

Terms and Conditions of Sale – Bedford Industries, Inc.

1. Offer, Governing Provisions, Amendment & Revocation: This document (i) is an offer or counter-offer by Bedford Industries, Inc. ("Bedford") to sell the goods to Buyer solely in accordance with these terms and any signed agreement between Bedford and Buyer regarding the goods being sold to Buyer hereunder (ii) is not an acceptance of any offer made by Buyer, even if received elsewhere by a salesperson, selling agent or representative of Bedford, and (iii) is expressly limited to and expressly conditioned upon Buyer's assent solely to these terms. Each order from Buyer shall be deemed to be an offer by Buyer to purchase the goods solely pursuant to these terms. Acceptance, either by written acknowledgment or by shipment of goods, of any order placed by Buyer does not constitute acceptance by Bedford of any of the terms and conditions of those orders or of any request for quotation, except as to identification and quantity of goods involved. Bedford objects to and rejects any additional or different terms contained in any order, request for quotation or other communication previously or hereafter provided by Buyer. No additional or different terms or conditions will be of any force or effect, including but not limited to any preprinted, standard, electronic or posted terms and conditions in any requests for quotes, purchase orders of Buyer in any media (including terms where acquiescence requires only a mouse click) shall not be incorporated into Bedford's offer to sell the goods to Buyer, nor be construed to amend any such contract created thereby. Bedford may revoke its offer at any time before it is accepted by Buyer. The terms contained in or incorporated into this document by reference and Bedford's quotation or proposal comprise the entire agreement between Bedford and Buyer, and supersede any prior understandings or written or oral agreements, on the subject of the transactions described herein and there are no conditions to that agreement that are not so contained or incorporated, except that any confidentiality or non-disclosure agreement that has been executed by and between the parties shall remain in effect according to its terms. In furtherance of the foregoing, unless expressly agreed otherwise in writing, all adapters, tooling and other special equipment provided by Bedford to Buyer, or used by Bedford to manufacture product for Buyer, shall remain the sole and exclusive property of Bedford and shall be returned to Bedford upon the earlier of Bedford's request or Buyer's indication that Buyer, will no longer be purchasing goods from Bedford. No accepted offer may be altered by Buyer except upon terms and conditions accepted by Bedford in writing. No amendment of any of the terms contained herein shall be valid unless made in writing and signed by both Bedford and Buyer and specifically referencing the terms contained herein being amended. All Bedford's clerical errors are subject to correction.

2. Order Acceptance & Governing Law: No order shall be binding upon Bedford until (i) accepted and acknowledged in writing by Bedford at its principal office, which acceptance shall be delivered by mail or electronic communication, or (ii) Bedford ships the goods specified in the order. These terms shall be governed by and construed according to the laws of Minnesota, without reference to its principles of conflicts of laws. The rights and obligations of the parties shall not be governed by the 1980 United Nations Convention for the International Sale of Goods.

3. Prices & Quotations: Orders for the goods will be invoiced at the prices in effect at the time of Bedford's acceptance of Buyer's order, unless otherwise specified in Bedford's oral or written quotation to Buyer (oral quotations are typically promptly followed up in writing by Bedford). Quotations are valid for 30 days, unless otherwise specified, and represent no obligation until the order issued by Buyer in response to the quote is acknowledged and accepted by Bedford. The prices and Bedford's performance under an order are subject to resource availability and costs not within Bedford's control at the time of manufacture of the goods covered by such order. Bedford may adjust prices and shipment dates specified in an order before it accepts the order. Bedford may change its published prices and other standard terms of sale at any time, but the change will not affect any order properly accepted by Bedford and requested for immediate shipment before the effective date of the change.

4. Taxes & Other Charges: Prices for the goods do not include any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, VAT, duty, custom, inspection or testing fee, freight charges or any other tax, fee or charge of any nature whatsoever, imposed by any governmental authority ("Tax") on or measured by any transaction between Bedford and Buyer. The amount of any present, retroactive, or future Tax, except taxes on or measured by Bedford's net income, shall be added to the prices quoted or invoiced. Bedford is required by law to collect all applicable sales and use taxes unless an appropriate exemption certificate is provided by the Buyer.

5. Payment Terms: Buyer will pay Bedford for the goods in the amounts, and upon the payment terms, stated on Bedford's invoices without setoff. Unless Bedford's invoice otherwise states, the goods shall be paid for within 30 days of the invoice date and interest shall accrue on any unpaid amounts at the lesser of the annual rate of 12% or the maximum amount allowed by law from the date the invoice becomes due. Bedford may, at its sole discretion and at any time, require terms of C.I.A., C.O.D or C.W.O. Buyer acknowledges that Bedford may use a collection service and/or an attorney to collect amounts due to Bedford and Buyer shall pay all costs and expenses, including collection service fees and reasonable attorneys' fees, incurred by Bedford in connection with such collection efforts. Bedford, at its sole discretion, may change or limit the amount or duration of credit to be allowed Buyer. Bedford may cancel any order accepted by or delay the shipment of the order if Buyer fails to meet payment schedule or other credit or financial requirements established by Bedford.

6. Cancellation: No accepted order shall be modified or canceled except upon Bedford's written agreement, in which case, it shall be subject solely to these terms. Cancellation of orders for standard goods may be subject to cancellation charges. Cancellation of orders for modified or customized goods, or for standard goods in quantities exceeding that which is customary, will be accepted only with the understanding that Bedford will be reimbursed by Buyer for all costs and expenses including commitments and internal expenses incurred as a result of the order and subsequent cancellation. Costs of cancellation may represent 100% of the value of the order which is canceled depending upon the level of customization and the status of work-in-process regarding the order which was canceled.

7. Shipment, Delivery & Risk of Loss: Shipping terms, such as title, place of shipment, risk of loss or the like, shall be set forth on Bedford's written order acknowledgment or invoice. If Buyer does not furnish exact shipping instructions, Bedford will select, in its discretion, the means of shipment. The time of delivery is an estimate only, and Bedford may change such time if Bedford does not receive the information and approvals necessary to proceed with the production of the goods. Buyer agrees to inspect all deliveries immediately. Any claim for shortages or damage must be noted on the bill of lading that accompanies the goods as well as submitted in writing to Bedford within five (5) business days after Buyer receives a shipment, and if not made, shall be deemed waived. Buyer agrees to submit to Bedford's claims process as may be in effect from time to time. Any goods not rejected by Buyer by written notice to Bedford within such period shall be deemed accepted.

8. Delays in Delivery: Bedford shall not be liable for any losses or damages as a result of any delay or failure to deliver due to a force majeure event, including, but not limited to, fires and floods, severe winter conditions such as snow storms and icy roads, power outages, accidents, strikes, wars, acts of terrorism, riots, acts of God, acts of Buyer, government embargoes, orders or restrictions, delays in transportation, equipment failure, delays by any supplier of materials or parts, inability to obtain necessary labor, or any other causes beyond the control of Bedford. If any such delay occurs, the delivery date shall be extended for a period equal to the time lost by reason of such delay.

9. Bedford's Warranty; Disclaimer of Warranties: Bedford warrants to Buyer, for a period of one (1) year after the date of shipment from Bedford's facility, that all goods sold to Buyer under these terms shall meet their applicable specification as may be set forth in Bedford's product literature and/or packaging and labeling materials published as of the date of shipment of the goods; provided, however, the warranty shall be for a longer or shorter time for certain specifications such as shelf life as set forth in such product literature, packaging and labeling materials. If, after Bedford receives written notice, within the period for the foregoing warranty, that any goods allegedly do not meet Bedford's applicable specification, and Bedford, in its sole discretion, determines that such claim is valid, Bedford's entire liability and sole obligation and the exclusive remedy for breach of the foregoing warranty, will be, within a reasonable time after Bedford's receipt of such notice, at Bedford's option, replacement of such goods or refund of the price paid by Buyer for such goods, and Bedford will be responsible for the cost of shipping to replace the defective goods. **THE FOREGOING WARRANTY IS EXCLUSIVE, AND BEDFORD EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER (WHETHER IN FACT, BY OPERATION OF LAW OR OTHERWISE), INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR THE NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY OR OTHERWISE AND ANY WARRANTIES**

ARISING FROM COURSE OF DEALING OR OF PERFORMANCE, CUSTOM OR

USAGE OF TRADE. Bedford's obligations do not cover defects or losses caused by normal wear and tear or deterioration, improper storage, defects in or damage to any goods resulting from improper use, accident or any utilization, alterations or modification of the goods that is not consistent with Bedford's instructions, specifications, or the designed capabilities of the goods or that, in Bedford's sole judgment, the performance or reliability thereof is adversely affected thereby, or which is subjected to abuse, mishandling, misuse or neglect or any damage caused by connections, misuse of adapters or special equipment related to the goods (whether or not such adapters or special equipment were supplied by Bedford), interfacing or use in unforeseen or unintended manners or environments. Bedford shall have no warranty liability for any goods that are manufactured by third parties, provided, however, upon Buyer's reasonable request Bedford shall assign the warranties of third party manufacturers to Buyer to the extent such warranties are assignable without cost to Bedford. Bedford does not warrant that the functions of the goods will meet Buyer's or its customer's requirements or that the goods will operate in combination with other products selected by Buyer's customer for its use. Bedford assumes no liability for equipment or services furnished by Buyer or its customer, nor for any improper use, accident or any utilization, alterations or modifications made to the goods without Bedford's specific authorization in writing.

10. Buyer Warranties: Regarding claims from persons other than Bedford, Buyer, at its sole expense, will indemnify, defend, and hold Bedford and its affiliates, successors, assigns, officers, directors, employees and agents harmless from and against any claim, demand, proceeding, or action for damages, liability, loss, cost, or expense, including amounts paid in settlement and attorneys' fees and court costs, arising out of, in connection with or based upon, the warranties and/or remedies offered by Buyer that are different than those contained in Bedford's warranty regarding the goods.

11. Limitation on Liability: BEDFORD SHALL NOT BE LIABLE, AND HEREBY DISCLAIMS ALL LIABILITY, FOR ANY CONSEQUENTIAL, INCIDENTAL, CONTINGENT, INDIRECT, SPECIAL, PUNITIVE OR LIQUIDATED DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, USE, BUSINESS OR REVENUE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE LEGAL THEORY ASSERTED, INCLUDING WARRANTY, CONTRACT, NEGLIGENCE OR STRICT LIABILITY. BEDFORD'S LIABILITY FOR DIRECT DAMAGES WILL IN NO EVENT EXCEED THE PRICE PAID BY BUYER FOR THE GOODS GIVING RISE TO THE CLAIM FOR DIRECT DAMAGES. NO PENALTY CLAUSE APPEARING IN ANY DOCUMENT WILL BE EFFECTIVE AGAINST BEDFORD UNLESS IT HAS BEEN EXPRESSLY ACCEPTED IN WRITING BY AN OFFICER OF BEDFORD.

12. Intellectual Property: Buyer acknowledges and agrees that Bedford owns all intellectual property in, and related to, the goods, including Bedford's trademarks, service marks, trade names, product names, logos, domain names, taglines, and trade dress (collectively, "Bedford's Intellectual Property"). Bedford reserves all rights, title, and interest in and to Bedford's Intellectual Property, except as expressly granted in this Agreement. Bedford's interests are further protected by the patent, trademark, copyright, and other laws of the United States and foreign countries. For the purposes of this Agreement, "Background IP" shall mean intellectual property of Bedford, which existed at the time of this Agreement and/or which was independently developed by or for Bedford without use of or reference to the Confidential Information or Intellectual Property of you, including but not limited to all pre-existing materials owned by Bedford, as well as any proprietary technology, methodology and software used by Bedford to create the Goods. Notwithstanding the foregoing, to the extent Bedford uses any of its Background IP to provide the Goods or Goods, such Background IP shall remain the property of Bedford. Upon full and final payment by you for the Goods, Bedford hereby grants you a non-exclusive, royalty free, full paid up license to use such Background IP solely as part of the Goods. To the extent the Background IP is severable from the Goods, such Background IP is provided to you for informational purposes and internal use, and should not be used by any entity other than you. Such background IP shall not be circulated, quoted, disclosed or distributed to any person or entity other than you, or its legal or accounting advisors, without the express written permission of Bedford. You agree and acknowledge that, except as expressly provided herein, you shall have no right in or to the Background IP. Regarding custom goods, Buyer grants Bedford a limited license to

modify and reproduce any of Buyer's copyrighted materials during production of goods for Buyer. Buyer retains ownership only of the artistic goods created unilaterally by Buyer, and provided or communicated to Bedford. Bedford solely and exclusively owns all other intellectual property rights in the custom goods, including related to the design, manufacture, and packaging of custom goods, as well as any changes or modifications to Buyer's initial specifications. Bedford solely owns all copyright rights in artistic goods created by Bedford. Buyer agrees not to modify or reproduce any artistic goods created by Bedford. Buyer grants Bedford the right to use Buyer's name, trademarks, artwork, goods and information purchased from Bedford, in Bedford's sales process and advertising and promotional materials. Buyer is strictly prohibited from making any, and hereby agrees not to attempt to deconstruct, disassemble, reverse engineer, or otherwise discern the composition, structure, or assembly of the goods or any individual components of the goods. Buyer is strictly prohibited from using any Bedford confidential information, including product specifications, to create any competing goods or products.

13. Compliance with Laws: Buyer acknowledges that the goods and the purchase of goods may be subject to customs, import and export control laws and regulations of the United States and potentially other countries. Buyer will comply with all applicable laws and regulations now or hereafter in effect, including, but not limited to, anti-corruption laws.

14. No Right to Audit. Buyer shall have no right to audit Bedford's place of business or Bedford's books and records; provided, however, upon Buyer's request, at Bedford's reasonable discretion, Bedford shall provide Buyer with copies of recent independently prepared audit reports (e.g., ISO or BRC audit reports) upon the express condition that Buyer shall keep such reports in the strictest confidence and at Bedford's request, enter into a separate confidentiality agreement.

15. Notices: Any notice in connection with these terms and conditions shall be addressed to the party at the address contained in the order. Either party shall have the right to designate in writing a different address to which any notice shall be delivered. Any notice (i) delivered personally shall be deemed to have been given at the time of delivery; (ii) sent by U.S. Mail shall be deemed to have been given three business days after posting; (iii) sent by overnight delivery service shall be deemed to have been given one day after posting; and (iv) sent by email or fax shall be deemed to have been given at the time of dispatch.

16. Assignment; No Third Party Beneficiary: Buyer will not assign, transfer or delegate any order accepted by Bedford for goods or any of its rights, duties, obligations, or related interests without Bedford's prior written approval. No person or entity will be a third party beneficiary of any order accepted by Bedford for goods.

17. No Waiver: Any failure or delay by either party in exercising any right or remedy in one or more instances will not prohibit the party from exercising it at a later time or from exercising any other right or remedy.

18. Severability: If a court or tribunal of competent jurisdiction holds any provision of these terms to be invalid, illegal, or unenforceable, the provision will be deemed severable and the invalidity, illegality, or unenforceability will not affect any other provision of these terms which must be enforced in accordance with the intent of these terms, however, a party adversely affected by such holding may terminate, effective immediately, without penalty, upon notice thereof to the other party, any order for goods which has been accepted by Bedford and which is adversely affected by such holding.

19. Independent Contractors: The parties agree that the relationship created by these terms is that of independent contractors.

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