

BIOLOGICAL INDUSTRIES USA, INC.
TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE:

The terms and conditions of sale contained herein apply to all quotations made and purchase orders entered into by the Seller. Some of the terms set out here may differ from those in Buyer's purchase order and some may be new. This acceptance is conditional on Buyer's assent to the terms set out here in lieu of those in Buyer's purchase order. Seller's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions of this acceptance. Any change in the terms contained herein must be specifically agreed to in writing by an officer of the Seller before becoming binding on either the Seller or the Buyer. These terms shall be applicable whether or not they are attached to or enclosed with the products to be sold or sold hereunder.

2. PAYMENT:

(a) All invoices are due and payable thirty (30) days from the date of Air Waybill. No discounts are authorized. Shipments, Deliveries, and performance of work shall at all times be subject to the approval of the Seller and the Seller may at any time decline to make any shipments or deliveries or perform any work except upon receipt of payment or upon terms and conditions of security satisfactory to the Seller.

(b) If, in the Judgment of the Seller, the financial condition of buyer at any time does not justify continuation of production or shipment on the terms of payment originally specified, the Seller may require full or partial payment in advance and in the event of the bankruptcy or insolvency of the Buyer or in the event any proceeding is brought by or against the Buyer under; bankruptcy or insolvency laws, the Seller shall be entitled to cancel any order then outstanding and shall receive reimbursement for its cancellation charges.

(c) Each shipment shall be considered a separate and independent transaction, and payment therefore shall be made accordingly. If shipments are delayed by the Buyer, with consent of the Seller, payments shall become due on the date when the Seller is prepared to make shipment. If the work covered by the purchase order is delayed by the Buyer, with consent of the Seller, payments shall be made based on the purchase price and the percentage of completion. Products held for the buyer shall be at the risk and expense of the Buyer.

(d) Payment will be made in Israel according to the Seller's instructions. Without derogating from any right or remedy the Seller may have under law any amount not paid on time and in full shall bear interest from the date it became due and until the date of actual payment, at the maximum interest rate for the time prevailing at Bank Hapoalim in Israel.

3. TAXES:

The amount of any present or future sales, revenue, excise or other taxes, fees, or other charges of any nature, imposed by any public authority (national, state, local or other) applicable to the Products covered by the

order, or the manufacturer or sale thereof, shall be added to the purchase price and shall be paid by the Buyer, or in lieu thereof, the Buyer shall provide the Seller with a tax exemption certificate acceptable to the taxing authority.

4. DELIVERY:

(a) Where a period is named for delivery the Buyer shall take delivery within that period, unless otherwise expressly agreed by the parties in writing. The Buyer shall notify the Seller within 3 days of the arrival of the products at the port.

(b) Any time or date for delivery named by the Seller is an estimate only and is based upon prompt receipt from Buyer of all necessary information. In no event shall Seller be liable for re-procurement costs, nor for delay or non-delivery, due to causes beyond its reasonable control including, but not limited to, acts of civil or military authority, priorities, fires, strikes, lockouts, slowdowns, shortages, factory or labor conditions, errors in manufacture and inability due to causes beyond the Seller's reasonable control to obtain necessary labor, materials or manufacturing facilities. In the event of any such delay, the date of delivery shall at the request of the Seller, be deferred for a period equal to the time lost by reason of the delay.

(c) The Buyer at his own expense shall make provisions for the transport and/or collection of the Products from any port to which they may be sent by the Seller.

5. PASSING OF RISK AND PASSING OF TITLE:

(a) From the date of arrival of the Products, as such date is specified in the Air Waybill, the risk of any loss or damage or deterioration of the Products due to whatever cause, shall be borne by the Buyer.

(b) The title in the Products shall remain vested in the Seller until the full and total consideration thereof shall have been paid to the Seller. Until the said full and total payment, the Buyer shall hold, at its expense, the Products on behalf of the Seller as bailee.

6. WARRANTY:

(a) The Seller warrants that the products are free from defects in material and workmanship under normal use and service. Seller's obligations under this warranty are limited to replacing or giving credit for, at its option, at its factory, any of said Products which are after examination, disclosed to the Seller's satisfaction to be thus defective and which shall, at the Seller's option, be returned within 14 days after demand to the Seller's factory of origin, transportation charges repaid. The alleged defect, if any, shall not be a ground for cancellation of the remainder of the contract or order. This Warranty is expressed in lieu of all other warranties, expressed, statutory, or implied, including the implied warranties of merchantability and fitness for a particular purpose, and of all other obligations or liabilities on the Seller's part, and it neither assumes nor authorizes any other person to assume for the Seller any other liabilities in connection with the said Products or the sale thereof. This Warranty shall not apply to any Products which shall be subjected to misuse, negligence, or accident.

Liability of the Seller, if any hereunder, shall in no event exceed in amount of the purchase price of the Products sold with respect to which claims are made. Seller neither assumes nor authorizes any person to assume for it any other liability in connection with the sale or use of the Products sold hereunder, and there are no oral agreements or warranties collateral with or affecting this Agreement. Seller shall not for any reason whatsoever be liable for loss of production or profits, or for other consequential losses which may be suffered or alleged to have been suffered by Buyer.

(b) The replacement or the giving of credit in accordance with the provisions of this paragraph above is subject to the procedure dictated by the Seller's insurance policy regarding the same and to the complete and accurate compliance by the Buyer with the instructions given by the Seller regarding the same.

7. CLAIMS

No claims for damage in transit or loss of Products shall be entertained unless a complete claim in writing is given to the carrier concerned, and to the Seller and its agent (if any) within such time as will enable the compliance with the carrier's conditions of carriage as affecting damage in transit or loss of Products. Where Products are accepted from the carrier concerned without being checked, the delivery book of the carrier concerned must be signed "not examined".

8. GENERAL

(a) The sale of the Products by the Seller to the Buyer is subject to the length of the shelf-life of each Product as specified in the Seller's catalogue and, in the case of a specific order, according to such specific order.

(b) All disputes, differences or questions at any time arising between the parties as to the construction, validity and performance of these terms and conditions of sale or to sales hereunder or as to any matter or thing arising there of or in any way connected therewith shall be referred to the arbitration of a single arbitrator in Israel. The arbitrator shall be appointed at the request of either party by the Chairman, of the time being, of the Manufacturers Association of Israel.

(c) If any such disputes, differences or questions not be submitted to arbitration and decided by an arbitrator as aforesaid, the exclusive jurisdiction to deal therewith shall be vested in the Courts of Tel Aviv, Israel.

(d) These terms and conditions shall be subject to and construed in accordance with Israel law.

(e) If Buyer is in breach of its obligations under this contract sale. Buyer shall remain liable for all unpaid charges and sums due to Seller and shall reimburse Seller for all damages suffered or incurred by Seller as a result of Buyer's breach. The remedies provided herein shall be in addition to all other legal means and remedies available to Seller under these terms and conditions of sale and under law.