

BIONATURALS INTERNATIONAL LLC TERMS & CONDITIONS OF SALE

These terms and conditions govern the sale of products ("Products") by BioNaturals International LLC. ("BNI"). These Terms and Conditions ("Agreement") take precedence over Customer's additional or different terms and conditions to which notice of objection is hereby given. Acceptance by Customer is limited to these terms and conditions. Neither BNI's commencement of performance nor delivery shall be deemed or constituted as acceptance of Customer's additional or different terms and conditions.

1. Orders. All orders placed with BNI must be in a signed writing or by email and confirmed in a signed writing or by email. All orders must include delivery dates, quantities and complete description of Products being purchased. Orders will be binding upon BNI when received and accepted in writing by BNI. Any change of an order must be received no later than 10 business days before dispatch of products.

2. Price. The prices of the Products are those specified in BNI's Price List current at the time of BNI's acceptance of an order. BNI's Price List is subject to change without notice. Price quotations, unless otherwise stated, shall automatically expire thirty (30) calendar days from the date issued and may be canceled or amended within that period upon written notice to Customer.

3. Delivery, Shipment, Insurance

3.1. Ownership and risk of loss will transfer upon signature of Customer on the bills of lading. If a product is shipped by a freight carrier arranged by BNI any damages or risk of loss remains with the BNI until Customer signs bills of lading. BNI will file all claims for loss or damages associated with carriers BNI arranges. If Customer arranges the freight carrier, ownership, risk of loss and damages will transfer upon signature of bill of lading by Customer or their agent. Therefore, all shipping claims must be processed by the Customer with the shipping carrier. BNI is not responsible for goods lost or damaged in transit. BNI has the discretion to determine shipping location. Customer will take delivery of the product during the delivery period reflected on the sales confirmation and, unless otherwise indicated on the sales confirmation.

3.2. Upon request, BNI shall ship the Products, at Customer's expense, to the destination designated by Customer and shall use its best efforts to do so on the preferred shipment date. Customer shall have the right to specify the method of transportation for the Products and the common carrier to be used. Absent such specification, BNI shall ship the Products by a reliable common carrier of its own selection in order to meet the delivery schedule and invoice Customer for all applicable charges associated with such shipment. In no event shall BNI be liable for any delay in delivery, nor shall the carrier be deemed an agent of BNI.

3.3. All title to the Products delivered under this Agreement shall remain the property of BNI until it has received full payment for such Products. All risk of loss or damage etc. to such Products shall pass to Customer upon delivery of such Products to the shipper at BNI's factory. Delivery times are approximate and are dependent upon prompt receipt by BNI of all material and information necessary to proceed with work without interruption.

4. Terms of Payment.

4.1. Payment shall be due thirty (30) days after the date of the invoice unless otherwise agreed upon in writing. BNI may invoice each shipment separately and each shipment shall be considered a separate and individual contract. All payment shall be made in Euros.

4.2. All late payments shall be charged interest computed on a daily basis from the due date until paid in full at the rate of annualized rate of prime plus two (2) percent computed monthly, or portion thereof, of the amount due (but not to exceed the maximum lawful rate).

4.3. BNI reserves the right to establish and/or change credit and payment terms extended to Customer when, in BNI's sole opinion, Customer's financial condition or previous payment record warrants that action. Further, on delinquent account, BNI shall not be obligated to continue performance under any agreement with Customer.

4.4. BNI retains a security interest in the Products delivered to Customer, and in their accessories, replacements, accessions, proceeds and products, including accounts receivable (collectively, the "Collateral") to secure payment of all amounts due under this Agreement. If Customer fails to pay any amount when due, BNI shall have the right to repossess and remove all or any part of the Collateral from Customer. Any repossession or removal shall be without prejudice to any other remedy of BNI hereunder, at law or in equity. Customer agrees, from time to time, to take any act and execute and deliver any document (including, without limitation, financing statements) reasonably requested by BNI to transfer, create, perfect, preserve, protect and enforce this security interest. In the event of any seizure or attempted seizure of the security by a third party, the Customer shall point out BNI's ownership rights and promptly inform BNI. In the event of breach of contract by the Customer, in particular delay in payment, BNI shall have all rights provided by applicable law, including the unfettered right to reclaim the Products and, if necessary, to demand the assignment of the Customer's claims for possession against third parties.

4.5. The right of the Customer to withhold payments and/or any set off of the payment is excluded.

4.6. No payment shall be deemed to have been duly effected until it is credited to BNI's account No.49.53.47.795 with ABN AMRO Netherlands Bank.

5. Taxes and Duties. The Customer shall be solely responsible for, and shall pay, or reimburse BNI for, all taxes, duties, import deposit, assessments and other governmental charges, however designated, which are now or hereafter imposed under or by any governmental authority or agency, that are: (1) associated with the performance by BNI of its obligation hereunder; (2) associated with the payment of any amount by the Customer to BNI pursuant to this Agreement; (3) based on the Product or its use; or (4) relate to the import of the Product into the United States of America in accordance with then prevailing law or regulations.

6. Inspections. Final inspection shall be on Customer's premises, and shall be conducted within twenty-four (24) hours after arrival of the goods at Customer's premises. Goods rejected as not conforming to this Purchase Order shall be returned at BNI's expense, including transportation and handling costs. The Customer or its agent shall execute a certificate of inspection and acceptance at its own cost. Failure of the Customer to inspect shall constitute a waiver of the right of inspection, and shall be deemed acceptance of the Material as delivered for loading.

7. Governmental Authorizations.

7.1. The party that arranges for export shipment (or Customer's designated export agent) shall be responsible for the timely application in its own name for any required export license. Customer shall be responsible for timely obtaining and maintaining any required import license, exchange permit or any other governmental authorization. Customer and BNI shall assist each other when such help is reasonably possible. BNI shall not be liable if any authorization of any government is delayed, denied, revoked, restricted or not renewed, and Customer shall not be relieved thereby of its obligations to pay BNI for its Products or any other charges which are the obligation of the Customer hereunder.

7.2. All shipments hereunder shall at all times be subject to applicable export control laws and regulations. Customer agrees that it shall not make any disposition of goods purchased from BNI, by way of transshipment, re-export, diversion or otherwise, other than in and to the ultimate country of destination specified on Customer's order or declared as the country of ultimate destination on BNI's invoices, except as said laws and regulations may expressly permit.

8. Excusable Delays (Force Majeure)

8.1. BNI shall not be liable for delays in delivery or failure to perform due directly or indirectly to (i) causes beyond BNI's reasonable control, (ii) acts of God, acts (including failure to act) of any governmental authority (de jure or de facto), wars (declared or undeclared), governmental priorities, port congestion, riots, revolutions, all kind of strikes strikes or other labor disputes, fires, floods, sabotage,

nuclear incidents, earthquakes, storms, epidemics, or (iii) inability due to causes beyond BNI's reasonable control timely to obtain either necessary and proper labor, materials, components, facilities, energy, fuel, transportation, governmental authorizations or instructions, material or information required from the Customer. The foregoing shall apply even though any of such causes exists at the time of the order or occurs after BNI's performance of its obligations is delayed for other causes.

8.2. BNI shall notify Customer of any delay or failure excused by this Article and shall specify the revised delivery date as soon as practicable. In the event of such delay, subject to Article 8.3 of this Agreement, there shall be no termination and the time of delivery or of performance shall be extended for a period equal to the time lost by BNI by reason of the delay.

9. Warranties

9.1. BNI warrants that Products manufactured or sold by BNI shall be free from material defects in material, workmanship, and title, and shall be of the kind and quality specified or designated by BNI. BNI makes no warranties of any kind expressed or implied, concerning the safe use of this product in Customer's process or combination with any other substances. Effects can be aggravated by other materials and/or this material may aggravate or add to the effects of other materials.

9.2. BNI's response to any questionnaires or other written inquiries, queries or requests from Customer shall not be construed as additional warranties by BNI.

9.3. BNI's obligations, set forth below, shall apply only to those failures which occur during the period of consumption of the shipped Goods and which are covered by the foregoing warranties (except as to title) pursuant to Article 3 of which BNI is given written notice within one (1) week of such occurrence and provided the Product or part thereof is made available to BNI as specified by BNI. Products returned to BNI without BNI's prior written agreement, are subject to a 15 % handling fee.

9.4. If any Product or part thereof fails to meet the foregoing warranties (except as to title), BNI shall replace same, on the same basis as described in Article 3. Any such failure shall not be cause for the extension of the duration of the warranty specified in this Article 6. If such failure or defect cannot be corrected by BNI's reasonable efforts, the parties shall negotiate an equitable adjustment.

9.5. BNI's obligations under Article 9.3 above shall not apply to any Product, or part thereof, which (i) is normally consumed in operation, or (ii) has a normal life inherently shorter than the warranty period specified in Article 6.1, or (iii) is not properly stored, installed, used, maintained or repaired or is modified other than pursuant to BNI's instructions or approval, or (iv) has been subjected to any other kind of misuse or detrimental exposure, or has been involved in an accident.

9.6. With respect to any Products not manufactured by BNI (except for integral parts of BNI's Products to which the warranties set forth above shall apply). BNI gives no warranty, and only the warranty, if any, given by the manufacturer shall apply.

9.7. Subject to Article 10, this Article sets forth the exclusive remedies for claims based upon defects in or nonconformity of the products, whether the claim is in contract, warranty, tort (including negligence) or otherwise. The foregoing warranties are in lieu of all other warranties, whether oral, written, express, implied or statutory. No implied or statutory warranties of merchantability or fitness for particular purpose shall apply.

10. Limitations of Liability

10.1. The total liability of BNI, including its subcontractors or suppliers, on any and all claims, whether in contract, warranty, tort (including negligence or patent infringement) or otherwise, arising out of, connected with, or resulting from the performance or nonperformance of any agreement resulting herefrom or from the manufacture, sale, delivery, resale, repair, replacement or use of any Product or the furnishing of any service, shall not exceed the price allocable to the Product or service which gives rise to the claim, or Euros 150,000, whichever is lower. Except as to title, any such liability shall terminate upon the expiration of the warranty period specified in Article 7.

10.2. In no event, whether as a result of breach of contract, warranty, tort (including negligence or patent infringement) or otherwise, shall BNI, or its subcontractors or suppliers, be liable for any special, consequential, incidental, indirect or exemplary damages, including, but not limited to, loss of profit or revenues, loss of use of the Products or any associated equipment, cost of capital, cost of substitute goods, facilities, services or replacement power, downtime costs or claims of Customer's customers for such damages.

10.3. The provision of this Article shall apply to the full extent permitted by law and regardless of fault and shall survive either termination or cancellation of this contract.

11. Choice of Law and Forum. Regardless of the place of contracting, place of performance, or otherwise, this Agreement and all amendments, modifications, alterations or supplements hereto, and the rights of the parties hereunder shall be construed and governed by the laws of the Commonwealth of Virginia, except for its conflict of law provisions. Furthermore, the application of the United Nations Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) shall be excluded.

11.1. The parties agree that any dispute, controversy or claim arising under or in connection with this agreement or its performance by either party shall be decided exclusively by and in the state courts of Hanover County, VA or the federal court of the Eastern District of Virginia. For such purpose, each party hereby submits to the personal jurisdiction of the state and federal courts sitting in the Commonwealth of Virginia, and agrees that service of process may be completed and shall be effective and binding upon the party served if mailed by certified mail, return receipt requested, postage prepaid and properly addressed to the party as set forth elsewhere in this agreement. Each party waives any objection to the personal jurisdiction of such courts and agrees that it shall be barred from asserting any such objection, as long as any process is served in accordance with the foregoing. In the event that a party refuses to accept delivery of such process, then process may be served upon the Secretary of the Commonwealth of Virginia in the same fashion, whereupon such service shall be deemed to have been made upon the refusing party as fully as if process had been accepted. Each party hereby agrees to and does hereby waive any right to assert or move for transfer of venue to any court outside the Commonwealth of Virginia, based upon the doctrine of forum nonconveniens or otherwise. Each party further acknowledges and agrees that this paragraph has been negotiated at arms' length with the assistance of counsel and the legal effect fully explained, and that it is a knowing and voluntary agreement.

12. Miscellaneous

12.1. Cancellation. Customer may cancel an order only upon paying BNI its termination charges determined in accordance with BNI's standard accounting practices upon submission of BNI's invoices therefor. Cancellation of an order shall not relieve either party of any obligation arising out of work performed prior to termination.

12.2. Modifications and Amendments. This Agreement shall not be modified or amended except by written instrument signed by authorized representatives of both parties hereto.

12.3. Entirety of Agreement. This Agreement comprises the entire agreement between the parties, and there are no agreements, understandings, promises, or conditions, oral or written, express or implied, concerning the subject matter, or in consideration hereof, that are not merged herein and superseded hereby. In particular, responses to questionnaires or other written inquiries, queries or requests from Customer shall not modify the terms of this Agreement. A representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on BNI.

12.4. Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned by either Party without written consent of each of the Parties.

12.5. Severability. The invalidity, in whole or in parts of any Article or Paragraph therefore shall not affect the validity of the remainder of Article or Paragraph thereof of this Agreement, or of the Agreement as a whole.

12.6. Notice. Any notice, demand, request, statement or other writing required or permitted by this Agreement shall be deemed to have been sufficiently given when personally delivered, mailed by certified or registered mail, postage prepaid to the other party at the following address or transmitted by confirmed facsimile to the facsimile number below, or such other address or facsimile number as the parties may from time to time notify each other of in writing:

BioNaturals International, LLC, 105 Duncan Street, Ashland, VA 23005, U.S.A., Phone: (804) 368-7393, Fax: (804) 545-5479