

## STANDARD TERMS AND CONDITIONS OF SALE

**DEFINITIONS.** "Seller" as used herein means MEL Chemicals, Inc. or any of its affiliated entities as designated by MEL Chemicals, Inc. "Products" as used herein means the products listed in the attached proposal, quotation, price list, communication or other Seller documentation, as applicable, purchased pursuant hereto. "Buyer" as used herein means the original purchaser of the Products from Seller.

**AGREEMENT.** Each order for Products by Buyer (whether placed by electronic communication, hard copy or otherwise) shall be deemed to be an offer by the Buyer to purchase those Products subject to these Standard Terms and Conditions and to the exclusion of any terms the Buyer references or seeks to impose or which are implied by trade, custom or course of dealing, which such terms Seller hereby rejects. Unless previously withdrawn, any Seller quotation expires twenty-one (21) days after its date. No binding contract shall be created by the acceptance on the part of Buyer of a quotation made by Seller until written acceptance of Buyer's order is issued by Seller. No binding contract may be canceled by Buyer except with the agreement in writing of Seller; in which event Buyer shall indemnify defend, and hold Seller harmless from and against any claims, losses, liabilities, costs, expenses and fees (including, without limitation, reasonable attorneys' fees) incurred by Seller as a result of the cancellation. Buyer must ensure that the terms of its order are accurate. Seller's proposal and quotation, as applicable, Buyer's order for Products (excluding terms excluded above), Seller's order acceptance, and these Standard Terms and Conditions (collectively, the "Agreement") constitute the entire agreement between the parties. Buyer acknowledges that it has not relied on any statement, promises, or representation made or given by or on behalf of the Seller which is not set out in these documents. Any variation to the Agreement including, without limitation, the introduction of any additional terms and conditions, shall only be binding when agreed upon in writing and signed by an authorized representative of Seller.

**LIMITED WARRANTY.** Seller warrants to Buyer that the Products, when shipped by Seller, will meet Seller's then-current applicable published specifications. This Limited Warranty is void and of no effect if Buyer did not purchase the Products for its personal use, and did not purchase the Products from Seller or an authorized dealer of Seller within such dealer's authorized territory. Buyer shall be solely responsible for determining the suitability for use of the Products and Seller shall in no event be liable in this respect. This Limited Warranty does not cover damage caused by the failure to follow written instructions provided by Seller with respect to the Products; damage or breakage caused by unauthorized service, installation, alteration, modification, assembly or disassembly; negligence; normal wear and tear; or misuse (including, with respect to ISOLUX Products, use other than in connection with arsenic treatment pursuant to Seller's then current written specifications and instructions for such Products). Seller's obligations and liabilities hereunder shall not be enforceable until receipt of payment in full by Buyer for the Products and title to the Products has passed pursuant to the provisions hereof.

Seller shall, at its own expense, repair or replace any Products it determines do not conform to the foregoing Limited Warranty, provided Buyer notifies Seller of the failure to conform in writing within the time period set forth below in the paragraph entitled "Claims," and Buyer pays all costs associated with transporting Products for warranty service. **THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL OTHER OBLIGATIONS AND LIABILITY OF SELLER RESPECTING THE AGREEMENT OR THE PRODUCTS INCLUDING ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR PARTICULAR APPLICATIONS OR PURPOSES WHICH ARE EXPRESSLY DISCLAIMED.** Any repaired or replacement Products hereunder are warranted for the remaining term of the warranty period for the original, defective Product. **This Limited Warranty covers only Products sold and used within the continental United States of America. Products sold or transported outside the continental United States of America are not covered under this Limited Warranty.**

**For ISOLUX System Products Only** (in the event of any inconsistency between this paragraph and any of the other provisions of these Standard Terms and Conditions of Sale, the provisions of this Paragraph shall govern): In the event that Buyer has retained Seller to conduct a field study to determine how ISOLUX Products will perform when installed (a "Field Study"), Seller warrants that the ISOLUX Products will perform as set forth in such Field Study report prepared and delivered by Seller. The warranty period for all ISOLUX Products other than cartridges is one year from the date of purchase of such Products. The warranty period for ISOLUX cartridge Products begins on the date of purchase and expires upon the earlier to occur of: (i) for point of use systems (A) six months from the date of installation, or (B) the treatment of 1,000 gallons of water; (ii) for point of entry systems (A) six months from the date of installation, or (B) the treatment of more than 50,000 gallons of water; and (iii) for central well head systems (A) twelve months from the date of installation, or (B) the treatment of more than 500,000 gallons of water. The warranty period for all ISOLUX cartridge Products is one year from date of purchase. The Seller may repair or replace ISOLUX Products with new or remanufactured parts or, if the ISOLUX Products comprise a complete ISOLUX system, Seller may, in its sole discretion, replace the entire defective ISOLUX system.

**BUYER'S OBLIGATIONS.** Buyer acknowledges and agrees that it is responsible for the sale selection, unloading, handling, storage, use and disposal of Products in accordance with applicable law and warrants that it will do so. Buyer warrants that it has used its own independent skill and expertise in connection with the selection and use of the Products, and that it possesses the skill and

expertise necessary to comply with its obligations hereunder. Buyer shall indemnify, defend, and hold Seller harmless from and against any claims, losses, liabilities, costs, expenses and fees (including, without limitation, reasonable attorneys' fees) arising out of a breach of Buyer's obligations under this paragraph, and/or Buyer's discharge, storage, handling and/or use of any product purchased hereunder. Buyer further warrants, represents, covenants and agrees that it (and any of its directors, officers, agents, affiliates and employees): (i) has not and will not do or omit to do any act or thing in relation to the purchase, resale or distribution of Products from Seller which would be illegal under the U.K. Bribery Act of 2010 or the U.S. Corrupt Practices Act or any applicable laws or regulations, and specifically has not requested, accepted or agreed to receive any bribe or other unlawful payment, gift or advantage in respect of such purchase and will notify Seller if it is offered the same; (ii) has not and will not do or omit to do any act or thing in relation to the purchase, resale or distribution of Products from Seller which would be illegal under the U.S. International Traffic in Arms Regulations (ITAR); and (iii) shall not re-sell or offer the Products (whether on their own or in combination with other materials or substances) for sale in any country to which it would at the relevant time be illegal to export any such goods, or to any person if the Buyer knows or should have reason to believe that such person intends to resell the same in any such country.

**SELLER'S LIABILITY.** UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE TO BUYER OR ANY OTHER PERSON OR ENTITY FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, INJURIES TO PERSONS OR PROPERTY, LOSS OF USE OF PROPERTY, OR DAMAGES FOR WHICH BUYER MAY BE LIABLE TO OTHER PERSONS OR ENTITIES, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND WHETHER THE CLAIM IS FOR BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, TORT, NEGLIGENCE OR OTHERWISE. SELLER'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THE AGREEMENT AND THE PRODUCTS SHALL NOT EXCEED THE PRICE PAID BY BUYER TO SELLER FOR THE PRODUCTS GIVING RISE TO THE CLAIM OF LIABILITY. BUYER ACKNOWLEDGES AND AGREES THAT THE LIMITATION OF LIABILITY SET FORTH HEREIN ARE MATERIAL AND ESSENTIAL TERMS AND THAT THE FEES REFLECTED IN THE AGREEMENT ARE A DIRECT RESULT OF THOSE TERMS. BECAUSE SOME STATES DO NOT PERMIT THE DISCLAIMER OR LIMITATION OF CERTAIN IMPLIED WARRANTIES OR THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SOME OR ALL OF THESE DISCLAIMERS, LIMITATIONS AND EXCLUSIONS MAY NOT APPLY. THIS LIMITED WARRANTY GIVES BUYER SPECIFIC LEGAL RIGHTS, AND BUYER MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE.

**CLAIMS.** Within twenty-one (21) days after tender of delivery to Buyer of any shipment and before any portion of the Products (except for reasonable test and inspection quantities) has been changed from its original condition, Buyer shall inform Seller in writing if any Products are believed to be defective or otherwise believed not to conform with Buyer's order. The allegedly defective Products shall be preserved intact as received for the period from delivery until expiration of twenty-one (21) days from notification of the claim by Buyer. Any claims not made within such twenty-one (21) day period of time shall be waived, and Buyer shall be deemed to have accepted Seller's shipment of Products. To submit such a claim, Buyer should contact MEL Inc Customer Service at (800) 366-9596, Monday – Friday, from 8:30 a.m. to 5:00 p.m. Eastern time. To expedite services, Buyer should have its Product serial number available when calling. A Return Authorization Number ("RA#") will be required when making a warranty claim hereunder. Seller is not responsible for Products shipped to its facility without an RA#. All returns must be accompanied by a proof of purchase. Seller reserves the right to require a Product be returned for inspection prior to deciding whether warranty coverage applies or to be given access to such Product at Seller's place of business to investigate the claim. If Buyer does not comply with all of these requirements Seller shall have no liability with respect to any defect, failure or other breach.

**TITLE AND RISE OF LOSS.** Subject to the provisions of the Paragraph entitled "Buyer's Credit," title to the Products shall pass to Buyer when delivery of the Products is accepted by Buyer or its customer at the place of delivery set forth in the Agreement. Whether or not title has passed to Buyer, Buyer shall bear the risk of loss of Products at all times after delivery to a carrier and Seller shall not be liable to Buyer for any loss or damages to Products sustained thereafter. In reduction of any liability owed to Buyer, Seller may deduct all payments on account of the loss in questions made or to be made to Buyer by or on behalf of Buyer's insurers, whether absolute or in the form of advances; loans or otherwise, except to the extent that the rights of Buyer under its insurance would be thereby impaired.

**DELIVERIES.** No delivery of Products shall be deemed late if shipment is made within ten (10) days after Seller's specified date of delivery. Seller's failure to deliver the full quantity of Products ordered shall not relieve Buyer from the obligation to accept and pay for the Products actually delivered in accordance with the terms hereof. Seller shall not be liable to Buyer for any damages claimed or other liabilities resulting from delay in delivery of Products after the date of delivery specified herein, unless time of delivery is expressly stated herein to be of the essence. If delivery is to be made in installments and if Buyer shall fail during any month or any other shipment period specified herein to require a delivery of the prorated maximum quantity, Seller may, at Seller's option, cancel the Agreement and invoice the difference between the amount required by Buyer to be delivered and said prorated maximum quantity. If shortages should occur in Seller's supply of specific items, Seller may prorate its deliveries, and portions or orders undelivered at any month's end due to this cause will be canceled. The weights, volumes, sizes and fares set forth in this Agreement shall govern in the

event of a dispute unless proved erroneous. Material varying not more than ten percent (10%) in weight, quantity, size, width, thickness or length shall be deemed to be in compliance with this Agreement.

**FORCE MAJEURE.** Neither party shall be liable for lateness or failure in delivering or requesting delivery of Products due wholly or partly to any event either not wholly or exclusively within its control or which it could not with reasonable diligence have avoided in any such circumstances. Seller may without liability, terminate all or any part of this Agreement or suspend and thereafter resume delivery of all or part of the undelivered Products, and Buyer shall accept such delivery, provided that if such delay in delivery exceeds thirty (30) days, Buyer may deliver to Seller by registered mail a demand for the delivery of the delayed Products. If Seller does not ship the delayed Products within ten (10) days after receipt of the demand, this Agreement shall then terminate as to such Products. Labor controversies and adjustment therefore shall not be considered as wholly and exclusively within a party's control.

**PAYMENT.** Unless otherwise agreed by the parties in writing, invoices issued by Seller for Products purchased pursuant to hereto shall be paid in cleared funds not later than twentieth (20<sup>th</sup>) day of the month following the month of invoice, notwithstanding that delivery may not have taken place or title to the Products passed to Buyer. The time of payment for Products shall be of the essence. All sums shall be payable in legal tender of the United States of America. Buyer shall reimburse Seller for all taxes or other charges or fees Seller is required to pay to any governmental authority as a result of the manufacture, sale, shipment or use of any product sold hereunder. If Buyer is in any respect in default under any provisions hereof, Seller may suspend further deliveries until the default is remedied. Any past due amounts owing to Seller shall accrue interest at the lesser of one percent (1%) per month, or the maximum interest rate permitted by applicable law. Buyer shall pay to Seller all costs, expenses and fees including, without limitation, attorneys' fees, incurred by Seller in collecting any amounts due and owing hereunder. In the event Buyer fails to make a required payment hereunder, or otherwise defaults under this Agreement or any other agreement with Seller, Seller may, in addition to any other rights or remedies it may have, defer shipments, accelerate due dates on some or all amounts owed, and/or require cash payment or other security.

**BUYER'S CREDIT.** Credit terms may be decreased, cancelled or limited by Seller both as to time and amount at any time without notice, and the price of any part of the Products deliverable under this Agreement shall, at Seller's option, be payable in cash before shipment or on offer of delivery. If Buyer shall make an assignment or trust for the benefit of creditors, become insolvent or unable to pay Buyer's debts as they mature, or if proceedings shall be commenced by or against Buyer by reason of alleged bankruptcy, insolvency or any other financial embarrassment or involving the appointment of a Receiver, (1) Buyer shall not accept delivery of any Products, (2) title to the Products shall remain in Seller or Seller may rescind transfer of any title which has passed to Buyer, (3) Buyer shall at Seller's request, return all or any part of the Products to Seller, freight prepaid, and (4) Seller may, wholly or partly, terminate this Agreement by mailing notice to Buyer. Nothing herein shall be deemed to affect Seller's right of stoppage in transit as provided by law, or the right, at any time, upon written notice to Buyer, to decline to make a delivery except for payment in full in cash upon delivery.

**TAXES.** All increases in taxes and all new taxes herein imposed with respect to Products sold under this Agreement or the remittance of funds in payment for such Products shall be paid by Buyer and if imposed on Seller or its suppliers, shall become part of the price payable by Buyer.

**FREIGHT.** If Seller is to pay freight, Seller shall have the right initially to designate the means of transportation and routing, and if Buyer requires a more expensive means of routing, Buyer shall pay any extra cost involved. Buyer shall pay to Seller any increase in freight subsequent to the date hereof.

**INTELLECTUAL PROPERTY.** Seller is the owner of various trademarks, patents and other intellectual property rights in its Products. Buyer shall not use any of Seller's trademarks, patents or other intellectual property rights without the prior, written consent of Seller which may be withheld in its sole discretion. Buyer shall indemnify, defend, and hold Seller harmless from and against any claims, losses, liabilities, costs, expenses and fees (including, without limitation, reasonable attorneys' fees) to which Seller may become liable or incur as a result of any infringement of a third party's intellectual property rights resulting from Seller's compliance with Buyer's instructions, requirements or other specifications, or Buyer's use of the Products.

**SEVERABILITY.** If any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement.

**MISCELLANEOUS.** All rights and remedies of Seller under this Agreement are in addition to Seller's other rights and remedies and are cumulative, not alternative. The validity, performance, construction and effect of this Agreement shall be governed by the law of the State of New Jersey. Any dispute arising out of or related to the Products of this Agreement shall be resolved exclusively in the state or federal courts of New Jersey, the exclusive jurisdiction and venue of which Buyer irrevocably consents to for this purpose. The United Nations Convention on the International Sale of Goods shall not apply.