

ISOFLEX USA

General Terms and Conditions of Sale

All orders are accepted and shipped strictly subject to these General Terms and Conditions unless otherwise specifically waived or subordinated in writing by an authorized representative of ISOFLEX. The term "ISOFLEX" as used herein shall refer, as the case may be, to ISOFLEX USA, San Francisco, and/or JSC JV ISOFLEX, Moscow, Russian Federation.

Pricing, Shipping Charges, Taxes and Duties:

Prices are subject to change without notice; any quoted prices shall remain valid for 30 days from date of quotation. Quoted prices include the cost of the item, delivery and insurance on a CIP basis (Carriage and Insurance Paid to named destination— INCOTERMS 2000), unless otherwise noted in writing. Quoted prices do not include applicable federal, state or local taxes, nor import duties or related import charges of any kind. Such charges, whether collected and paid by ISOFLEX, or paid directly by the Customer, are in addition to quoted prices and remain the responsibility of the Customer.

Shipment Method and Terms:

All orders are shipped via air courier, unless otherwise specified. Customer is required to provide specific instructions relating to the person or department responsible for receiving the shipment. All quoted scheduled shipment dates are approximate and subject to delays caused by fire, strike, or other labor disturbances, acts of God, shortages of material, failure of supplier to satisfactorily meet scheduled deliveries, or any other factor or event beyond ISOFLEX's reasonable control, none of which factors or events shall give rise to any liability on the part of ISOFLEX. In no event shall ISOFLEX be liable for consequential or other damages for any delay in delivery.

Payment and Impairment of Credit:

Net payment in United States dollars (USD), unless otherwise specified in writing, is due thirty (30) days from date of goods delivery as indicated by the air courier. Interest at the rate of 10% per annum shall be charged from the 31st day following delivery on any outstanding balances, to date of receipt of good funds in ISOFLEX's bank account. Customer shall be liable for any costs of collection incurred by ISOFLEX, including reasonable attorneys' fees. ISOFLEX reserves the right to demand cash in advance on any sales. Customer acknowledges that ISOFLEX shall retain a valid and enforceable lien interest on all goods delivered until payment in good funds has been received.

Certificate of Analysis and Material Safety Data Sheet (MSDS):

All goods shipped are accompanied by a Certificate of Analysis containing information provided to ISOFLEX by its manufacturers. The analysis is specific to the actual lot of material shipped and is not a general specification, unless so stated. Material Safety Data Sheets will be supplied upon specific request of Customer. MSDS are prepared by ISOFLEX's technical staff based upon knowledge and information available, and are offered solely for the Customer's information, without liability on the part of ISOFLEX.

Hazards:

When a material shipped by ISOFLEX has been classified as hazardous, it must be handled only by qualified and trained personnel. When ordering and purchasing such hazardous materials from ISOFLEX, Customer represents and warrants that: (a) it is fully aware about the health and safety hazards associated with the handling of such ordered materials; (b) it has in place the necessary industrial hygiene controls to protect its employees from such health and safety hazards; and (c) it understands and acknowledges applicable government regulations and the need to adequately warn its employees of the health and safety hazards associated with such materials.

Warranty Matters:

ISOFLEX warrants to Customer, for a period of thirty (30) days after the materials are received by Customer ("the Warranty Period"), that its products meet the specifications described in the Certificate(s) of Analysis accompanying shipment of the goods purchased. ISOFLEX does not guarantee any end-use results for any of its products. All claims for errors, defects, or damaged materials against ISOFLEX must be made by Customer in writing during the Warranty Period. Any claims not satisfying this condition shall be deemed waived. The obligations of ISOFLEX under its Warranty shall be limited to replacing defective materials, or allowing credit, at ISOFLEX's option, provided the Customer gives ISOFLEX prompt notice of the defects during the Warranty Period, and, if required by ISOFLEX, returns the goods to ISOFLEX. No claim will be allowed by ISOFLEX for any materials claimed by the customer to be defective or unsuitable unless ISOFLEX is permitted to examine the product before final use or processing by the Customer. All errors, defects, or damaged materials claimed by Customer must be confirmed by ISOFLEX's inspection. In the event ISOFLEX and Customer are unable to reach an amicable solution to the claim, the goods in question may be examined by a third party acceptable to both ISOFLEX and Customer and whose opinion shall be conclusive for purposes of perfecting or rejecting Customer's claim. Goods returned without permission of ISOFLEX will not be accepted for credit and will be returned freight collect to the Customer. ISOFLEX shall have the right to remedy such defects at such time or times as may be reasonable. Customer's exclusive remedy, for any cause or claim whatsoever, including but not limited to alleged breach of warranty, product liability, negligence, or otherwise, shall be for money damages in an amount not to exceed the purchase price paid by the Customer for the product in respect to which the claim is made. In no event shall ISOFLEX be liable for special, incidental or consequential damages, whether Customer's claim is in contract, for negligence, strict liability or otherwise. In consideration of the sale of the product to Customer, which sale ISOFLEX would not otherwise make, Customer agrees to indemnify and hold ISOFLEX harmless from all claims, expenses, losses and liability of any nature whatsoever arising out of the Customer's purchase, handling and/or use of the product, whether used alone or in combination with any other substance.

Dispute Resolution:

In accepting a quotation and subsequent delivery of product(s) from ISOFLEX, Customer agrees that any unresolved controversy or claim arising out of or relating to such quotation and subsequent delivery, or other alleged breach or failure on the part of ISOFLEX, shall be settled by binding arbitration conducted in San Francisco, California, USA, unless otherwise agreed in writing between the parties. Arbitration shall be conducted in accordance with, and by a single arbitrator appointed pursuant to, the Rules of the American Arbitration Association in effect at the time. Discovery pursuant to California Code of Civil Procedure Section 1283.05 shall be available to the parties. Judgment upon an award rendered pursuant thereto shall be binding and final and may be entered in any court having jurisdiction. Such arbitration shall be final and binding and shall be enforceable by judgment of the Superior Court or similar court having jurisdiction. Notwithstanding any provision of the rules or statutes mentioned above to the contrary, the failure of any party to appear at or participate in any hearing or other portion of any arbitration proceeding pursuant to this section shall not prevent any such hearing or proceeding from going forward, and the arbitrator is empowered to make a decision and/or render an award *ex parte* which shall be binding on that party as though that party had participated fully in the hearing or proceeding. Each party involved in any arbitration proceeding pursuant to this section shall pay its own expenses in connection therewith. The cost of conducting the arbitration proceeding shall be borne by the losing party.