

STANDARD TERMS AND CONDITIONS

ORDERING

Orders may be phoned, faxed or emailed to AXEON® Water Technologies ("AXEON"). Purchase orders must include AXEON part numbers and pricing. Purchase orders must also state if partial shipments are allowed. If you do not have the correct part numbers, pricing or case quantities, contact the AXEON sales department at: sales@AXEONwater.com.

Verbal orders or verbal changes to orders will be accepted and recorded only with the understanding that AXEON is not responsible and will not cover freight charges for returned merchandise. Furthermore, all merchandise returned for credit placed on verbal purchase orders are subject to a twenty percent (20%) restocking charge. Any non-standard, custom, added options/upgrades or special order items are non-returnable.

ORDER CONFIRMATIONS

All purchase orders will be confirmed by phone, fax or email. Any discrepancies in part numbers, pricing, descriptions or case quantities will be listed on the order confirmation. It is the customer's responsibility to review the order confirmation and advise if any changes are to be made. If we do not hear from the customer regarding the confirmation within 24 business hours, we will accept the order as accurate and confirmed and will invoice and ship accordingly. Shipping weights, dimensions and anticipated ship dates are all approximate and subject to change.

BLANKET ORDERS

All blanket order information and policies can be reviewed within the Blanket Order Policy section of this document.

QUOTES

Quotations are valid for a period of up to 30 days or for the term stated on the quote, whichever term is shortest.

MINIMUM ORDERS

Minimum order accepted is \$50.00, not including freight or taxes. The only exceptions to this condition are replacement items with an RMA number.

PRICES

We make every effort to notify customers with price change information. However, prices are subject to change or correction without notice.

TAXES

Taxes are not included. Quoted prices are exclusive of all taxes, duties and importation fees. Purchaser shall be responsible for payment of all applicable state/local taxes. Orders shipped within California are subject to applicable state tax rates unless a completed resellers card or exempt certificate is on file.

FREIGHT

All shipments are F.O.B. AXEON Water Technologies, Temecula, California.

SHIPMENTS

The shipment method should be specified by the customer on the purchase order in advance; otherwise, AXEON will choose the best method of shipment.

DROP SHIPMENTS

Drop shipments are subject to a \$25.00 handling and processing surcharge per order.

PACKAGING

Pricing includes packaging that is satisfactory for air, ocean, truck or containerized shipments at no additional cost. Upgraded packaging is available upon request at an additional fee.

WILL CALL ORDERS

All standard ordering terms apply to Will Call orders. The customer must advise what day and time they will pick up the order. Completed Will Call orders will be held for a maximum of five (5) business days. A restock charge may be assessed to any Will Call order that is not picked up within five (5) business days. Additions or deletions to Will Call orders after packaging are subject to all new order Terms and Conditions and a 3% processing fee. Orders are typically pulled within one working day. Will Call orders can only be picked up Monday-Friday from 8:00am to 11:30am and 1:30pm to 3:30pm.

DOMESTIC CUSTOMER PAYMENT TERMS

Net Terms: Payment is due on or before the term day from the date of invoice with prior credit approval. All payments must be made via check or EFT (ACH or wire transfer). Interest will be charged on past due accounts calculated on the unpaid balance at 3% per month (36% per annum) or the maximum rate allowed by law, whichever is less. All questions regarding invoices and terms must be addressed with our accounting department before invoices become due. Orders will not be shipped if any account is past due and/or until payment has cleared. A deposit may be required for special or custom ordered items.

Prepay Payments: Payments are due prior to shipment by check, EFT (ACH or wire transfer) or credit card. Credit cards that are accepted are Visa, MasterCard and American Express. A 3.25% surcharge will be added to all credit card payments. This surcharge is not greater than our total cost of accepting credit cards. C.O.D. shipments are not offered. A deposit may be required for special or custom ordered items.

INTERNATIONAL CUSTOMER PAYMENT TERMS

Prepay Payments: Payments are due prior to shipment by check, EFT (ACH or wire transfer) or credit card. Credit cards that are accepted are Visa, MasterCard and American Express. A 3.25% surcharge will be added to all credit card payments. This surcharge is not greater than our total cost of accepting credit cards. C.O.D. shipments are not offered. A deposit may be required for special or custom ordered items. All payments due are in U.S.A. dollars and must be made in advance and must clear before shipment. Irrevocable Letters of Credit are accepted with a

minimum order of \$100,000.00 U.S.A. dollars, per order. Unless specifically included as a separate item, prices quoted do not include any city, county, state or federal taxes or transportation of merchandise.

NSF CHECKS

There is a \$100.00 charge for all non-sufficient funds (NSF) checks.

ORDER CHANGES

All changes to an order, including but not limited to items, quantities, terms, shipping method, bill to and ship to addresses may be made at no charge as long as they are within 1-2 hours of officially placing the order or prior to receiving an order confirmation. Processing of an order typically begins within 1-2 hours of receipt of a purchase order and if the order has already been confirmed it will be subject to a 3% handling/ processing charge or a \$50.00 minimum fee, whichever is greater in value. Changes to orders that are packed and ready for shipment are subject to a 10% repackaging fee. Changes may cause additional charges and may increase the time required to ship an order.

CANCELLATIONS

Orders canceled after the order has been confirmed will be subject to a minimum 10% cancellation fee (\$50.00 minimum), assuming manufacturing has not commenced, and no detailed engineering or special parts have been ordered. Additional fees may be charged depending on the level of completion of detailed engineering and/or if any special parts have been ordered. This policy does not apply to Blanket Orders.

FREIGHT CLAIMS

Any damage, discrepancies and/or freight claims must be made immediately and directly, in writing within ten (10) business days to AXEON. AXEON will provide reasonable assistance in resolving claims. However, AXEON will not be held responsible for breakage or shortage after products are accepted by common carrier. All shipments must be inspected for damages and counted for shortages at the time of delivery.

RETURNS

A Return Material Authorization (RMA) number must be obtained from AXEON before any returns can be shipped or accepted. A Merchandise Return Form must

be filled out completely and sent with the returned merchandise. RMA numbers expire after 30 days and a new number will need to be requested.

Buyer shall inspect all products immediately upon their delivery to the destination stated in the purchase order and shall within ten (10) business days provide written notice to AXEON of any claim that the products do not conform to the terms of the purchase order. Each product shall be deemed to have been accepted by buyer if it meets specifications as set forth in the applicable purchase order. Notwithstanding the foregoing, use of said product by buyer, its agents, employees or licensees for any purpose shall constitute acceptance of product by the buyer. Special or custom ordered items are non-returnable.

All returns for warranty consideration must be shipped prepaid. Freight collect returns will not be accepted. Returns determined to be in warranty will be replaced or repaired and will be returned to the purchaser prepaid by surface freight. No expedited freight methods will be used at AXEON's expense. All merchandise returned for credit, other than warranty claims, may be subject to a twenty-five percent (25%) restocking charge.

If the return of any products is made necessary through some fault of AXEON, full credit including transportation cost will be allowed. This policy does not apply to Blanket Orders.

RESTOCK

A minimum restocking charge of 25% or \$50.00, whichever is higher may be charged to restock returned products. Orders shipped incorrectly are not subject to restock charges and correct items will be shipped prepaid by surface freight. All other returns are subject to the restock charge. Products must be in the original packaging/container and in sellable condition to be considered for restocking.

CONTINGENCIES

AXEON shall not be responsible for any liability due to any delay in the performance of any order accepted by it due to unforeseen circumstances or to causes beyond its reasonable control, including, without limitation, acts of God, strikes, war, riots, fire, accident, unusually severe weather, freight embargoes, lock-out of suppliers necessary to the execution of the order, failure, breakdown or shortage of components necessary to the completion of the order, subcontractor caused delays, or the compliance with any law, regulation or order, whether valid or invalid, of any cognizant government body or any instrumentality thereof, whether now

existing or hereafter created. Performance of an order shall be deemed suspended so long as any such circumstances or causes delay its execution. Whenever such circumstances or causes have been remedied, buyer shall accept performance under said order. As used herein "performance" shall include, without limitation, fabrication, shipment, delivery, assembly, installation, testing and warranty repair of replacement. AXEON may modify specifications or manufacturing processes provided the modifications do not adversely affect the form, fit or function of the products.

WARRANTIES

AXEON warrants that the products will conform to the description contained in the applicable specifications. AXEON agrees to repair or replace, at its option, any product found to be defective in workmanship or material during the warranty period. *THIS LIMITED WARRANTY SUPERSEDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THIS IS THE SELLER'S ONLY LIABILITY FOR ANY CLAIM IN CONNECTION WITH THE PRODUCTS. AXEON SHALL NOT BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR FOR DAMAGES IN AN AMOUNT EXCEEDING THE COST OF ANY DEFECTIVE PRODUCT(S). IT IS AGREED THAT THE BUYER'S SOLE REMEDY AGAINST AXEON IN CONNECTION WITH THE PRODUCT IS LIMITED TO REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCT OR REFUND OF THE PURCHASE PRICE OF THE PRODUCT.* There is no warranty for any product that has been (i) subjected to misuse, neglect or accident, or (ii) altered or repaired in an improper manner. No agent, distributor or any other person is authorized to modify or extend the terms of this warranty in any manner whatsoever. Some states do not allow the exclusion or limitation of incidental or consequential damages, nevertheless, the foregoing paragraph should be construed to limit the liability of AXEON to the fullest extent permitted under the laws of any particular jurisdiction, as applicable. This warranty provides specific legal rights yet buyer may also have other legal rights which vary from state to state.

AXEON warrants that the use or sale of the products (or materials) delivered hereunder will not infringe the claims of any United States Patent covering the products themselves; but does not warrant against infringement by reason of the use thereof in combination with other products or in the operation of any process.

The maximum total liability of AXEON for all causes including any breach of warranty or failure to deliver conforming goods shall not exceed the value of the purchase order. Reference AXEON product warranties for specific details and information at AXEONwater.com.

POLICY

These terms and conditions may be superseded by specific provisions provided by AXEON. However, should any of these terms and conditions be contrary to or inconsistent with any terms and conditions contained in any purchase order form or other document between AXEON and the buyer, which is prepared by the buyer and whenever executed, the provisions hereof shall be controlling and shall supersede the conflicting terms and conditions which are contained in such other document, provided, that if there is a conflict between these Terms and Conditions and any individual purchase order or written proposal prepared by AXEON, the purchase order or written proposal will control with respect to such inconsistency. No changes shall be made to our terms and conditions unless prior written authorization by AXEON.

ASSIGNMENT

AXEON may assign all or any part of its rights and/or obligations hereunder to any subsidiary or an authorized distributor of AXEON without buyer's prior consent. Otherwise, neither party shall delegate any obligations herein or assign any interest or rights without the prior consent of the other.

IMPORT AND EXPORT CONTROLS

Any and all obligations of AXEON to provide products, as well as technical assistance, shall be subject in all respects to such United States laws and regulations as shall from time to time govern the license and delivery of products abroad by persons subject to the jurisdiction of the United States, including the Export Administration Regulations issued by the Department of Commerce, Bureau of Export Administration. Without in any way limiting the provisions of these Terms and Conditions, buyer agrees that it will not export, re-export or transship, directly or indirectly, any of the products sold to buyer in violation of United States export laws and regulations.

WAIVERS

A waiver by AXEON of any default by buyer shall not be deemed to be a continuing waiver or a waiver of any other default but shall apply solely to the instance to which the waiver is directed. This policy does not apply to Blanket Orders.

CONTROLLING LAW

These Terms and Conditions shall be governed by and subject to the laws of the State of California, U.S.A. These Terms and Conditions shall be considered entered into in the State of California, U.S.A. The Federal (Central District of California) and State (Orange County) courts within the State of California shall have exclusive jurisdiction to adjudicate any dispute arising out of these Terms and Conditions. Buyer hereby irrevocably waives any claim it may have that any proceedings brought in such courts have been brought in an inconvenient forum expressly consents to (i) the personal jurisdiction of these federal and state courts within California, and (ii) service of process being affected upon it by registered mail sent to the address on file with AXEON. The parties specifically waive application of the UN Convention on Contracts for the International Sale of Goods.

INDEMNITY

Buyer shall indemnify and hold AXEON harmless from and against any and all claims, as incurred, arising out of any negligent or willful acts or omissions of the indemnifying party which results in personal injury (including death) or damage to tangible property (not including lost or damaged data).

PROFESSIONAL FEES

In any suit or proceeding relating to these Terms and Conditions the prevailing party will have the right to recover from the other its reasonable costs and expenses incurred in connection with such suit or proceeding, including reasonable fees and expenses of attorneys, accountants and other professionals.

SEVERABILITY

If any court of competent jurisdiction holds that any provision of the purchase order is illegal, invalid, or unenforceable, the legality, validity, and enforceability

of the remaining provisions of the purchase order will not be affected or impaired, and all remaining terms of this purchase order remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.

BLANKET ORDER POLICY

Standard Blanket Orders with Scheduled Releases: when a customer places a purchase order within the calendar year and for a period greater than 3 months, in which they request pre-scheduled shipment dates that come off the blanket order. The benefits to these types of blanket orders are as follows:

- Reduced lead times
- Pre-scheduled manufacturing time reservation
- Availability of product

Custom Non-Cancellable Blanket Orders with Scheduled Releases: when a customer places a purchase order within the calendar year and for a period greater than 3 months, in which they request pre-scheduled shipment dates that come off the blanket order for items that are considered by AXEON to be custom and/or special order. The benefits to these types of blanket orders are as follows:

- Includes all of the standard benefits
- Dedicated account management of orders and shipments

We are always striving on improving our customer support and the delivery of your needed products.

1. Non-Cancellable Blanket Orders cannot be canceled or refunded once placed. If customer chooses not to ship the scheduled orders, the customer will remain obligated to pay in full.
2. Customer must take delivery of all scheduled blanket orders within a 12-month period or less. Remaining orders to be shipped and invoiced at the end of the 12-month period automatically.
3. Customer must provide a 45-day advance notice for any quantity, date and/or general order changes. Customer is able to change the shipment date one time per pending order each calendar year.

4. Orders must be approved by AXEON Water Technologies management prior to order confirmation.
5. Price adjustments will be made in writing to customer as soon as possible regardless of the Blanket Order type.
6. Customer acknowledges that the release of the first order may vary depending on product availability. Expedited requests are subject to availability and are subject to expedite fees.
7. This Blanket Order Policy is a continuation of AXEON Water Technologies General Terms and Conditions, and all terms and conditions apply in its entirety.