



BRADFORD

## **TERMS AND CONDITIONS OF PURCHASE BY BRADFORD SOAP**

The term "Bradford Soap" as used herein shall be deemed to refer to Bradford Soap International, Inc. ("BSI") and/or any Affiliate of BSI. The term "Affiliate" as used herein shall mean any legal entity or person that controls, is controlled by or is under common control with BSI

**THESE TERMS AND CONDITIONS SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE INTO ANY PURCHASE ORDER ISSUED BY BRADFORD SOAP CONTAINING AN INSTRUCTION TO REFER TO THE WEBSITE OF BRADFORD SOAP ([www.bradfordsoap.com](http://www.bradfordsoap.com)) FOR A STATEMENT OF THE TERMS AND CONDITIONS APPLICABLE TO SUCH PURCHASE ORDER.**

### **General Provisions**

BY ACCEPTING THIS PURCHASE ORDER, AND/OR PERFORMING HEREUNDER, SELLER AGREES TO COMPLY FULLY WITH THE TERMS AND CONDITIONS OF PURCHASE SET FORTH ON BOTH THE FRONT AND REVERSE SIDES OF THIS DOCUMENT. ACCEPTANCE OF THIS PURCHASE ORDER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS OF THIS ORDER AND NONE OF THE SELLER'S TERMS AND CONDITIONS SHALL APPLY IN ACKNOWLEDGING THIS ORDER OR IN THE ACCEPTANCE OF THIS ORDER. ACCEPTANCE BY BRADFORD SOAP OF THE GOODS, SERVICES OR WORK DELIVERED UNDER THIS PURCHASE ORDER SHALL NOT CONSTITUTE AGREEMENT TO SELLER'S TERMS OR CONDITIONS. SELLER MAY NOT SHIP UNDER RESERVATION.

1. **MODIFICATIONS**

Changes, modifications, waivers, additions or amendments to the terms and conditions of this purchase order shall be binding on BRADFORD SOAP only if such changes, modifications, waivers, additions, or amendments are in writing and signed by a duly authorized representative of BRADFORD SOAP.

2. **APPLICABLE LAW**

This purchase order and performance hereunder shall be governed by the laws of the State of Rhode Island (without regard to its conflict of laws provisions) and this instrument shall be considered a contract made in that state. Buyer agrees that it may bring suit against Seller only in said state, and for purposes of such suit against Buyer, submit itself to the jurisdiction of that state.

3. **COMPLIANCE WITH LAW**

Seller agrees that at all times it will 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, sale, and use of material. If requested by BRADFORD SOAP, Seller agrees to timely certify compliance with such laws in such forms as BRADFORD SOAP may request.

4. **INDEMNITY**

Seller agrees to defend and indemnify BRADFORD SOAP and its customers from and against all claims, actions, liabilities, losses and costs and expenses arising out of the death or injury to any person, property damage or loss, or economic injury arising out of this purchase order.

5. **WAIVER**

Any failure of BRADFORD SOAP to enforce, at any time or for any period of time, any of the provisions of this purchase order shall not constitute a waiver of such provisions or of BRADFORD SOAP's right to enforce each and every provision in the future.

6. **ACCEPTANCE AND WARRANTY**

Final acceptance of material by BRADFORD SOAP will not occur until after arrival at the BRADFORD SOAP facility from which this purchase order originates, unless otherwise specified herein. Seller warrants that all articles, material and work supplied by Seller under this purchase order conform to the requirements, specifications, drawings, samples or other descriptions furnished or adopted by BRADFORD SOAP and that they are of good material and workmanship and free from all defects in manufacture or design, and are of merchantable quality and fit for their intended purpose. Such warranties by Seller shall run to the benefit of BRADFORD SOAP, its employees and its customers. BRADFORD SOAP's approval of designs or formulations furnished by Seller shall not relieve Seller of its obligation under this warranty. Seller's warranty shall be effective for a period of time as set forth on the face of this purchase order. If no such schedule is set forth on the face of this purchase order, the warranty shall be effective for a period of one year from the date of acceptance of goods by BRADFORD SOAP, or for such longer period specified by Seller. All articles and material returned to Seller for breach of warranty hereunder shall be at Seller's expense, including expenses and penalties incurred by BRADFORD SOAP in recalling such articles and materials which have been delivered to BRADFORD SOAP's customers and expense of redelivery. Seller agrees that shipment of materials against this purchase order constitutes certification that all articles or goods included in this shipment conform in all respect to the applicable requirements, specifications, and drawings. Seller will make process control data, inspection, and test reports covering the articles or goods and their parts or ingredients available for review and subject to examination by BRADFORD SOAP or its authorized representative to verify conformance to such applicable specifications and drawings. However, a certificate of conformance must accompany individual shipments when so specified on applicable drawings, or on the front of this purchase order. Any articles or materials not accepted by BRADFORD SOAP may be returned to Seller at Seller's expense for full credit of the purchase price.

Inspection may be performed at BRADFORD SOAP's option on a statistical sampling basis. The entire lot may be rejected based on defects revealed by such sampling. At BRADFORD SOAP's option, the rejected lot will be either returned to the Seller for replacement or credit or 100% screened by BRADFORD SOAP with cost of screening paid by Seller. The initial inspection performed at BRADFORD SOAP on receipt of material is a conditional acceptance, and shall not waive the right of BRADFORD SOAP to return material to Seller which exhibits or develops defects due to latent causes during or after installation or testing of the end product.

7. **PATENTS AND COPYRIGHTS**

Seller agrees to indemnify and to save BRADFORD SOAP, its officers, agents, and employees harmless from any and all loss, expense, damage, 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 the purchase, use or sale of materials or articles required by this purchase order, except where such infringement or alleged infringement arises by reason of designs or formulations for such materials or articles originally furnished to Seller by BRADFORD SOAP.

8. **CHANGES**

BRADFORD SOAP may change from time to time any of the specifications or instructions for work covered by this purchase order and Seller shall comply with such change notices. If such changes result in a decrease or increase in Seller's cost or in the time for performance, an adjustment in the price and/or time for performance may be made by the parties in writing, provided, however, that Seller notifies BRADFORD SOAP of the request for such adjustments within thirty (30) days after receipt by it of the change notice.

9. **ASSIGNMENTS**

Performance obligations shall not be assigned or transferred by Seller without prior written approval by BRADFORD SOAP, and any attempted assignment or transfer without such consent shall be void. Seller shall not subcontract any substantial portion of the work to be performed by it under this purchase order without the prior written consent of BRADFORD SOAP.

10. **TERMINATION**

BRADFORD SOAP may terminate the work to be performed hereunder in whole or in part at any time without cause by written notice to seller. Such notice shall state the extent and effective date of such termination and, upon the receipt of such notice, Seller will comply with the directions pertaining to work stoppage hereunder and the placement of further orders or subcontracts hereunder. The parties shall thereupon employ their best efforts to agree by negotiation, within three (3) months, upon the amount

of reimbursement, if any, to be paid to Seller for such termination. Termination under this provision shall not be deemed a breach of contract. The provisions of this paragraph shall not limit or affect the right of BRADFORD SOAP to terminate this purchase order for cause and shall not apply to a termination with cause. Seller shall mitigate its claim to the maximum extent, and in any event no claims shall exceed the lesser of fair market value or actual cost of raw materials and work in progress material which Seller shows cannot be diverted to other uses. No claim shall be asserted or honored for loss of expected profits, or for any consequential or incidental damages, due to cancellation.

11. **PRICE ADJUSTMENT**

BRADFORD SOAP will not accept shipment at any increase in price above that indicated on this purchase order. Any general price decrease announced by Seller in classification of equipment and/or materials similar to the items described on this purchase order shall automatically reduce the price thereof by a comparable percentage.

12. **PAYMENT TERMS**

The following standard terms with respect to payment are applicable to this purchase order:

A. NET INVOICES

Net invoices dated within a seven-day week ending on a Saturday will be paid on the first Friday after 60 days of receipt of the invoice.

B. DISCOUNTED INVOICES

Discounted invoices dated within a seven day week ending on a Saturday will be paid the second following Friday. Invoices that specify a discount for tenth prox payment will be paid on the second Friday of the month following the date of the invoices. The acceptance of minimal discount offers will be at the discretion of BRADFORD SOAP.

C. All schedules of payments above stated are based upon receipt by BRADFORD SOAP or Shipment f.o.b. source, whichever is applicable as indicated on the face hereof, of the goods or services prior to scheduled payment date. If BRADFORD SOAP receives the invoice prior to such shipment or receipt of goods or services, the foregoing terms on this purchase order shall be measured from date of such receipt of shipment of goods rather than date of receipt of invoice.

13. **EXTRA CHARGES**

No charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed

to by BRADFORD SOAP in writing. Pricing by weight, where applicable, covers net weight of material, unless otherwise agreed.

14. **TIME OF DELIVERY**

The delivery dates indicated by BRADFORD SOAP for the articles, material or work to be supplied under this purchase order are of the essence. Failure to meet agreed upon delivery shall be considered a breach of the contract; furthermore, Seller agrees to pay to BRADFORD SOAP any penalty and damages imposed upon or incurred by BRADFORD SOAP for failure of Seller to deliver articles, materials, or work on such delivery dates.

Unless otherwise agreed in writing, Seller shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet BRADFORD SOAP's delivery schedule. It is the Seller's responsibility to comply with this schedule, but not to anticipate BRADFORD SOAP's requirements. Goods shipped to BRADFORD SOAP in advance of schedule may be returned to Seller at Seller's expense. BRADFORD SOAP may reschedule the delivery of any unshipped product for later delivery within ninety (90) days of the originally scheduled delivery date.

15. **SETOFF**

BRADFORD SOAP shall be entitled at all times to setoff any amount owing, for any reason, at any time, from Seller to BRADFORD SOAP against any amount payable at any time by BRADFORD SOAP in connection with this purchase order.

16. **SALES AND USE TAX EXEMPTION**

It is hereby certified that the above described property is exempt from the sales and use tax, unless otherwise noted for the reason that such property is purchased for resale or will become an ingredient or component part of, or be incorporated into, or used or consumed in, a manufactured product produced for ultimate sale at retail. If the property described on this purchase order is purchased tax exempt and subsequent use makes this property taxable, BRADFORD SOAP will access and pay tax to the appropriate state.

17. **ATTACHMENTS**

Any attachments referenced on the front side of this purchase order shall be deemed for all purposes to be an integral part of this purchase order. In the event of irreconcilable conflict between such referenced attachments and the terms stated herein, the terms of such attachments shall control.

18. **OVERSHIPMENTS**

Seller is instructed to ship only the quantity(ies) specified in this purchase order. However, any deviation

caused by conditions of loading, shipping, packing, or allowances in manufacturing processes may be accepted by BRADFORD SOAP according to the overshipment allowance indicated on the face of this purchase order. If no allowance is shown, it shall be 0% (zero percent). BRADFORD SOAP reserves the right to return any overshipment in excess of the allowance at the Seller's expense.

19. **PACKING AND SHIPPING INSTRUCTIONS**

Seller agrees to insure that shipments are properly packed and described in accordance with BRADFORD SOAP specifications and/or applicable carrier regulations. Shipments will be made at the lowest freight charges. BRADFORD SOAP may assist Seller by providing freight classifications or classifying material. Seller will not insure or declare value on shipments, except on parcel post, unless BRADFORD SOAP specifies otherwise. On shipment where value is declared, Seller will ship prepaid insured for \$50 to facilitate tracing. When shipping via small parcel, Seller will ship freight collect if available, otherwise Seller will ship freight prepaid. Seller shall consolidate air and surface shipments daily on one bill of lading per mode to avoid premium freight costs, unless instructed otherwise by BRADFORD SOAP. In case of any shipment that does not correspond to normal past practice between BRADFORD SOAP and Seller, or to standard practice in the industry, (e.g., requires special handling equipment or air ride suspension, or air shipment over 500 pounds, or over 120 inches long or wide, or over 56 cubic feet, etc.) Seller agrees to notify BRADFORD SOAP's purchasing department 72 hours prior to shipment for special shipping instructions. All truck shipments must be classified by Seller using the current "National Motor Freight Classification Tariff". Each box, crate or carton will show BRADFORD SOAP's full street address (not just post office box numbers) and purchase order and item numbers regardless of how shipped. On small parcel shipments, a packing list shall accompany each container and shall describe the contents of that container. On other shipments, Seller will provide a packing list to accompany each shipment, referencing the appropriate purchase order and item number. The bill of lading also will reference the purchase order and item number. Seller is responsible for packing any shipment correctly based on the carrier/mode utilized. Charges for packing and crating shall be deemed part of the purchase price, and no additional charges will be made therefor unless specifically requested by BRADFORD SOAP on the purchase order. Seller agrees to ship via the carrier specified by BRADFORD SOAP. Failure to ship via BRADFORD SOAP specified carrier will subject Seller to misroute debit.

All premium freight cost incurred by BRADFORD SOAP or Seller beyond that specified by BRADFORD SOAP shall be borne by Seller. Seller is responsible for all shipments which are damaged in transit due to improper packaging, improper judgment or any other act or omission of the Seller, shipper, or carrier. On all F.O.B. origin shipments, except Parcel Post, Seller will ship freight collect. (If small parcel carrier collect is unavailable, Seller will ship prepaid).

Definition of Terms (Whether F.O.B. origin or destination).

(a) "Freight collect": Seller will ship freight collect – freight carrier will bill BRADFORD SOAP.

(b) "Freight prepaid charge back": Seller will ship freight prepaid and bill BRADFORD SOAP.

(c) "Freight prepaid": Seller will ship freight prepaid and bear all transportation costs.

20. **RETURNS**

Defective material shall be returned freight collect to Seller. Replacement material shall be sent freight prepaid from Seller, who will absorb the burden of premium transportation when defect or replacement material places critical time or delivery schedule constraints on BRADFORD SOAP. It is within BRADFORD SOAP'S sole discretion to charge back Seller for supplier accountable nonconforming or rejected material, including but not limited to administrative costs, reinspection costs, manufacturing interruption and rescheduling, excess manufacturing time and labor overtime.

21. **INSPECTION – QUALITY SYSTEM**

- A. The Seller agrees to permit BRADFORD SOAP and BRADFORD SOAP's customer or Government representatives if this purchase order references a U.S. Government contract or subcontract number, to verify the quality of supplies and services being provided under this purchase order at any production stage in the Seller's facility. Verification may consist of a physical assessment/surveillance of the Seller's facilities and quality programs and/or a source inspection. Deficiencies identified during such verification shall be positively corrected by the supplier in the most expeditious manner possible. The Seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller agrees to include into each subcontract Seller might make hereunder appropriate provisions to the same effect.
- B. Unless modified by the purchase order through the use of attachments, Seller is required to ensure that the manufacturing processes used meet the technical requirements of the applicable formulations, specifications, engineering changes, and added requirements of the purchase order. An inspection system inherent to verifying the technical requirements must be maintained and objective evidence of such will be produced on request.

22. **ENTIRE AGREEMENT**

These terms and conditions constitute the final, complete and exclusive agreement between the parties hereto relating to the sale of the goods covered by this purchase order. No other terms or conditions shall be binding upon the parties unless expressly agreed to in writing by the parties hereto. If any phrase, clause or provision shall be declared void, the validity of any other provisions shall not be affected thereby.

23. **ARBITRATION**

At BRADFORD SOAP'S sole election, all claims, disputes, demands and controversies arising under, out of or in connection with or in relation to the goods and hereunder may be submitted to and be determined by arbitration in the State of Rhode Island in accordance with the rules of the American Arbitration Association then in affect.