



**STANDARD LIMITED WARRANTY, GENERAL SALES POLICY AND
CONTROLLING TERMS AND CONDITIONS**

THIS DOCUMENT CONTAINS GLOBAL WATER SOLUTIONS LTD. AND ALL OF ITS SUBSIDIARIES' (COLLECTIVELY REFERRED TO AS "GWS") WORLDWIDE STANDARD LIMITED WARRANTY, GENERAL SALES POLICIES AND CONTROLLING TERMS AND CONDITIONS. THIS STANDARD LIMITED WARRANTY, GENERAL SALES POLICIES AND CONTROLLING TERMS AND CONDITIONS SHALL NOT BE ALTERED OR AMENDED.

A. EFFECTIVE DATE AND NO AGREEMENT OR AMENDMENTS

This document and its provisions are effective as of October 1st, 2004 and valid until further written notice from GWS. This document and its provisions shall supersede any and all pre-existing sales policies, terms and conditions, and standard limited warranties issued by GWS, whether in writing or orally. This document does not reflect an offer or an agreement to sell GWS products to any person or entity and should not be construed as such.

B. STANDARD LIMITED WARRANTY

From the date of Manufacturing as detailed in the GWS warranty statement in the Appendix I, for the applicable warranty period, the products purchased will

- (i) be free from defects in workmanship and material at the time of shipment,
- (ii) perform consistently with samples previously supplied and
- (iii) conform to the specifications published or agreed to in writing between the purchaser and GWS.

This limited warranty extends only to products purchased directly from GWS. This limited warranty is not assignable or transferable to any subsequent purchaser or user.

- a. THIS LIMITED WARRANTY (INCLUDING THE WARRANTY STATEMENT IN THE APPENDIX I) IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR GWS'S BREACH OF ITS OBLIGATIONS HEREUNDER, INCLUDING BREACH OF ANY EXPRESS OR IMPLIED WARRANTY OR OTHERWISE, UNLESS PROVIDED ON THE FACE HEREOF OR IN A WRITTEN INSTRUMENT MADE PART OF THIS LIMITED WARRANTY, SHALL BE FOR THE PURCHASE PRICE PAID TO GWS FOR THE NONCONFORMING OR DEFECTIVE PRODUCT OR FOR THE REPAIR OR REPLACEMENT OF NONCONFORMING OR DEFECTIVE PRODUCT, AT GWS'S ELECTION. ANY GWS PRODUCT WHICH GWS DETERMINES TO BE DEFECTIVE WITHIN THE WARRANTY PERIOD SHALL BE, AT GWS'S SOLE OPTION, REPAIRED, REPLACED, OR A REFUND OF THE PURCHASE PRICE PAID.
- b. WITHOUT LIMITING THE GENERALITY OF THE EXCLUSIONS OF THIS LIMITED WARRANTY, GWS SHALL NOT BE LIABLE TO THE PURCHASER OR ANY THIRD PARTY FOR ANY AND ALL (i) INCIDENTAL EXPENSES OR OTHER CHARGES, COSTS, EXPENSES (INCLUDING COSTS OF INSPECTION, TESTING, STORAGE, OR TRANSPORTATION) OR (ii) DAMAGES, INCLUDING CONSEQUENTIAL, SPECIAL DAMAGES, PUNITIVE OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST TIME AND LOST BUSINESS OPPORTUNITIES, REGARDLESS OF WHETHER GWS IS OR IS SHOWN TO BE AT FAULT, AND REGARDLESS OF WHETHER THERE IS OR THERE IS SHOWN TO HAVE BEEN A DEFECT IN MATERIALS OR WORKMANSHIP, NEGLIGENCE IN MANUFACTURE OR DESIGN, OR A FAILURE TO WARN.
- c. GWS's liability arising out of the sale or delivery of its products, or their use, whether based upon warranty contract, negligence, or otherwise, shall not in any case exceed the cost of repair or replacement of the product and, upon expiration of any applicable warranty period, any and all such liability shall terminate.

- d. Without limiting the generality of the exclusions of this limited warranty, GWS does not warrant the adequacy of any specifications provided directly or indirectly by a purchaser or that GWS's products will perform in accordance with such specifications. This limited warranty does not apply to any products that have been subject to misuse (including use in a manner inconsistent with the design of the product), abuse, neglect, accident or improper installation or maintenance, or to products that have been altered or repaired by any person or entity other than GWS or its authorized representatives.

C. **GENERAL SALES POLICIES AND CONTROLLING TERMS AND CONDITIONS**

The terms and conditions appearing herein, together with the terms and conditions set forth in GWS's Standard Limited Warranty and Special Terms and Conditions Notices constitute the entire agreement between GWS and Purchaser. GWS OBJECTS TO, AND SHALL NOT BE BOUND BY, ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS, WHETHER PRINTED OR OTHERWISE AND REGARDLESS OF WHETHER SUCH ADDITIONAL TERMS OR CONDITIONS ARE IN PURCHASER'S PURCHASE ORDER OR IN ANY OTHER COMMUNICATION FROM PURCHASER TO GWS. Prior courses of dealing, trade usage and verbal agreements not reduced to a writing signed by GWS, to the extent they differ from, modify, add to or detract from, the terms and conditions herein, shall not be binding upon GWS. There are no other agreements, promises or understandings, either verbal or written, which are not fully expressed herein or in GWS's Standard Limited Warranty and Special Terms and Conditions Notices constitute the entire agreement between GWS and Purchaser. No statements, recommendations or assistance by either GWS or Purchaser have been relied upon by the other nor shall any such statements, recommendations or assistance constitute a waiver by either party of any of the provisions hereof.

a. **Acceptance and Payment**

GWS reserves the right to reject and refuse to process a purchase order for any reason whatsoever. Any portion of the purchase price which is not paid in accordance with applicable payment terms shall accrue interest at a rate equal to 1 ½% per month or the highest rate allowed by law. GWS shall apply payments received against outstanding invoices and/or interest charges at its discretion.

b. **Prices and Taxes**

All prices and discounts are subject to change by GWS, with or without prior notice. Prices and discounts applicable to unshipped quantities of existing purchase orders, as well as to new Purchase orders, shall be those in effect at the time of shipment.

A representation by Purchaser of facts, upon which GWS relies in basing applicable discount or term of sale, shall be taken as a representation that such facts are true; and GWS shall have the right to revise any price or discount, including products already shipped, invoiced, or paid, should such representations be untrue.

All prices are net of, and do not include, any federal, state, or local income, property, sales, use, excise, value-added, or other taxes, all of which shall be the responsibility of, and paid by, Purchaser, unless otherwise indicated on GWS invoice to Purchaser.

c. **Payment Terms**

The due date of payment shall be measured from the invoice date.

d. **Quotations**

No price quotations for GWS products shall be binding on GWS unless confirmed in writing by GWS. Prices so quoted will be binding on GWS for 30 days from the date of the price quotation. Clerical errors on any price quotations are subject to correction by GWS.

e. **Delivery**

Shipments may be made by common carrier, unless otherwise specified in one of GWS's Special Terms and Conditions Notices. Special arrangements, such as air freight, UPS, overnight delivery and special packaging requirements must be specifically requested by Purchaser and, if agreed to in writing by GWS, will be at Purchaser's expense.

Any dates or schedules specified for the delivery of goods covered hereby are approximate only and are based upon then existing conditions and/or conditions reasonably anticipated through each shipping date. In addition to the limitation on damages described herein, GWS shall not, under any circumstances be liable for any loss, cost, expense, delay, damage, inconvenience, or consequential damages for failure (however caused) to meet a specific shipping date, or for any delay, loss, or damage in transit, or due to the unavailability of sufficient products to fill a purchase order. GWS reserves the right to allocate available inventories among its customers, including Purchaser, in the event that such inventories are inadequate to meet demand.

Title to the product shipped shall pass to Purchaser when GWS delivers such goods to the carrier for delivery to Purchaser, and all risks of damage, loss, or delay shall thereupon pass to Purchaser. GWS shall promptly, after shipment, notify Purchaser that the goods have been delivered to the carrier and shall furnish Purchaser with all documents, if any, that are required to enable Purchaser to obtain possession of the product.

f. **Compliance with Laws, Ordinances and Regulations**

GWS shall use reasonable efforts to cause the products to comply with federal safety, health and environmental regulations and insurance codes. However, GWS shall not be responsible for compliance of the products with local interpretations of such federal regulations or insurance codes, nor with any local laws, ordinances, codes and/or regulations which may at any time be in effect at any location where the products are to be used, unless such responsibility shall be expressly assumed by GWS in writing.

g. **Change of Design**

GWS shall be entitled to make any and all changes in details of design, construction or arrangement of the product as GWS in its sole discretion determines will constitute an improvement upon the product or any specifications or designs previously furnished to the Purchaser.

h. **GWS Remedies**

In addition to and notwithstanding any other remedy to which GWS may be entitled by law, in the event of Purchaser's breach of its obligations hereunder, or if Purchaser should cancel a purchase order, in whole or in part, or refuse to accept the products shipped hereunder, or wrongfully rejects or revokes its acceptance of products shipped that conform to a purchase order, Purchaser shall pay for, and GWS shall be entitled to recover from Purchaser, all special engineering, design, tooling, manufacturing, storage, or transportation costs incurred in connection with GWS's performance of the purchase order.

i. **Infringement**

With respect to GWS's own standard designs and specifications, or specialty products which GWS has engineered and designed, GWS shall defend, indemnify and hold Purchaser harmless from and against any loss, damage, cost or expense arising out of any third-party claims for patent or trademark infringement relating to such products, so long as Purchaser promptly notifies GWS in writing of any such claim and gives GWS such authority, information and assistance as GWS may request in connection with the defense thereof.

Purchaser shall defend, indemnify and hold GWS harmless from and against any loss, damage, costs or expenses arising out of any claims of patent or trademark infringement relating to products manufactured by GWS in accordance with any designs or specifications furnished by Purchaser.

j. **Special Tooling**

Any special tools, dies, jugs, molds, or other equipment manufactured or purchased by GWS, regardless of whether included as part of GWS's pricing, shall remain GWS's exclusive property.

k. **Confidentiality**

All commercial, financial or technical information furnished by GWS shall be considered confidential and Purchaser shall not disclose any such information to any other person or use such information itself for any purpose other than the re-sale or the intended use of the products. This Section shall apply to drawings, specifications or other documents prepared by GWS. Unless otherwise agreed in writing, no information disclosed in any manner or at any time by Purchaser to GWS shall be deemed secret or confidential, and Purchaser shall have no rights against GWS with respect thereto, except such rights as may exist under applicable patent laws.

l. **Independent Contractors**

GWS and Purchaser are independent contractors and neither has the authority to assume or to create any obligation on behalf of or in the name of the other.

m. **Set Off**

GWS shall be entitled to set off any amount or apply any sum due from Purchaser to GWS any other affiliated company of GWS.

n. **Force Majeure**

GWS shall not be responsible or liable for any delays or failures in manufacture or delivery due to any cause or condition beyond the reasonable control of GWS. GWS shall not be responsible or liable for any delays or failures to deliver or to perform its contractual responsibilities if due to causes beyond its reasonable control or the reasonable control of its suppliers, or due to acts of God, acts of civil or military authority, judicial action, fires, strikes, floods, wars, transportation delays, or inability due to causes beyond its reasonable control to obtain necessary labor, materials or manufacturing facilities. In the event of such a condition or circumstance, GWS shall have the right, at its option, to cancel any purchase orders or any part thereof without any resulting liability.

o. **Applicable Law**

The terms and conditions expressed herein shall be construed and its performance governed by the internal laws (as opposed to conflicts of law provisions) of the Switzerland.

p. **Headings**

All headings or captions used herein are for convenience of reference only and shall not limit or define these terms and conditions.

q. **Interpretation**

Whenever the term "include" or "including" is used in this document or any document referenced in this document, it shall mean "including, without limitation," (whether or not such language is specifically set forth) and shall not be deemed to limit the range of possibilities to those items specifically enumerated. The words "hereof", "herein" and "hereunder" and words of similar import refer to this document and any document referenced in this document as a whole and not to any particular provision. Terms defined in the singular have a comparable meaning when used in the plural and vice versa.

APPENDIX I
GWS WARRANTY STATEMENT



GWS Pressure Tanks
Limited Warranty

Global Water Solutions Ltd. (GWS) warrants its entire range of pressure tanks except the SuperFlow™ Series* tanks against manufacturing defects in material and workmanship for a period of five years (Challenger, FlowThru™, C2 Lite™, PressurWave™ Series), three years (SolarWave™ Series), two years (HeatWave™ Series, ROWave™ Series) from the date of manufacture. Warranty applies to Global Water Solutions Products only when used for their intended purpose, and does not apply if defect is due to improper use of the product, result of accident, misuse, or abuse. If the product was improperly installed or altered in any way, not specifically authorized by the factory, the warranty is void. The warranty set forth in this paragraph is made expressly in lieu of all other warranties expressed, or implied, including but not limited to merchantability or fitness for a particular purpose.

In no event shall GWS be liable for cost of processing, lost profits, goodwill or any other consequential or incidental damage of any kind resulting from the order or use of its products whether arising from breach or warranty nonconformity to ordered specifications, delay in delivery, or any loss sustained by the buyer nor will GWS be liable for labor and expenses necessary to remove and reinstall replacement product.

To obtain service under this warranty, consumer must deliver alleged defective product, freight prepaid, to an authorized GWS Distributor or OEM partner. GWS will either issue credit or at its option, repair or replace defective product freight prepaid to the distributor. GWS reserves the right to make changes in construction, which, in its judgment, constitutes a product improvement.

*SuperFlow™ Series tanks carry a limited warranty for a period of 1 year from date of manufacture for manufacturing defects on the steel shell. For replacement of the membrane, provided the tank is installed by an authorized installer and pre-charge is set properly as per instruction manual and the pre-charge is checked as per the same manual at a time interval of every 3 months, warranty is granted for a period of 3 months from date of manufacture (date of manufacture is set 4 months ahead from actual date of manufacture).

All warranty is subject to verifiable proper installation, adjustment of pre-charge as per our engineering bulletins and installation of a pressure relief valve as recommended in the installation manual.