

§ 1 Area of Application / Collision Clause

1) The following terms and conditions shall apply to all contractual relations between the customer and Aqua free Membrane Technology GmbH (Aqua free). The customer's terms and conditions of business shall not apply and shall not become an integral part of the contract.

2) Among other terms, the contractual partner responsible for the installation of the goods and the filter change shall be specified in the respective annex.

3) The customer's offer shall be accepted Aqua free conditional to Aqua free's own complete and timely delivery insofar as Aqua free is not responsible for the partial delivery and/or belated delivery.

4) The customer is responsible for the disposal of the packaging if so required.

§ 2 Subject of the Agreement / Offer and Acceptance

1) The subject of the agreement is the sale of hygiene systems and paraphernalia to business customers as defined in § 14 of the Civil Code of the Federal Republic of Germany.

2) Offers shall be deemed to have been accepted, if Aqua free has accepted the offer in writing or by fax. Quantities, qualities and characteristics of the goods must be specified in the offer or clearly defined in annexes and price lists.

3) Aqua free's offers are not binding. Models, samples or specifications (such as weights, pictures, descriptions etc.) in sample books, price lists or other publications display the quality of the goods as best as possible. Deviations do not justify the assertion of warranty claims if such deviations are customary in trade even if the deviation is not only a minor aberration.

4) Aqua free retains the right to alter the description of the goods in regards to the specified characteristics so that the respective legal requirements are observed.

5) Stipulations regarding quantities and quality shall only be deemed to be binding if the stipulations have been confirmed in writing. The same shall apply to information provided by Aqua free's suppliers and employees. Furthermore, estimates and freight specifications shall not be binding until Aqua free has confirmed these in writing.

§ 3 Prices

1) The price shall either be expressly specified by Aqua free or specified in the annex.

2) The nature of Aqua free's operations dictates that the prices can deviate from the original amounts specified in the offer. Such price increases cannot be influenced by Aqua free and are a consequence of commercial practice. However, price increases may only be passed on to the customer if the material and personal costs increase at the time that the agreement is concluded and Aqua free is not responsible for the price increase. An increase in customs duties, import- and export duties, foreign exchange controls etc. shall also count as an increase of costs. Aqua free shall immediately inform the customer of such a price increase as soon as he obtains knowledge thereof.

3) Unless otherwise agreed upon, all stated prices are "ex works".

4) Prices do not include packaging, transportation and transportation insurance or the valid VAT. The product prices do not include shipping, insurance or installation costs.

§ 4 Payment

1) In regards to the due date of the payment and the amount of interest payable in the event of delay, the legal regulations shall be applicable. Invoices are payable upon receipt thereof in accordance with the agreed upon payment terms. Bills of exchange and checks shall not be acknowledged as fulfillment. Payment should be made via bank transfer only.

2) If the customer does not fulfill his payment obligations, Aqua free may terminate the framework agreement notwithstanding other claims. Further deliveries shall be halted until all outstanding invoices have been paid. Alternatively, Aqua free shall charge interest in the amount of 8 percentage points above the interest rate of the European Central Bank on the outstanding amounts.

3) The customer may only set off claims that are undisputed by Aqua free or judicially acknowledged.

4) All prices are understood to be net prices and are payable in addition to the respectively valid VAT.

§ 5 Delivery Terms

1) The delivery dates specified in the order confirmation are approximate dates. If Aqua free should be in delay, Aqua free may be held liable to the customer for damages caused by the delay in the amount of 15 %, unless the delay is caused by Aqua free willfully or through gross negligence, if a guarantee has been breached or if life, limb or health have been damaged through the delay.

2) Aqua free shall deliver the goods conditional to Aqua free's own correct and timely delivery insofar as Aqua free is not responsible for the unavailability of the goods. Damages for non-performance may be asserted by the customer after he has given notice with the threat of refusal of the performance.

3) In the event of delivery delays due to force majeure, sovereign intervention, natural catastrophes, war, insurgencies, strikes in Aqua free's business, the business of a supplier or transportation company or due to any other circumstances, for which Aqua free is not responsible, Aqua free has the right to deliver the goods after these circumstances have been eliminated. Either party has the right to cancel the agreement in whole or in part if the incident causes a delay of more than 6 months after the agreed upon delivery date. The assertion of further claims by either party shall not be permissible.

4) Aqua free reserves the right to make partial deliveries.

5) The risk of accidental loss shall be passed to the customer as soon as the goods have been provided to the carrier, freight forwarder of the railroad services, the postal services or the customer or the goods have been made available. The delivery date shall be deemed to have been observed if the ordered goods have been made available for transportation and the customer has been informed thereof unless otherwise agreed upon in writing.

§ 6 Delivery

1) The delivery shall be made by making the goods available to the customer at the agreed upon location. In the event that a different place of delivery is agreed upon, the goods shall be made available to the customer at this location. If Aqua free does not punctually deliver the goods, the customer must set Aqua free a final delivery deadline. If this deadline is not observed, the customer has the right to assert damages in lieu of performance and terminate the agreement.

2) If the customer is in default with the acceptance of the goods, he must pay for the goods. Aqua free shall store the goods at the customer's expense and risk. Aqua free shall insure the goods at the customer's request.

§ 7 Passing of Risk

The risk of accidental loss of the goods shall pass to the customer

a) at the moment in which Aqua *free* gives the customer notice that the goods are available for collection or

b) in the event that the goods are shipped to the customer - at the moment in which the Aqua *free* gives notice that the goods are ready for shipment.

§ 8 Retention of Ownership

1) Aqua *free* reserves the right of retention of ownership to all delivered goods. The title of ownership to the delivered goods shall be granted upon settlement of all accounts of this contractual relationship. The customer has the right to process and sell the goods in the course of normal business operations.

2) The assertion of the reserved rights of ownership shall not be deemed to be a cancellation of the agreement unless Aqua *free* declares otherwise to the customer.

3) If goods are mixed, combined or processed with other goods, Aqua *free* shall become co-owner of the other goods in proportion of the invoice value of the delivered goods to the other goods at the time the goods are mixed, combined or processed. § 947 II of the Civil Code of the Federal Republic of Germany shall not be applicable. If the customer breaches the contract, Aqua *free* has the right to demand the return of the goods subject to the retention of title or the assignment of the claims of surrender that the customer has against a third party. Upon return of the goods, Aqua *free* has the right to turn the goods to account at the customer's costs after giving notice with a reasonable deadline. The return of the goods or the seizure of the goods shall not be deemed to be cancellation of the agreement by Aqua *free*. Such a cancellation must be expressly declared.

4) The customer is obligated to safekeep the goods free of charge and shall maintain the goods in a proper condition at his own expense and shall insure the goods for fire, water and theft damages. If the goods are pledged or assigned as security, Aqua *free* must be informed thereof immediately.

5) Any claims (including current account balance claims) regarding the goods subject to the retention of title arising out of the resale of the goods or any other grounds (i.e. insurance, tort) are hereby assigned by the customer to Aqua *free* for security purposes. The assignment shall be limited proportionally to the value of the goods subject to the retention of title.

6) The seizure of the goods or any other infringements of third parties shall be reported by the customer to Aqua *free*, in order to enable Aqua *free* to take legal action in accordance with § 771 of the Code of Civil Procedure of the Federal Republic of Germany.

7) Aqua *free* is obligated to release any securities upon request of the customer insofar as the viable value of these securities exceed the claims assigned to Aqua *free*. Aqua *free* may choose which securities it will release at its own discretion.

§ 9 Warranty / Liability

1) The customer must immediately inspect the goods for essential defects and for completeness and give Aqua *free* notice of defects.

2) If the customer claims that the goods are defective, Aqua *free* has the right to eliminate the defects within a reasonable period of time in a reasonable number of remedy attempts. The right to terminate the contract or to assert damages claims is barred if the defects are only non-essential defects.

3) The right to assert warranty rights is barred if the defect is caused by normal wear and tear during the intended use of the goods. The customer shall carry the burden of proof that Aqua *free* is responsible for the defect if the defect has been caused through the changes made to goods by the customer without the consent of Aqua *free*. This also shall apply in the event that the customer uses the goods other as intended or repairs the goods without Aqua *free*'s consent. Furthermore, this shall also apply if the goods are not processed, operated or maintenance in accordance with Aqua *free*'s guidelines.

4) The warranty period shall be statute barred 12 months after receipt of the goods by the customer. This shall also apply to claims for damages if Aqua *free* has not acted willfully or gross negligently, no damages to life, limb or health have been caused or no guarantee has been breached. Claims in accordance to the Product Liability Act of the Federal Republic of Germany shall not be affect.

5) Aqua *free*'s liability for damages that are caused through slight negligence shall be limited in the amount to the typical damages that were apparent to Aqua *free* upon conclusion of the agreement. Claims for damages shall become statute barred after one year upon obtaining knowledge of damages or at the moment in which the damages could have been discovered but were not because the customer neglected his duties to exercise diligence. Otherwise, the liability for damages caused willfully or through an act of gross negligence and/or for damages to life, limb or health and/or damages caused through a breach of a guarantee shall remain unaffected. The same shall apply to claims based on the Product Liability Act of the Federal Republic of Germany.

§ 10 Data Protection Clause

Personal data shall be collected, stored, processed, deleted or conveyed with permission of the affected person for the purpose of the execution of the agreement only. A provision of the personal data to a third party is only permissible for the purpose of asserting claims arising out of this contractual relationship and if this third party observes the data protection regulations pursuant to §§ 9, 11 of the Data Protection Act of the Federal Republic of Germany. The affected persons have the right to demand information regarding the extent, content and type of stored data by Aqua *free* and/or the third party at any time. After the statute of limitations for all claims connected to this contractual relationship have elapsed, the customer and the affected persons have the right to request the deletion of the data for the affected persons.

§ 11 General

1) If a stipulation of these terms and conditions or the contract should be invalid, the remaining terms shall remain unaffected.

2) The place of performance and the place of jurisdiction for all claims connected to this contractual relationship is Hamburg, Germany. The laws of the Federal Republic of Germany shall be applicable.

Effective: June 2012