

AQUIONICS INC.
TERMS AND CONDITIONS OF SALE

1. GENERAL: Any quotation, contract, or acceptance of order issued by Aquionics Inc. (the "Company") in relation to the sale or supply of goods of any description shall, unless otherwise specifically agreed in writing by an authorized officer or agent of the Company, be subject to the following terms and conditions (the "Terms & Conditions").

2. CONDITIONS: These Terms & Conditions subject to and together with any specific terms set out on the attached quotation or acceptance of order or in any other document issued by the Company and specified in the attached quotation or acceptance of order, shall constitute the entire contract between the Company, and the purchaser (the "Purchaser"). Acceptance of any quotation shall be limited to the terms of the quotation including these Terms & Conditions. Where these Terms & Conditions are submitted in response to or in acceptance of an order, acceptance is conditional on Purchaser's assent to these Terms & Conditions. These Terms & Conditions shall override and supersede any previous agreement or arrangement between the Company and the Purchaser in relation to the subject matter of the quotation, contract, or order, and in particular shall override and exclude any terms or conditions at any time imposed by the Purchaser. Unless the Purchaser notifies the Company to the contrary within five (5) days after receiving the Company's acceptance of order, the Purchaser shall be deemed to have accepted that these Terms & Conditions will apply to that order, and the Company may rely on that in performing its part of any contract, order, or agreement.

3. VARIATION TO CONDITIONS: No variation of these Terms & Conditions shall be effective or binding upon the Company unless it is in writing and signed by an authorized officer or agent of the Company.

4. QUOTATIONS AND ORDERS:

- (a) Where the Company has issued a written quotation, a contract shall only come into existence if the Company receives an order which complies with and accepts these Terms & Conditions within the period stated in the quotation.
- (b) In cases other than where the Company issues a quotation, a contract will only come into existence when the Company mails or otherwise transmits its written acceptance of order and the Purchaser has assented to these Terms & Conditions as provided in Section 2, above.
- (c) Any quotation made by the Company is subject to satisfactory trade and credit references, and shall remain open for acceptance for thirty (30) days after the date thereof, after which time it shall cease to be binding on the Company. Any quotation is subject to revision for errors and omissions.
- (d) The placement of all orders must be accompanied by sufficient information to enable the Company upon acceptance to proceed forthwith.

- (e) The Company will not in any event be obliged to execute any order received other than in writing.

5. WARRANTY, AQUIONICS PRODUCTS: The Company warrants title to the product(s) and, except as noted below with respect to items not bearing the Company's brand, also warrants the product(s) on date of shipment to Purchaser, to be of the kind and quality described, merchantable, and free of defects in workmanship and material.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES FROM THE COMPANY OR THE MANUFACTURER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS, AND CONSTITUTES THE ONLY WARRANTY WITH RESPECT TO THE PRODUCT(S) AND NO OTHER WARRANTY IS GIVEN WHICH EXTENDS BEYOND THE DESCRIPTION ON THE FACE OF THE COMPANY'S QUOTATION OR ACCEPTANCE FORM.

This warranty shall remain in effect for a period of one (1) year from date of initial operation or eighteen (18) months from date of shipment, whichever is earlier.

6. DISCLAIMER OF WARRANTY, OTHER PRODUCTS: ANY SEPARATELY LISTED ITEM OF THE PRODUCT(S) WHICH IS NOT AN AQUIONICS BRANDED PRODUCT IS NOT WARRANTED BY THE COMPANY, and shall be covered only by the express warranty, if any, of the manufacturer thereof. As between Purchasers and the Company, such products are sold AS IS, and NO IMPLIED WARRANTY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS IS GIVEN AND NO OTHER WARRANTY IS GIVEN EXTENDING BEYOND THE DESCRIPTION ON THE FACE OF THE COMPANY'S QUOTATION OR ACCEPTANCE FORM.

The Company will in respect of such goods use reasonable efforts to pass on to the Purchaser, at the Purchaser's cost, the benefit of any guarantee provided by the manufacturer or supplier of such goods but not so as to impose on the Company any liability in respect thereof.

7. SPECIFICATIONS, DESCRIPTIONS AND PERFORMANCE:

- (a) All specifications, drawings, and particulars of weight and dimensions submitted with the Company's quotations are approximate where tolerances are not shown.
- (b) Any data, printed matter, designs, drawings, specifications, advertisements, or catalogues supplied to the Purchaser before or after the date of order are subject to alteration without notice and represent only a general guide to the goods and services described therein. All

such documents or data are not representations or warranties of fact nor shall they form the basis of any contract.

8. PRICE VARIATIONS:

- (a) The Company shall have the right to increase contract prices to reflect any increase in costs arising after the date of any quotation as a result of:
 - (i) any alteration in or addition to the Purchaser's requirements;
 - (ii) the Purchaser's instructions or lack of instructions;
 - (iii) any interruptions, delays, overtime work, mistakes, alterations arising from the work of other contractors found to be outside agreed tolerances, delays caused by other contractors, and any other cause for which the Company is not directly responsible; and/or
 - (iv) any increase in any tax, duty or levy imposed on goods or services which affect contract prices in any manner.
- (b) All quotations are subject to availability of goods and materials.

9. SHIPMENT AND DELIVERY: Terms of delivery are CPT (Carriage Paid Terms). Risk of loss and title shall pass to Purchaser upon delivery of product to the carrier. Unless specifically otherwise set forth, prices do not include the cost of freight or handling, or cost or charges for insurance or any production, sales, use, transfer, transportation, excise or other tax, tariffs, or custom duties, and Purchaser shall pay directly or be charged by the Company for all such costs and/or charges in addition to the price(s) of the product supplied hereunder and Purchaser shall be obligated to pay such charges and costs on the same terms as apply to payment of the price(s) hereunder.

The Company may make partial shipments.

10. SPECIAL SHIPPING DEVICES: The Company has the right to add to the invoice, as a separate item, the value of any special shipping device (tarpaulin, cradle, crib and the like) used to contain or protect the product(s) invoiced, while in transit.

11. DELAYS:

- (a) Times quoted for shipment or delivery are to be reckoned from the date of the Company's official acceptance of the Purchaser's order, or (if later) from the date of receipt of all information necessary to enable the Company to proceed forthwith.
- (b) Any date given by the Company for delivery of goods or completion of services is given as an estimate only and shall not constitute a term of any contract between the Company and the Purchaser and any delay in delivery or completion shall not constitute a breach of contract. While the Company will use reasonable efforts to meet such estimates, it reserves the right to amend given dates without prior notification.

(c) Without prejudice to the foregoing, delivery or completion may in any event be delayed, suspended, cancelled, or terminated without liability on the part of the Company if it suffers delay in performance due to any cause beyond its control, including but not limited to a pandemic, epidemic, act of God, war, act or failure of government, act or omission of Purchaser, fire, flood, strike or labor trouble, sabotage, or inability to obtain from suitable sources services, materials, components, equipment or transportation. Company will give Purchaser written notice within a reasonable time after Company becomes aware of any such delay.

(d) The Company shall not be liable, under any circumstances, for any direct, indirect, special, incidental or consequential losses, costs or penalties incurred or suffered by the Purchaser as a result of the Company's inability or failure for any reason to meet specified delivery or installation dates.

12. PURCHASER DATA: Timely performance by the Company is contingent upon Purchaser's supplying to the Company, when needed, all required technical information including drawing approval, and all required commercial documentation.

13. STORAGE: Any item of the product(s) on which manufacture or shipment is delayed by causes within Purchaser's control, or by causes which affect Purchaser's ability to receive the product(s), may be placed in storage by the Company for Purchaser's account and risk, either at the Company's own facility or elsewhere on the Purchaser's behalf, and all resulting charges for storage, insurance, transport and/or demurrage (including the Company's charge for storage) and incidental expenses shall be payable by the Purchaser. The goods may be invoiced on the day they are put into storage, and, for the purposes of payment by the Purchaser and the Company's liability hereunder, the goods shall be deemed to have been delivered and the risk of loss shall pass to the Purchaser on that day.

14. GOODS IN TRANSIT: The Company shall not be liable for any loss or damage to goods in transit or for any shortage on delivery. The Company will use all reasonable efforts to pass to the benefit of any claim the Company may have against any carrier provided the Purchaser (a) gives the Company and the carrier written notice of damage or shortage within three (3) days of the date of arrival of the goods; (b) complies with all conditions imposed by the carrier; and (c) takes such other steps (including where applicable giving shorter notice to the carrier) as are necessary to preserve a claim against the carrier.

15. TERMS OF PAYMENT: Terms of Payment are net cash 30 days. The Company, at its sole discretion, may choose to apply a service charge of 1 1/2 % per month for past due accounts.

16. TITLE AND RISK OF LOSS: Title to the product(s) and risk of loss or damage shall pass to Purchaser upon transfer of the product to the carrier (i.e., F.O.B. origin).

17. DEFAULT BY PURCHASER; REMEDIES:

- (a) If the Purchaser shall fail to pay the contract price and any delivery or other charges in full in accordance with these Terms & Conditions or to fulfill any of its obligations hereunder, or if the Purchaser shall make or offer to

make any arrangements or compromise with its creditors, or if any petition or order for relief in bankruptcy (whether state or federal) shall be filed by or against the Purchaser or if the Purchaser shall make any resolution or petition to wind up Purchaser's business (other than for the purpose of merger or reorganization) or if the Purchaser's property or assets or any part thereof shall be subject to a receivership, or if at any time it shall come to notice of the Company that the Purchaser is or is likely to be unable to meet its obligations in full due, Purchaser shall be in breach of this agreement and the Company shall have the right to forthwith to terminate or cancel any contract then subsisting with the Purchaser and upon written notice of such termination or cancellation being mailed by the Company to the Purchaser's last known address any such contract shall be deemed to have been terminated or cancelled but without prejudice to any other rights or remedies available to the Company.

- (b) Upon termination or cancellation of any contract pursuant to subparagraph (a) above, the Company shall (without prejudice to any other rights or remedies available to it) be entitled if it so elects to repossess at the Purchaser's expense any goods which may have been delivered to, but not paid for by, the Purchaser.
- (c) Notwithstanding the provisions of subparagraph (b) above and of Section 16 hereof, the Company may upon termination or cancellation pursuant to subparagraph (a) above elect to treat the property in any goods which have been partly or wholly completed as having passed to the Purchaser notwithstanding that the same may not have been delivered and in such case the Company shall be entitled (without prejudice to any other rights or remedies available to it) to recover from the Purchaser the whole or any unpaid part of the contract price and any other charges.
- (d) Purchaser agrees to pay the Company the cost of collection of overdue invoices, including, without limitation, attorneys' fees. The Company retains a security interest in all goods delivered under this order to secure payment of amounts due in respect thereof and the Company shall, in the event of Purchaser's default, have the right to repossess such equipment. The Company shall, in addition to the rights and remedies herein set forth, be entitled to all rights and remedies provided for in the Uniform Commercial Code and other applicable law as from time to time amended, and at equity.

18. EXCLUSIVE REMEDY, LIMITATIONS OF LIABILITY:

- (a) The Company's sole obligation and liability is limited to the repair or replacement at its factory, at the Company's option, of any such product which proves defective within one (1) year after the material or workmanship by the Company's inspection. Except as specified in this Section 18, the Company shall not be liable for any costs Purchaser may encounter from lost field labor, time penalty charges, or any other cause arising after delivery of product, regardless of cause. Purchaser agrees that (1) any technical advice, information, suggestions, or recommendations given to Purchaser by the Company or any representative of the Company with respect to the product or the suitability or desirability of the product for any

particular use or application are based solely on the general knowledge of the Company, are intended for information guidance only, and do not constitute any representation or warranty by the Company that the product shall in fact be suitable or desirable for any particular use or application; (2) Purchaser takes sole responsibility for the use and applications to which the product is put and Purchaser shall conduct all testing and analysis necessary to validate the use and application to which Purchaser puts the product for which Purchaser may recommend the use or application of the product by others; and (3) the characteristics, specifications, and/or properties of the product may be affected by the processing, treatment, handling, and/or manufacturing of the product by Purchaser or others and the Company takes no responsibility for the nature or consequence of such operations or as to the suitability of the product for the purposes intended to be used by Purchaser or others after being subjected to such operations. THE COMPANY MAKES NO OTHER WARRANTY EXPRESS OR IMPLIED, OF THE PRODUCT SUPPLIED HEREUNDER, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. THE COMPANY SHALL HAVE NO LIABILITY FOR LOSS OF PROFITS, OR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES UNDER ANY CIRCUMSTANCES OR LEGAL THEORY, WHETHER BASED ON NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, TORT, CONTRACT, OR OTHERWISE. THE COMPANY SHALL IN NO EVENT BE LIABLE IN RESPECT OF THIS ORDER AND/OR PRODUCT DELIVERED ON ACCOUNT OF THIS ORDER FOR ANY AMOUNT GREATER THAN THAT PAID TO THE COMPANY ON ACCOUNT OF THIS ORDER.

- (b) Purchaser's remedies hereunder are subject to the following conditions:
 - (i) The defect must appear and prompt written notice of the defect must be received by the Company within one (1) year of the date of shipment of the product(s) and within one year from the date of initial operation of the product(s); and
 - (ii) The product(s) must have been installed and at all times operated in accordance with the Company's recommendations or, in the absence of such recommendations, in a proper manner and
 - (iii) The default or defect must derive solely from the product's faulty design, materials or workmanship, and not wholly or partly as a result of negligence, incorrect or improper storage, maintenance, use or handling by any person, or any cause outside the control of the Company; and
 - (iv) The goods must not have been modified, disassembled, repaired or altered without the Company's express, written consent; and
 - (v) Upon demand, the defective goods or parts must be returned to the Company, shipping prepaid; and

(vi) All returned goods and parts must be accompanied by a certificate stating that they are clean and free of contamination.

- (c) THE COMPANY, WHETHER IN TORT OR UNDER ANY OTHER LEGAL THEORY SHALL NOT BE LIABLE, FOR LOSE OF USE, REVENUE OR PROFIT, OR FOR COST OF CAPITAL OR OF SUBSTITUTE USE OR PERFORMANCE, OR FOR INCIDENTAL, DIRECT OR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF SIMILAR TYPE, OR FOR CLAIMS BY PURCHASER FOR DAMAGES OF PURCHASER'S CUSTOMERS ARISING AS A RESULT OF OR IN CONNECTION WITH THE SALE OF GOODS OR SERVICES HEREUNDER OR THEIR INSTALLATION OR USE OR ANYTHING DONE OR OMITTED TO BE DONE IN CONNECTION THEREWITH. Likewise, the Company shall not, under any circumstances, be liable for the fault, negligence, or wrongful acts of Purchaser or Purchaser's employees or Purchaser's contractors or other suppliers.
- (d) If any of the limitations of liability contained in this agreement is held not to be valid as being unconscionable and contrary to the public policy, but would be valid if part of the wording were deleted or its extent reduced or modified, then such limitations on liability shall apply with such modifications as may be necessary to make the same enforceable.
- (e) The provisions of this Section 18 shall apply to any replacement goods and parts supplied by the Company, except that the time limitations herein shall apply from the date of the original shipment or operation.

19. **SEPARATE ITEMS:** The Company may if it so elects treat each item separately priced on a quotation as the subject of a separate contract and in such case these Terms & Conditions shall apply independently to each item.

20. **WAIVER:** Any express or implied waiver by the Company of any term or condition of this contract or of any breach or default by the Purchaser may be terminated by the Company at this time. No such waiver shall constitute a continuing waiver nor shall it prevent the Company from acting upon that or any subsequent breach or default or from enforcing any these Terms & Conditions.

21. **COMPLIANCE WITH OFFICIAL REQUIREMENTS:** The Company will comply with all laws applicable to the Company. Compliance with OSHA or similar federal, state, or local laws during operation or use of the product(s) is the sole responsibility of the Purchaser. Except as provided in Section 23 with regard to Patents, the Purchaser shall be exclusively responsible for ascertaining that any goods ordered from the Company and designs supplied or specified by the Purchaser do not infringe any letters patent, registered designs, and other rights vested in a third party or and statute, order, regulations, by-laws or other requirement for the time being in force. The Purchaser shall indemnify the Company against all claims, damages, penalties, costs and expenses for which the Company may become liable for any such infringement.

22. **ANTI-CORRUPTION:** Purchaser shall ensure that the goods will not be received, imported, exported, re-exported, transferred, sold or used except in compliance with all applicable laws relating to anti-corruption and bribery, as they may be amended from time to time, including, without limitation, the United States Foreign Corrupt Practices Act of 1977 and other similar laws of the United States and any other applicable jurisdictions in which Seller is established or conducts business (collectively, "Anti-Corruption Laws").

- a) Without limiting its obligations under these Terms & Conditions, the Purchaser shall:
- i. comply with the Company's code of conduct relating to bribery and corruption which may be found on the Company's partner company website (www.halma.com);
 - ii. have in place its own policies and procedures to ensure compliance with this Section 22 and the anti-corruption and export controls obligations hereunder;
 - iii. on reasonable request confirm in writing to the Company that it has complied with the requirements of this Section 22 and the Anti-Corruption Laws, and, if so requested, allow the Company to verify this compliance by way of an audit of its records;
 - iv. immediately inform the Company if it suspects or becomes aware of any breach of this Section 22 and the Anti-Corruption Laws by one of its employees, subcontractors, agents, consultants or other intermediaries and provide detailed information to the Company about the breach; and
 - v. indemnify the Company against all costs, expenses and losses that the Company incurs or suffers as a result of any breach by the Purchaser of any of its obligations under this Section 22 and the Anti-Corruption Laws.

If the Purchaser breaches this Section 22 or any Anti-Corruption Laws, the Company will have the right to terminate this Agreement with immediate effect on serving notice to the Purchaser and the Company will have no Liability to the Distributor in respect of such termination for payment of damages or any other form of compensation.

23. **PATENTS:** Purchaser shall notify the Company of any claim that the design of construction of the product(s) as furnished infringes a United States patent. The Company shall pay all costs and damages finally awarded in any suit against Purchaser or its vendees to the extent based upon a finding that the design or construction of the product(s) as furnished infringes a United States patent, (except infringement occurring as a result of incorporating a design or modification at Purchaser's request or any claim that the use of the product(s) infringes a process or method claim of any patent), provided that Purchaser promptly notifies the Company of any claim of infringement, and provided that the Company is given sole right to settle such claim and to defend or control the defenses of any suit based upon such claim. **THIS SECTION SETS FORTH THE COMPANY'S EXCLUSIVE LIABILITY WITH RESPECT TO PATENTS.**

24. **NONCANCELLATION:** Purchaser may not cancel or terminate for convenience, or direct suspension of manufacture without the prior written consent of the Company and Purchaser shall in any case pay all costs of materials, labor and associated overhead and shipping incurred to the date of such written approval.

25. **GENERAL:** The Purchaser agrees to indemnify and keep indemnified the Company against all reasonable fees, costs and other expenses incurred by the Company in enforcing any of the foregoing terms or provisions. All sections and other headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Terms & Conditions. Assignment may only be made with the consent of both parties.

26. **WARRANTY:** All metallic parts are polished 304 or 316L stainless Steel. All quartz materials are high purity and polished. Medium Pressure UV Lamp efficiency is not affected by fluid or atmospheric temperature. All medium pressure UV lamps are guaranteed for full replacement for first 1,000 operating hours for intermittent operation and 2,000 hours for continuous operation. See the Aquionics Lamp General Warranty for details. All low-pressure lamps are guaranteed for full replacement for 2,000 operating hours. Balance of equipment is guaranteed for one year from the date of delivery against defects in materials and workmanship, not to exceed 18 months. Corrosion is not covered as part of the warranty

Use of any UV lamps, quartz sleeves, or replacement parts other than those manufactured by Aquionics Incorporated will void any warranty. It is advised that UV lamps other than those provided by the manufacturer will not provide sufficient operating parameters and may cause system damage.

As with all technical equipment, the proper installation, component checks and customer personnel training are essential to the full utilization to the equipment supplied. Where quoted equipment contains significant electronic and/or interfacing options, an order will not be accepted without factory provided start-up/training assistance being accepted in the purchase documents unless the Purchaser agrees to waiver functional

responsibility of the equipment (apart from those components covered under the warranty clause).

27. **ARBITRATION:** For domestic United States transactions, any controversy or claim arising out of or relating to these Terms & Conditions, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. For any international transactions, any controversy or claim arising out of or relating to these Terms & Conditions, or the breach thereof, shall be settled by binding arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

28. **APPLICABLE LAW:** These Terms & Conditions and any contracts or agreement entered hereunder shall be construed according to and governed by the law of North Carolina.

29. **ASSIGNMENT:** Neither these Terms & Conditions, nor any right or interest arising herefrom (including any purchase order, quotation, etc.), may be assigned by the Purchaser, in whole or in part, without the express written consent of the Company. Any assignment without such consent shall be null and void. These Terms & Conditions shall be binding upon and inure to the benefit of the Company, its successors and legal representatives.