

Black Label Ingredients Terms and Conditions of Sale for Customers

1. Application of Terms:

1.1: The contract of sale or any Product ordered pursuant to any contract of sale between Black Label Ingredients (BLI) and Buyer) shall be on these terms and conditions to the exclusion of all other terms and conditions (including any terms or conditions which Buyer purports to apply under any purchase order, confirmation of order, specifications or other document). BLI's acceptance and shipment of Buyer's order is expressly made conditional on Buyer's assent to the terms and conditions set forth herein. Customer's acceptance of any Products supplied by or on behalf of BLI shall, without limitation, constitute acceptance of these terms and conditions. Variations to these terms and conditions shall have no effect unless expressly agreed in writing by BLI. Buyer acknowledges that it has not relied on any statement, promise or representation made or given by BLI which is not set out in the contract of sale. Nothing in this condition shall exclude or limit BLI's liability for fraudulent misrepresentation.

2. Delivery:

2.1: Delivery shall be made in accordance with any terms agreed between BLI and Buyer but otherwise shall be made F.O.B./F.C.A. shipping point (Incoterms).

2.2: Title to any Products and risk of loss of such Products shall pass to Buyer upon delivery by BLI to carrier, unless agreed otherwise in writing or unless any of the Incoterms applicable provide otherwise. Any claims for losses or damage shall be made by Buyer director to carrier.

2.3: Buyer shall, unless agreed otherwise in writing, accept BLI delivering an excess or deficiency up to 10% of the weight or quantity of Product ordered and shall pay pro rata for the actual weight or quantity delivered.

2.4: Where Product is the subject of more than one delivery each delivery shall be treated as a separate contract. Failure to make a delivery or any breach of contract by BLI relating to a delivery shall not affect any remaining deliveries.

2.5: Failure to deliver on time shall not constitute a breach of contract.

2.6: In the absence of shipping and packing instructions, BLI shall use its own discretion in choice of carrier and method of packing. BLI shall not be responsible for insuring shipments unless specifically requested by Buyer and any insurance so requested shall be at Buyer's sole expense. Any delivery date quoted to Buyer is only an estimate based on present scheduling requirements. BLI shall have the right to make partial deliveries and to be paid, pro rata, for the Products so delivered notwithstanding the existence of a specific delivery schedule which is stated to be of the essence, nor of the fact that any partial delivery is made in advance of such schedule.

3. Security Interest; Costs of Collection:

3.1: To secure prompt payment of the purchase price for the Products, Buyer hereby grants to BLI a purchase money security interest in the Products and all proceeds thereof (together, the "Collateral"). BLI is hereby given a power of attorney to sign and file all necessary financing statements on behalf of Buyer with respect to the Collateral. BLI may authorize any third party to do such acts on behalf of BLI as BLI is authorized to do under this provision.

3.2: If, at any time, BLI incurs any legal expenses or other costs or expenses in connection with: (i) any litigation, contest, suit, dispute, proceeding or action in any way relating to the Collateral; (ii) any attempt by BLI to enforce any rights of BLI against Buyer or any other person which may be obligated to BLI hereunder; or (iii) any attempt to inspect, verify, protect, preserve, restore, collect, sell, liquidate or dispose of the Collateral; then, in any such event, the expenses and costs (including attorney's fees) relating to any of the foregoing events or actions shall be payable by Buyer on demand to BLI and shall be considered additional obligations hereunder secured by the Collateral. BLI reserves the right to revoke any credit extended to Buyer at any time, because of Buyer's failure to pay for any Products when due or for any reason deemed good and sufficient by BLI.

4. Price:

4.1: The price quoted or accepted by BLI is exclusive of sales tax and all other governmental taxes, duties, fees, charges, surcharges or levies now or hereinafter imposed under any present or future law relating to production, sale, delivery, possession, use or proceeds of Products, which shall be paid by Buyer. If such taxes or fees are paid or are required to be paid by BLI, the amount thereof shall be added to and become part of the price payable by Buyer hereunder, unless Buyer provides BLI with a valid tax exemption certificate. Where Product is supplied to Buyer free of tax or duty but such tax or duty shall subsequently be or become payable, then Buyer shall forthwith pay to the relevant authority the full amount of tax or duty due in respect of such Product and shall indemnify BLI against all liability in respect thereof. BLI reserves the right to make additional charges for special packaging, shipping and handling required to comply with manufacturer's specification, applicable U.S. Department of Transportation or other regulations to meet Buyer's requirements, or in the event of other circumstances beyond BLI's reasonable control.

4.2: BLI reserves the right to vary quoted or accepted prices for Products at any time prior to delivery by giving notice in writing to Buyer. Buyer shall be deemed to have accepted such variation in price unless Buyer cancels the order at least five (5) working days prior to the expected or requested shipment date.

4.3: BLI expressly disclaims any representation or warranty concerning "most favored customer" pricing that may appear in any of Buyer's documents in connection with the sale of any Products by BLI to Buyer.

5. Payment:

5.1: BLI may require payment on or before delivery. In the event of non-receipt of payment on or before delivery when required by BLI, BLI reserves the right (without prejudice to any other right or remedy) to suspend any deliveries due until such time as payment shall have been received.

5.2: BLI requires payment for all domestic and foreign shipments within terms listed on invoice from invoice date unless otherwise agreed in writing by BLI. All payments shall be made in U.S. Dollars.

5.3: BLI reserves the right to collect interest at a rate equal to the highest applicable lawful interest rate on invoiced amounts not paid within net terms of invoice date, with interest to accrue monthly until full payment is received. Buyer may not withhold payment or make any set-off on any account, but BLI may set-off any sums received from Buyer against any debt Buyer owes to BLI.

5.4: Accounts beyond agreed credit terms may be passed to a debt recovery agency and would therefore be subject to a surcharge to cover the costs of recovery.

6. Description, Quality and Purpose:

6.1: BLI warrants that Product supplied will materially comply with the provided Specifications but makes no other representation of warranty, express or implied (including implied warranties of merchantability and fitness for a particular purpose) concerning any product. All other guarantees, warranties, conditions and representations, either expressed or implied, whether arising under any statute, law, commercial usage or otherwise, are hereby excluded.

6.2: Any suggestion or representation concerning any possible use of Product made by BLI in literature or in any response to specific enquiry is given in good faith, but it is entirely for Buyer (and Buyer's customers) to satisfy themselves fully as to the suitability of Product for any particular purpose. No warranty or representation relating to such possible use shall be implied (whether by statute or otherwise) and shall be excluded, so far as legally permissible.

6.3: Buyer shall examine Product immediately upon delivery. Buyer shall notify BLI within ten days of delivery, (which Buyer agrees is a reasonable time) of any incomplete or failed delivery and of any loss or damage during carriage, failing which Buyer shall be treated as having waived all claims connected with such incomplete or failed delivery and all claims connected with such loss or damage.

6.4: If any delivery of Product materially fails to comply with the warranty given by BLI in clause 6.1, unless Buyer so notifies BLI within sixty (60) days of delivery, Buyer shall be deemed to have waived all claims connected with such failure.

6.5: Buyer shall have the right to return to BLI any Product that does not materially comply with Specifications in the event that the producer is at fault for such non-compliance. BLI shall be responsible for shipping costs incurred by Buyer in connection with returning non-compliant Products to BLI. Returned Products must be in original shipping cartons complete with all packing materials. If returned Products are claimed to be non-compliant, a complete description of the nature of the non-compliance must be included with the returned Products. No return of Products shall be accepted by BLI for reasons other than non-compliance without written authorization, which may be issued by BLI in its sole discretion. All Products for return shall be returned freight prepaid in the manner specified by BLI. If returned Products are claimed to be defective, a complete description of the nature of the defect must be included with the returned Products. Products not eligible for return shall be returned to Buyer, freight collect.

6.6: If, following notification by Buyer to BLI in accordance with the provisions of clause 6.4, it is shown to BLI's satisfaction that any delivery of Product materially fails to comply with the warranty given by BLI in clause 6.1; BLI shall be given a reasonable opportunity to correct such failure. If BLI does not or is unable to do so, BLI will, at BLI's sole option, either refund the price of the particular delivery (or, if Product has been used or put into a process, a reasonable part of that price), or replace the delivery in question (if reasonably practicable) within a reasonable time, free of charge. replacement product shall be supplied subject to these terms. Any delivery which is alleged not to comply with the Specification shall as far as possible be preserved for inspection by BLI.

6.7: BLI shall have no liability for any loss arising out of Products which conform to Specifications provided or accepted by Buyer which are agreed upon in writing by BLI; and no liability for any loss, whether the Products conform or not, to specifications not agreed upon in the above manner. BLI's remedies relating hereto shall be cumulative and in addition to any other remedies provided herein or by law or in equity.

6.8: BLI shall deny return of product from Buyer if Supplier denies return of product due to the nature of product. This includes 'made to order' products.

7. Limitation of Liability:

7.1: BLI shall use all reasonable endeavors to supply Product but shall not be liable to Buyer in any way for shortfall or delay in delivery due to Product being unavailable for whatever reason (including the acts and omissions of BLI, its employees and agents).

7.2: Without prejudice to any other limitation of BLI's liability which may exist:

7.2.1: in no circumstances whatever shall BLI be liable whether contractually or otherwise for indirect, economic or consequential loss, loss of profits, increased cost of working or use, process disruption or any third-party claims however arising in connection with the Product or its supply;

7.2.2: BLI's aggregate liability in respect of any claims arising in connection with the Product or its supply whether contractually or otherwise shall be limited to replacing Product found by BLI to be defective, or at BLI's option, to refunding the price of such Product provided; however, that the cost of such repaired or replaced Product shall not exceed the total value of the Contract.

7.3: Buyer shall indemnify BLI against all claims and liability for death, injury, damage and loss arising directly from the supply of Product to Buyer or from Buyer's breach of its obligations to BLI and against all expenses (including legal and experts' expenses) incurred in connection therewith.

7.4: The only rights and remedies of Buyer in respect of any Product supplied are set out in clause 6.

8. Force Majeure:

8.1: BLI shall not be liable for any failure to comply with its obligations to Buyer owing to any circumstances which BLI cannot control by taking such action as can be reasonably expected or owing to storm, flood, lightning, fire, explosion or escape of toxic or corrosive matter.

8.2: BLI may, without liability, where reasonable in all circumstances, suspend or terminate (in whole or in part) its obligations to Buyer if BLI's ability to supply or deliver Product, in each case by BLI's normal means, is impaired or if any government measure is taken or threatened which may prevent, hinder or delay the receipt by BLI of the full price of any Product or which may result in BLI bearing any expense or loss which BLI would not otherwise have borne.

9. Termination and Suspension:

9.1: BLI may (without prejudice to any other remedies) immediately terminate or suspend forthwith BLI's performance of the whole or any part of its obligations to Buyer, if:

9.1.1: Buyer is a corporation and has a receiver or administrator appointed or passes a resolution for winding up, liquidation, dissolution or suffers an order of court to that effect, or applies to a court for an interim order in connection with an assignment for the benefit of its creditors; or if Buyer is a partnership and the partnership is dissolved; or, if Buyer is an individual and a bankruptcy petition is filed by Buyer or if a bankruptcy petition is filed against Buyer, a filing of such a petition against it which is not dismissed within one hundred and twenty (120) days, its making a general assignment for the benefit of creditors, or seeking, consenting or acquiescing in the appointment of a trustee, receiver or liquidator for all or a substantial part of its property, the appointment of such a trustee, receiver or liquidator which is not vacated or stayed within one hundred and twenty (120) days, the sequestration by a court of competent jurisdiction of substantially all of its assets, it is adjudged bankrupt or insolvent, or has entered against him an order for relief, in any bankruptcy or insolvency proceeding, it files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature; or

9.1.2: Buyer becomes unable to pay debts as they fall due, or if an encumbrancer or creditor takes any steps to enforce a security given by Buyer; or if Buyer enters into any composition or arrangement with creditors;

9.1.3: Buyer fails to take delivery or pay for Product on the due date or is in material breach of any obligations to BLI; or

9.1.4: BLI has any reasonable ground for suspecting that any of the circumstances set out in sub-clauses 9.1.1 to 9.1.3 have occurred or may occur.

10. Health and Safety:

10.1: BLI may provide Buyer with health, safety and environmental information concerning Product.

10.2: Buyer shall ensure that all appropriate health, safety and environmental information is distributed to its employees, contractors and customers and is observed by those of its employees who require it for handling or use of Product.

11. Packaging:

11.1: Prices stated are based on BLI's supplier's standard packaging. Packaging will be standard commercial packaging and acceptable to commercial carrier. Special customer packaging will be furnished only when specified and so stated herein, and the cost thereof shall be borne by Buyer.

12. General:

12.1: These terms together with any terms agreed in writing by Buyer and BLI's authorized representative supersede all prior representations or understandings made in good faith and contain the entire agreement between the parties in connection with Product. Buyer irrevocably waives any right to claim damages for any innocent misrepresentation or nondisclosure or for breach of any collateral obligation. Unless BLI's authorized representative otherwise agrees in writing, these terms prevail over and exclude all other terms capable of being lawfully excluded, including but not limited to any terms contained in any documents issued by Buyer.

12.2: No contract between BLI and Buyer shall be assigned by Buyer without BLI's prior written consent.

12.3: Buyer shall be responsible for all storage, demurrage and other costs arising from Buyer's failure to comply with its obligations or refusal to accept Product complying with specifications.

12.4: No failure by BLI to enforce any of its rights shall be construed as a release of that right or of any other right nor shall such failure by BLI sanction any failure by Buyer to comply with its obligations.

12.5: Notices shall be in writing and sent by letter or facsimile message addressed to a party at its given address. Any letter notice shall be deemed to have been received at that time at which the letter would have been delivered in the ordinary course of post, or at the time of delivery if the notice was delivered personally, or at the time of receipt if transmitted by legible facsimile message with confirmation of receipt.

12.6: If any provision to the Contract is found by any court or tribunal to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable, it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the reviewing provisions of the Contract and the remainder of such provision shall continue in full force and effect.

13. Governing Law:

13.1: These Terms and Conditions are subject to all present and future valid orders, rules and regulations of any federal, state or any other governmental body having or asserting jurisdiction.

14. Termination, Cancellation and Changes:

14.1: Orders cannot be terminated, cancelled or modified, or shipment deferred after acceptance of Buyer's order by BLI, except with BLI's written consent and subject to reasonable charges for expenses incurred and work executed by BLI or its suppliers. Buyer shall be obligated to accept any portion of the Products shipped or delivered by BLI pending BLI's written approval of cancellation.