. A delay or omission by a party to exercise any right or power under these Purchase Terms will not be construed to be a waiver of that right or power. Waiving one breach will not be construed to waive any succeeding breach. All waivers must be in writing and manually signed by the party waiving rights.

16.13 Entire Agreement.

These Purchase Terms and every Purchase Document collectively constitute the entire agreement of the parties, superseding all prior agreements and understandings as to the subject matter of these Purchase Terms and any Purchase Document, notwithstanding any oral representations or statements to the contrary heretofore made. Any Sara Lee rights not expressly granted herein are reserved by Sara Lee.