

TERMS AND CONDITIONS OF SALE

Unless otherwise expressly specified by the Aquafilter, all business and payment transactions are as set forth in the general terms and conditions of sale hereafter defined ("T&C of Sale").

INQUIRY / PURCHASE ORDER

Inquiries and Purchase orders may be sent by fax, and/or e-mail to the Aquafilter. Inquiries must include the Customer's information (company name, country, address, telephone, fax / e-mail and P.I.C.), and VAT number, if required. The Manufacturer/Aquafilter's product part number and order quantity must be used for order specification. Standard validity of our quotation is thirty (30) days after issuing date. Purchase orders must include, the Customer's PO number, the manufacturer/Aquafilter's part number, box quantity (*we accept order in box quantity only*), pricing, if apply, and shipping method. Shipping method must include packing type, actual consignee and delivery address (destination). The Customer is requested to specify to be shipped without pallets, or on the pallets (Euro or US standard). In case of any pallet required, cost of such pallet will be charged separately by adding the cost to Invoice. Purchase orders sent without part numbers will not be processed until the part numbers are verified. Purchase orders must state, if partial shipments are not allowed, and must designate shipping method required by Customer. If you do not have the parts numbers, pricing or box quantity, please contact our sales department at sales@aquafilter.com or visit our web site www.aquafilter.com.

ORDER CONFIRMATION

All Purchase orders will be confirmed by e-mail with Proforma Invoice. Any discrepancies in pricing, part numbers, descriptions, and/or box quantities will be considered in the order confirmation. It is the Customer's responsibility to review the order confirmations. After Proforma Invoice issued and confirmed by the Customer, no further change in the specification of Purchase orders allowed. If we do not hear from the the Customer regarding the confirmation, we will process order according to the confirmation. Prices include packaging that is satisfactory for truck, air, or containerized shipment at no additional charge.

SHIPPING

The estimated shipping date is based on production times, required to process the order, commencing on the date which the Aquafilter receives the order. In the event it is necessary to revise the design OEM; the applicable shipping date shall be extended by the period of time required to achieve the mutually agreed upon corrections or adjustments. *the Aquafilter reserves the right to make partial shipments.* "Shipping date" refers to the date when the goods leave from the Aquafilter's warehouse; it does not take into consideration the transit time required to deliver the product between the Aquafilter's warehouse and the buyer. If shipment is delayed due to any cause beyond the control of the Aquafilter; the Aquafilter holds the right of discretion to the goods, including but not limited to storage and handling; if necessary, at the risk and expense of the buyer. The Aquafilter disclaims any subsequent liability in this regard. All transport operations, insurance, customs, local tax on goods, handling, and job site delivery are at the liability, expense and risk of the buyer, which is responsible to check the shipments upon arrival. If the goods are shipped by the Aquafilter the shipment will be collected, at the lowest price, unless expressly requested by the buyer, and, in any case, under the full liability of the buyer. Disposable transport materials shall not be taken back. Reusable packing and transport materials, if applicable, are to be returned to the Aquafilter by the buyer at the risk and expense of the buyer. The Aquafilter shall issue separate invoice for reusable packing and transport materials, if those are not returned within a period of no longer than four (4) weeks after the delivery. The Customer should confirm receiving the goods with signed and stamped shipping document (ex. CMR). If it will not be done, the Aquafilter will charge VAT tax as the other cost. All shipments must be inspected for damages and counted for shortages at the time of delivery. Any claims related to freight (Freight claims) must be made immediately and directly to the freight carrier. The Aquafilter will not be held responsible for breakage or shortage after products are accepted from common carrier. Any damage or discrepancy other than the above-mentioned must be informed to the Aquafilter within three (3) days of receipt of merchandise, otherwise, the Aquafilter reserve the right to reject such claim. The Aquafilter will answer to all claims within fourteen (14) working days from the day of accepting the claim.

DELAYS IN SHIPPING (FORCE MAJEURE)

The Customer shall not hold Aquafilter responsible for any delay or for any damages suffered by the Customer by reason of delay due to fires, strikes, riots, acts of god, priorities, government orders or restrictions, delays in transportation, delays by suppliers of materials or parts, inability to obtain necessary labor, or other causes beyond the control of the Aquafilter, the Aquafilters' suppliers and subcontractors. In the event of such delay,

- (a) the time for the Aquafilter's performance shall be reasonably extended;
 - (b) both parties shall take reasonable steps to adjust all affected dates in subsequent order;
- and
- (c) a purchase price adjustment shall be made for additional costs incurred by the Aquafilter.

The Aquafilter is released automatically from any commitments relating to delivery times under the following conditions:

- 1) if the Customer is non-compliant with the payment terms,
- 2) if the information furnished by the Customer will not arrive in due course,
- 3) in the event of force majeure; the Aquafilter will keep the Customer informed, in a timely manner, if any of the forgoing events should occur.

WARRANTIES

The Aquafilter makes no representations or warranties, except the case when the goods manufactured by the Aquafilter shall be free from material defects in material and workmanship and the Aquafilter warrants such goods for periods from one (1) year to five (5) years (depending on product line – please check warranties for each product as specify on technical specifications) from the date of shipment to the Customer. If within such period, goods shall be proven to be materially defective to the Aquafilter's reasonable satisfaction, then such defective goods shall be repaired or replaced, at the Aquafilter sole discretion. Such corrections or replacements shall constitute a fulfillment of all liabilities in respect of such goods. The warranty for all goods sold by the Aquafilter but manufactured by others shall be provided by such manufacturer for such goods. The Aquafilter shall take all reasonably commercial efforts (other than the payment of money) to provide the manufacturer's warranty to the Customer. The foregoing warranties are exclusive and are in lieu of all other express and implied warranties whatsoever (either in fact or by operation of law) including but not limited to implied warranties of merchantability and fitness for a particular purpose or otherwise. The Aquafilter is not liable for damage to goods, property or persons arising out of improper installation of such goods, modification, and repair or tampering by anyone other than the Aquafilter or personnel authorized by the Aquafilter for such goods; or utilization of the goods under conditions which exceed specifications for such goods. The parties expressly agree that the limitations of incidental and consequential damages set forth herein are agreed allocations of risk and shall survive the determination of any

court of competent jurisdiction that any remedy herein fails of its essential purpose. The warranty does not apply to replacements or operations resulting from normal wear and tear of equipment and cartridges, damage or accidents caused by negligence, lack of supervision or maintenance, and defective use of equipment. Custom work and repairs of equipment are not covered under warranty. The Aquafilter shall have no liability to any person for punitive, indirect, special, incidental, contingent or consequential damages of any description or loss of use, revenue or profits, whether arising out of warranty or other contract, negligence or other sort, or otherwise.

PAYMENT TERMS

Sales prices of the Manufacturer/Aquafilter's products are set in U.S. Dollars. However, the Customer may select the other currency such as Euro. In such case the sales prices in other currency will be fixed by Aquafilter, referring to the average exchange-rate of the preceding week, which is announced by European Central Bank (ECB) www.ecb.europa.eu/stats/exchange/eurofxref/html/eurofxref-graph-usd.en.html. Payment shall be made by the Customer without any deduction as value on invoice by way of a bank remittance. All local and overseas banks' charges borne by the buyer. In case of shortage of amount reached to our bank account, the difference between the amount mentioned in the invoice and actual amount reached to our bank account shall be charged to the buyer and settled by the buyer before next order at the latest. Partial payment against invoices is not acceptable. Payment is due from date of invoice according to the terms on each invoice. The due date set by the invoice is firm and final. The date of having reached to our bank account shall be considered as the date of payment by the Customer. Once the payment due date has expired, the Customer shall be deemed in default. In the event of delayed or deferred payment, the Aquafilter shall be entitled to charge interest on past due balances at the rate of thirty (30) % per annum or the respective applicable statutory interest rate on default. The Customer shall be liable for the Aquafilter's costs of collection, including, without limitation and reasonable attorneys' fees. Any delay in payment entitles the Aquafilter to suspend performance of the current contract without suspending the payment of the debt. Payment terms given on approved credit only. Credit will not be extended to accounts with poor payment history. Without approved credit, ordered goods are shipped on a prepaid basis. Large orders and/or special item orders may also be subject to a advance payment. OEM, special orders and our special offer for marketing purpose are on one hundred (100) % prepaid basis. Buyers are required to pay all invoices in full within terms.

RETENTION OF OWNERSHIP

The Aquafilter retains title and right of ownership to the items of delivery, until all payments from the business relationship with the Customer have been received, until full payment of the principal and interest is made. If the Customer should fail to pay the price on the agreed upon date, the Aquafilter may repossess the goods and the sale will be canceled automatically if the Aquafilter sees fit to do so. The Aquafilter liability ceases upon removal of goods from our workshops or our subcontractors' workshops. In case of non-payment, the Aquafilter reserves the right to repossess the unpaid goods at the Customer's expense and to claim, in addition, for the buyer to pay amount of damages for the depreciation of the goods in the amount of two and a half (2.5) % for every month the Customer was in possession of the goods. A quote will be made for returning modified goods to their original condition, the amount of which will be deducted from the value of the new product, without canceling the effect of depreciation. In the event that the Customer acts in breach of the contract, in particular, of nonpayment of the due purchase price, the Aquafilter shall be entitled to withdraw from the contract in accordance with the statutory regulations and/or demand that the items of delivery be returned on the basis of the retention of title and resell it. Any demand for the return of goods shall not be deemed to include a simultaneous declaration of withdrawal; on the contrary, the Aquafilter shall be entitled to merely demand the return of the items of delivery and reserve the right to withdraw from the contract. In the event that the Customer does not pay the due purchase price, the Aquafilter may only assert such rights if the Aquafilter has previously and unsuccessfully set the Customer a reasonable deadline for payment or if the setting of such a deadline is superfluous in accordance with the statutory regulations. An application to commence insolvency proceedings concerning the assets of the Customer shall entitle the Aquafilter to withdraw from the contract and to demand the immediate return of the items of delivery.

PRICES AND QUOTATIONS

The minimum purchase order is three thousand US Dollars (\$3000.00), except the case for the first – trial order. If the order amount is less, we will apply a fee of one hundred US Dollars (\$100.00) and add it to our commercial invoice. In any case of such small purchase order, the Aquafilter reserves the right to ask the Customer to increase the amount or to cancel such small purchase order. Orders are accepted with understanding that the goods will be billed at price in effect at time of order, unless otherwise specified in approved written quotation by the Aquafilter. The price and performance of such order is subject to resource availability and costs within the control of the Aquafilter at the time of manufacture. The Aquafilter reserves the right to cancel or adjust prices and delivery without notice. Any price discrepancy on orders will require a revised purchase order from the buyer. If after submission of a quotation, which is priced in the currency of the country, variations in exchange rates represent a difference of more than three (3) %, the Aquafilter is no longer bound by the initial quotation, which must be redone. The Aquafilter's prices are considered firm and final according to the economic conditions on the submission date of quotation. Any manufacturer's tax, retailer's occupation tax, sales tax, excise tax, duty, custom, inspection or testing fee, or other tax, fee or change of any nature whatsoever, imposed by any governmental authority on or measured by any transaction between the Aquafilter and the Customer, shall be paid by the Customer in addition to the prices quoted or invoiced.

FREIGHT

All the Aquafilter's prices are deemed "Ex-works" basis in accordance with the Incoterms 2010 plus the valid statutory VAT on the date of invoicing. All additional costs, such as special type of packing, transport, customs duties, support with the execution of customs formalities, taxes, other public duties shall be invoiced separately if apply. Delivery terms are "FCA at Aquafilter's warehouse, Lodz Poland", even in case of transportation organized by the Aquafilter on behalf of the Customer. Purchase orders must specify preferred carrier or order will be shipped via the Aquafilter's discretion, subject to availability, and prepayment of such added to the invoice. If additional services are requested, the charges are the responsibility of the Customer. The Customer must advise what day and time they will pick up the goods, including truck number, name of driver and the other information on the pick up, if required. A completion of order will be held for five (5) working days maximum. A restocking charge (five US Dollars (5.00\$) per day per 1 pallet/package) may be assessed to any orders that are not picked up within the required time frame. The goods can be picked up Monday – Friday from 9:00 – 16:00. Expediting fees may apply to same day pick ups and drive in / walk in orders.

ORDER CANCELLATION

The Customer may cancel orders only upon reasonable advance written notice, with agreement of cancellation by the Aquafilter, and after execution of payment to the Aquafilter for the Aquafilter's cancellation charges which include, but are not limited to all costs and expenses incurred, and to cover commitments made (including any raw materials or other commitments) by the Aquafilter and a reasonable profit thereon. The Aquafilter's determination charges shall be conclusive. No cancellation of OEM or special orders is allowed.

ENGINEERING AND DESIGN CHANGES

The Aquafilter reserves the right to make changes in design, specification and/or engineering to its products without prior notification unless a written agreement between the Aquafilter and the Customer exists as to the design, specification and/or engineering of the product. Title to, and full and unrestricted ownership, right to use all designs, specifications and engineering information provided by the Aquafilter shall be and remain vested at all times in the Aquafilter.

DOCUMENTS - TECHNICAL INFORMATION - TERMS OF USE AGREEMENT – MEDIA (Artwork Images, Logos, Product Names, Slogans, Drawings) ACCEPTANCE OF AGREEMENT.

1. **AMF.** The Customer agrees to the terms and conditions outlined in this Terms of Use Agreement ("Agreement") with respect to our **Aquafilter Media Files (AMF)**. This Agreement constitutes the entire and only between the Aquafilter and the Customer, and supersedes all or any prior or contemporaneous agreements, and understandings with respect to the AMF. No media files can be used until you receive a signed copy of this Agreement from the Aquafilter.
2. **Right for use the AMF.** The artwork, graphics, images, photos, logos, product names and slogans and other material related to the AMF are protected under applicable copyrights, trademarks and other proprietary (including but not limited to intellectual property) rights. The copying, redistribution, use or publication by the Customer of any such matters or any part of the AMF is strictly prohibited. The Customer does not acquire ownership rights to the AMF or other materials provided.
3. **Trademarks.** Aquafilter, Aquamarket, H200, Excito, Bacinix, Shopure and any others are either trademarks, registered trademarks or trademarks licensed for use of the Aquafilter.
4. **Limited Right to Use AMF and Trademarks.** The use of the AMF is limited to printing only. Unless otherwise the Aquafilter grants you only a limited, nonexclusive agreement of use and does not authorize distribution, assignment, sub license, sale, preparation of derivative works or other use. No part of the AMF may be reproduced in any form or incorporated into any information retrieval system, electronic or mechanical, including web pages other than for your personal corporate internal use without written permission granted by the Aquafilter authorized personnel. All advertisements, sales sheets, catalog pages, informational newsletters or any other form of communication containing all or part of the AMF must be approved by the Aquafilter prior to use, printing and distribution. The Aquafilter reserves the right for permission of use and can require cease of use and deletion of previously approved media files.
5. **Editing, Deleting and Modification.** The Aquafilter reserves the right in our sole discretion to edit or delete the AMF and enforce the use of Specific AMF or represent specific products and logos. If the Aquafilters' products or components will be used by the Customer, modifying those products and/or adding other products to those products, the Customer is not allowed to use both AMF and the Aquafilter's Trademarks on final product.
6. **Indemnification.** The Customer agrees to indemnify, defend and hold the Aquafilter, attorneys, staff and affiliates harmless from any liability, loss, claim and expense, including reasonable attorney's fees, related to your violation of this Agreement.
7. **Nontransferable.** The Customer's right to use the AMF is not transferable.
8. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of Poland (without regard to conflict of law principles). The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against either party. All legal proceedings arising out of or in connection with this Agreement shall be brought solely in Poland. The Customer expressly submits to the exclusive jurisdiction of said courts and consents to extra-territorial service of process. Should any part of this Agreement be held invalid or unenforceable, that portion shall be construed consistent with applicable law and the remaining portions shall remain in full force and effect. To the extent that anything in or associated with the AMF is in conflict or inconsistent with this Agreement, this Agreement shall take precedence. Our failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision nor of the right to enforce such provision.
9. **OEM Product.** Any documents submitted in connection with an OEM quote or execution of a sale shall remain the Aquafilter exclusive intellectual property. Said items may only be used for fulfilling the order and shall in no circumstances be disclosed to third parties, copied or executed without the express written permission of the Aquafilter. If no order results from the proposal, the technical documents included for the quote must be returned upon request. However, in such a case, the Customer is still liable for ensuring non-disclosure compliance. The Aquafilter reserves the property rights and copyrights to samples, cost estimates, drawings, calculations, and other information of a material and immaterial nature, which is not generally accessible—including in an electronic form. The Customer shall require the express written consent of Aquafilter before forwarding these to third parties.

RETURNED GOODS

First, authorization and shipping instructions for the return of any salable goods must be obtained by the Customer from the Aquafilter, otherwise shipment will be refused. The return of product is limited to no longer than one (1) year from the date of purchase, verified by invoice. Goods built to the Customer's specifications or special ordered cannot be returned for credit. Any product returned in anything but salable condition and in original packages will be refused and returned to the Customer at the Customer's cost. A thirty (30) % restocking charge will be deducted from our credit memorandum on the returned goods. Transportation charges on the returned goods must be prepaid and are the responsibility of the Customer. Any cost in excess of thirty (30) % restocking charge incurred in placing the goods in salable condition will be charged to the Customer by a corresponding deduction from the allowed credit. Goods returned for credit must be carefully packed so as to reach to the Aquafilter's location without damage. If the return of our goods is made necessary through some fault of the Aquafilter, full credit will be allowed, including whatever transportation expense the Customer may have incurred, provided that the return has been authorized by the Aquafilter in writing and is in accordance with the packing and shipping instructions. For more detailed information, please refer to RMA at www.aquafilter.com.

JURISDICTION – DISPUTES

Any dispute arising out of or in connection with these T&C of Sale, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be Lodz Poland. The language to be used in the arbitrary proceedings shall be English. The governing law of the contract shall be the substantive law of Poland. The decision or legislation of Arbitration Court will be final and binding.

GENERAL INFORMATION

The Aquafilter is not bound to the prices, information in catalogs, advertising leaflets and fees. The Aquafilter reserves the right to make changes to the arrangement, shape, size or material of the devices, equipment parts the drawings and descriptions of which are found in printed matters and advertisements. Any commitments made by the Aquafilter's representatives or employees are subject to confirmation

directly from the Aquafilter. The Customer's acceptance of our acknowledgment of order implies acceptance of the Aquafilter's terms of sale. The sales contract is only valid, if the Aquafilter expressly acknowledges acceptance of the Customer's order. In the event of any discrepancies between the terms of the English and other language version, the English language version shall prevail in all cases. In the event that a provision or part of a provision of these T&C of Sale are or shall become invalid, those shall have no effect on the validity of the remaining contract. The contractual parties are obliged to replace the invalid provision with a provision that comes as close as possible to the economic outcome of the invalid provision. All technical errors by the Aquafilter are subject to correction. The general information described above supersedes any previously written terms and conditions that appear in company documents. Any changes made to our general information must be authorized by the Aquafilter in writing. These T&C of Sale supersede any and all preceding versions, language or text.