

CONDITIONS OF SALE

1. Interpretation

- 1.1 In these Conditions:
"BODDINGTONS" means Boddingtons Inc. 2780 Snelling Ave., Suite 306, Roseville, M.N. 55113.
"BUYER" means the person who accepts a quotation of Boddingtons for the sale of the Goods or whose order for the Goods is accepted by Boddingtons
"CONDITIONS" means the standard terms and conditions of sale set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and Boddingtons
"CONTRACT" means the contract for the purchase and sale of the Goods
"GOODS" means the goods (including any instalment of the goods or any parts for them) which Boddingtons is to supply in accordance with these Conditions
"WRITING" includes cable, facsimile transmission, electronic mail and comparable means of communication.
- 1.2 Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.
- 1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. Basis of the sale

- 2.1 Boddingtons shall sell and the Buyer shall purchase the Goods in accordance with any written quotation of Boddingtons which is accepted by the Buyer, or any order of the Buyer which is accepted by Boddingtons, subject in either case to these Conditions, which shall govern the Contract to the exclusion of any other terms and conditions subject to which any such quotation is accepted or purported to be accepted, or any such order is made or purported to be made, by the Buyer.
- 2.2 No variation to these Conditions shall be binding unless agreed in Writing between the authorized representatives of the Buyer and Boddingtons.
- 2.3 Boddingtons employees or agents are not authorized to make any representations concerning the Goods unless confirmed by Boddingtons in Writing. In entering into the Contract the Buyer acknowledges that it does not rely on any such representations which are not so confirmed.
- 2.4 Any advice or recommendation given by Boddingtons or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Goods which is not confirmed in Writing by Boddingtons is followed or acted upon entirely at the Buyer's own risk, and accordingly Boddingtons shall not be liable for any such advice or recommendation which is not so confirmed.
- 2.5 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by Boddingtons shall be subject to correction without any liability on the part of Boddingtons.

3. Orders and specifications

- 3.1 No order submitted by the Buyer shall be deemed to be accepted by Boddingtons unless and until a contract is executed by both Buyer and Boddingtons.
- 3.2 The Buyer shall be responsible to Boddingtons for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer, and for giving Boddingtons any necessary information relating to the Goods within a sufficient time to enable Boddingtons to perform the Contract in accordance with its terms.
- 3.3 The quantity, quality and description of and any specification for the Goods shall be those set out in the contract executed by Buyer and Boddingtons.
- 3.4 If the Goods are to be manufactured or any process is to be applied to the Goods by Boddingtons in accordance with any drawing, design, specification or materials submitted or supplied by the Buyer, the Buyer shall indemnify Boddingtons against all loss, damages, costs and expenses awarded against or incurred by Boddingtons in connection with or paid or agreed to be paid by Boddingtons in settlement of any claim for infringement of any patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person which results from Boddingtons's use of the Buyer's specification.
- 3.5 Boddingtons reserves the right to make any changes in the specification of the Goods which are required to conform with any applicable statutory requirements, where the Goods are to be supplied to Boddingtons's specification, which do not materially affect their quality or performance.
- 3.6 No order which has been accepted by Boddingtons may be cancelled by the Buyer except with the agreement in Writing of Boddingtons and on terms that the Buyer shall indemnify Boddingtons in full against all loss (including loss of profit), costs (including the cost of all labor and materials used), damages, charges and expenses incurred by Boddingtons as a result of cancellation.

4. Quotations and price of the goods

- 4.1 Quotations are for information only. They do not constitute an offer and they are not binding on Boddingtons. The price of the Goods shall be the price quoted by Boddingtons's in respect of each order. Subject to clause 4.2, all prices quoted are valid for 30 days only or until earlier acceptance by the Buyer, after which time they may be altered by Boddingtons without giving notice to the Buyer.
- 4.2 Boddingtons reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Goods to reflect any increase in the cost to Boddingtons which is due to any factor beyond the control of Boddingtons (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of labor, materials or other costs of manufacture), any change in delivery dates, quantities or specifications for the Goods which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give Boddingtons adequate information or instructions.

- 4.3 Except as otherwise stated under the terms of any quotation or in any price list of Boddingtons, and unless otherwise agreed in Writing between the Buyer and Boddingtons, all prices are given by Boddingtons on an ex works basis, and where Boddingtons agrees to deliver the Goods otherwise than at Boddingtons's premises, the Buyer shall be liable to pay Boddingtons's charges for transport, packaging and insurance..
- 4.4 The cost of pallets and returnable containers will be charged to the Buyer in addition to the price of the Goods, but full credit will be given to the Buyer provided they are returned undamaged to Boddingtons before the payment due date.
- 4.5 If an order is changed or cancelled, materials and other costs specifically incurred by Boddingtons and no longer required shall be invoiced and payable in accordance with this clause and clause 5.
- 4.6 Unless paid for in full by the Buyer, all sketches and artwork shall remain the property of Boddingtons and any alterations from original copy on or after the first proof, including alterations in style, will be an extra charge to the Buyer. Any costs involved in altering proofs which have been approved by the Buyer will be charged extra. Boddingtons will not be responsible for any errors in proofs which have been passed by the Buyer.

5. Terms of payment

- 5.1 The Buyer shall pay the price of the Goods (less any discount to which the Buyer is entitled, but without any other deduction) as outlined in the contract. The time of payment of the price shall be of the essence of the Contract. Receipts for payment will be issued only upon request.
- 5.2 If Boddingtons accepts an order on terms that within a fixed period the customer may call for part deliveries, Boddingtons may invoice the Goods in full at any time after the Goods are available for delivery.
- 5.3 If the Buyer fails to make any payment on the due date then, without prejudice to any other right or remedy available to Boddingtons, including any legal remedies, Boddingtons shall be entitled to:
 - 5.3.1 cancel the contract or suspend any further deliveries to the Buyer;
 - 5.3.2 appropriate any payment made by the Buyer to such of the Goods (or the goods supplied under any other contract between the Buyer and Boddingtons) as Boddingtons may think fit (notwithstanding any purported appropriation by the Buyer); and
 - 5.3.3 charge the Buyer interest (both before and after any judgment) on the amount unpaid, at the rate of 18% per annum, until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest) together with any other costs reasonably incurred.

6. Delivery

- 6.1 Delivery of the Goods shall be made by the Buyer collecting the Goods at Boddingtons's premises at any time after Boddingtons has notified the Buyer that the Goods are ready for collection or, if some other place for delivery is agreed by Boddingtons, by Boddingtons delivering the Goods to that place.
- 6.2 Any dates quoted for delivery of the Goods are approximate only and Boddingtons shall not be liable for any delay in delivery of the Goods however caused. Time for delivery shall not be of the essence of the Contract unless previously agreed by Boddingtons in writing. The Goods may be delivered by Boddingtons in advance of the quoted delivery date upon giving reasonable notice to the Buyer.
- 6.3 Where delivery is of specially manufactured products Boddingtons reserves the right to deliver up to ten per cent more or ten per cent less than the quantity ordered without any adjustment in the price, and the quantity so delivered shall be deemed to be the quantity ordered.
- 6.4 Where the Goods are to be delivered in installments, each delivery shall constitute a separate contract and failure by Boddingtons to deliver any one or more of the installments in accordance with these Conditions or any claim by the Buyer in respect of any one or more installments shall not entitle the Buyer to treat the Contract as a whole as repudiated.
- 6.5 If Boddingtons fails to deliver the Goods (or any installment) for any reason other than any cause beyond Boddingtons's reasonable control or the Buyer's fault, and Boddingtons is accordingly liable to the Buyer, Boddingtons's liability shall be limited to the excess (if any) of the cost to the Buyer (in the cheapest available market) of similar goods to replace those not delivered over the price of the Goods.
- 6.6 If the Buyer fails to take delivery of the Goods or fails to give Boddingtons adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the Buyer's reasonable control or by reason of Boddingtons's fault) then, without prejudice to any other right or remedy available to Boddingtons, Boddingtons may:
 - 6.6.1 store the Goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or
 - 6.6.2 sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under the Contract or charge the Buyer for any shortfall below the price under the Contract.

7. Risk and property

- 7.1 Risk of damage to or loss of the Goods shall pass to the Buyer:
 - 7.1.1 in the case of Goods to be delivered at Boddingtons's premises, at the time when Boddingtons notifies the Buyer that the Goods are available for collection; or

- 7.1.2 in the case of Goods to be delivered otherwise than at Boddingtons's premises, when shipped or, if the Buyer wrongfully fails to take delivery of the Goods, the time when Boddingtons has tendered delivery of the Goods.
- 7.2 Notwithstanding delivery and the passing of risk in the Goods, or any other provision of these Conditions, the property in the Goods shall not pass to the Buyer until Boddingtons has received in cash or cleared funds payment in full of the price of the Goods and all other goods agreed to be sold by Boddingtons to the Buyer for which payment is then due.
- 7.3 Until such time as the property in the Goods passes to the Buyer, the Buyer shall hold the Goods as Boddingtons's fiduciary agent and bailee, and shall keep the Goods separate from those of the Buyer and third parties and properly stored, protected and insured and identified as Boddingtons's property, but the Buyer shall be entitled to resell or use the Goods in the ordinary course of its business. This time commences at the point the goods are dispatched from Boddingtons premises.
- 7.4 Until such time as the property in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been resold), Boddingtons shall be entitled at any time to require the Buyer to deliver up the Goods to Boddingtons and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.
- 7.5 The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of Boddingtons, but if the Buyer does so all moneys owing by the Buyer to Boddingtons shall (without prejudice to any other right or remedy of Boddingtons) forthwith become due and payable.

8. Warranties and liability

- 8.1 Subject to the conditions set out below Boddingtons warrants that the Goods will correspond with their specification at the time of delivery and will be free from defects in material and workmanship for a period as may be provided in any specification.
- 8.2 The above warranty is given by Boddingtons subject to the following conditions:
- 8.2.1 Boddingtons shall be under no liability in respect of any defect in the Goods, the satisfactory quality of the Goods or their fitness for purpose arising from any drawing, design or specification or materials supplied by the Buyer;
- 8.2.2 Boddingtons shall be under no liability in respect of any defect arising from fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow Boddingtons's instructions (whether oral or in writing), misuse or alteration or repair of the Goods without Boddingtons's approval;
- 8.2.3 Boddingtons shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Goods has not been paid by the due date for payment;
- 8.2.4 the above warranty does not extend to parts, materials or equipment not manufactured by Boddingtons, in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to Boddingtons.
- 8.3 Subject as expressly provided in these Conditions, and except where the Goods are sold to a person dealing as a consumer, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
- 8.4 Any claim by the Buyer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall (whether or not delivery is refused by the Buyer) be notified to Boddingtons within 7 days from the date of delivery or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure. If delivery is not refused, and the Buyer does not notify Boddingtons accordingly, the Buyer shall not be entitled to reject the Goods and Boddingtons shall have no liability for such defect or failure, and the Buyer shall be bound to pay the price as if the Goods had been delivered in accordance with the Contract.
- 8.5 Where any valid claim in respect of any of the Goods which is based on any defect in the quality or condition of the Goods or their failure to meet specification is notified to Boddingtons in accordance with these Conditions, Boddingtons shall be entitled to replace the Goods (or the part in question) free of charge or, at Boddingtons's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but Boddingtons shall have no further liability to the Buyer.
- 8.6 Except in respect of death or personal injury caused by Boddingtons's negligence, Boddingtons shall not be liable to the Buyer by reason of any representation (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the Contract, for any indirect, special or consequential loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for compensation whatsoever (whether caused by the negligence of Boddingtons, its employees or agents or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Buyer, and the entire liability of Boddingtons under or in connection with the Contract shall not exceed the price of the Goods, except as expressly provided in these Conditions.
- 8.7 Boddingtons shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of Boddingtons's obligations in relation to the Goods, if the delay or failure was due to any cause beyond Boddingtons's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond Boddingtons's reasonable control:
- 8.7.1 Act of God, explosion, flood, tempest, fire or accident;
- 8.7.2 war or threat of war, sabotage, insurrection, civil disturbance or requisition;
- 8.7.3 acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority;
- 8.7.4 import or export regulations or embargos;
- 8.7.5 strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of Boddingtons or of a third party);
- 8.7.6 difficulties in obtaining raw materials, labor, fuel, parts or machinery;
- 8.7.7 power failure or breakdown in machinery.

9. Indemnity

- 9.1 If any claim is made against the Buyer that the Goods infringe or that their use or resale infringes the patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person, then unless the claim arises from the use of any drawing, design, specification or materials supplied by the Buyer, Boddingtons shall indemnify the Buyer against all loss, damages, costs and expenses awarded against or incurred by the Buyer in connection with the claim, or paid or agreed to be paid by the Buyer in settlement of the claim, provided that:
- 9.1.1 Boddingtons is given full control of any proceedings or negotiations in connection with any such claim;
 - 9.1.2 the Buyer shall give Boddingtons all reasonable assistance for the purposes of any such proceedings or negotiations;
 - 9.1.3 except pursuant to a final award, the Buyer shall not pay or accept any such claim, or compromise any such proceedings without the consent of Boddingtons (which shall not be unreasonably withheld);
 - 9.1.4 the Buyer shall do nothing which would or might vitiate any policy of insurance or insurance cover which the Buyer may have in relation to such infringement, and this indemnity shall not apply to the extent that the Buyer recovers any sums under any such policy or cover (which the Buyer shall use its best endeavours to do);
 - 9.1.5 Boddingtons shall be entitled to the benefit of, and the Buyer shall accordingly account to Boddingtons for, all damages and costs (if any) awarded in favor of the Buyer which are payable by, or agreed with the consent of the Buyer (which consent shall not be unreasonably withheld) to be paid by, any other party in respect of any such claim; and
 - 9.1.6 without prejudice to any duty of the Buyer at common law, Boddingtons shall be entitled to require the Buyer to take such steps as Boddingtons may reasonably require to mitigate or reduce any such loss, damages, costs or expenses for which Boddingtons is liable to indemnify the Buyer under this clause.

10. Insolvency of buyer

- 10.1 This clause applies if:
- 10.1.1 the Buyer makes any voluntary arrangement with its creditors
or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or
 - 10.1.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Buyer; or
 - 10.1.3 the Buyer ceases, or threatens to cease, to carry on business; or
 - 10.1.4 Boddingtons reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.
- 10.2 If this clause applies then, without prejudice to any other right or remedy available, including any legal remedies, to Boddingtons, Boddingtons shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer, and if the Goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

11. Export terms

- 11.1 In these Conditions 'Incoterms' means the international rules for the interpretation of trade terms of the International Chamber of Commerce as in force at the date when the Contract is made. Unless the context otherwise requires, any term or expression which is defined in or given a particular meaning by the provisions of Incoterms shall have the same meaning in these Conditions, but if there is any conflict between the provisions of Incoterms and these Conditions, the latter shall prevail.
- 11.2 Where the Goods are supplied for export from the United Kingdom, the provisions of this clause 11 shall (subject to any special terms agreed in Writing between the Buyer and Boddingtons) apply notwithstanding any other provision of these Conditions.
- 11.3 The Buyer shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and for the payment of any duties on them.
- 11.4 Unless otherwise agreed in Writing between the Buyer and Boddingtons, the Goods shall be delivered FOB the air or sea port of shipment.
- 11.5 The Buyer shall be responsible for arranging for testing and inspection of the Goods at Boddingtons's premises before shipment. Boddingtons shall have no liability for any claim in respect of any defect in the Goods which would be apparent on inspection and which is made after shipment, or in respect of any damage during transit.
- 11.6 Payment of all amounts due to Boddingtons shall be made either through a trade credit account with Boddingtons or by credit card or by payment in advance by company check or bank transfer or by an irrevocable letter of credit opened by the Buyer in favor of Boddingtons and confirmed by a bank in England acceptable to Boddingtons.
- 11.7 The Buyer undertakes not to offer the Goods for resale in any country notified by Boddingtons to the Buyer at or before the time the Buyer's order is placed, or to sell the Goods to any person if the Buyer knows or has reason to believe that that person intends to resell the Goods in any such country.

12. General

- 12.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

- 12.2 No waiver by Boddingtons of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 12.3 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected.
- 12.4 For the avoidance of doubt, nothing in these Conditions shall confer or purport to confer on any third party any benefit or the right to enforce any term of the Conditions, except in so far as Boddingtons and Buyer have expressly agreed that a third party may enforce a term.
- 12.5 The Contract shall be governed by the laws of The State of Minnesota, and the Buyer agrees to submit to the non-exclusive jurisdiction of the Minnesota courts.