

XYLEM INC. AND ITS AFFILIATES Standard Terms and Conditions of Purchase (Eff. ____2017)

1. Governing Provisions. These Xylem Inc. and its Affiliates Standard Terms and Conditions of Purchase (the "Standard Terms") govern the supply of products ("Products") by the supplier ("Supplier") and purchased by Xylem Inc. or its Affiliate ("Purchaser"). Supplier and Purchaser are each referred to herein individually as a "Party" and together as the "Parties". "Affiliate" of a party means any other entity controlling, controlled by, or under common control with such party, where "control" of an entity means the ownership, directly or indirectly, of 50% or more of either the shares or other equity in such entity or the voting rights in such entity. Purchaser agrees to purchase the Products and services only upon Supplier's complete acceptance of these Standard Terms without modifications or additions. Unless specifically agreed to in writing by Purchaser, no additional or different terms (except additional warranties given by Supplier) contained in Supplier's quote, acknowledgement, invoice or other forms shall become part of the purchase order ("Order"), notwithstanding any failure by Purchaser to specifically object to such terms. These Standard Terms supersede any other terms between the Parties. If the Parties have entered into a corporate supply agreement ("CSA"), the Order shall be governed by the terms of such CSA. The Order, Standard Terms, CSA (if any), and Order Acknowledgement (defined below), together with any change orders or instructions thereto, shall constitute the "Agreement".

2. Order Acceptance. Unless otherwise agreed between Supplier and Purchaser, the Order shall be deemed accepted upon Supplier's written confirmation to Purchaser or by the furnishing of the Products or services specified in the Order ("Order Acknowledgment").

3. Order of Precedence. In case of discrepancy between the Agreement documents, they shall be applied in the following order: (1) Order; (2) CSA; (3) Standard Terms.

4. Change Order. Purchaser may at any time demand modifications of any Order. If such modifications result in an increase or a reduction of Supplier's costs or in a delay of delivery, Supplier shall notify Purchaser immediately. If an Order Acknowledgement has already been issued, the Parties shall agree on a reasonable adjustment of the Order. Any proposed alteration of Products or the Order by Supplier requires Purchaser's prior written consent.

5. Prices. The prices are as agreed upon in writing between the Parties and are fixed.

6. Invoicing/Payment/Taxes. Supplier shall invoice Purchaser upon delivery as per the specified Incoterm. Supplier shall submit invoices in an auditable form, complying with Purchaser's requirements and the Parties' applicable local mandatory law and generally accepted accounting principles ("GAAP"). Unless requested differently, Supplier must send invoices in electronic format to the billing address specified by Purchaser.

Supplier shall include the following minimum information on each invoice: Supplier name, address, and reference person, including contact details; invoice date; invoice number; Order number and Supplier number; address of Purchaser or Purchaser's customer; quantity; specification of Products and/or services; price (total amount invoiced); currency; tax or VAT amount; tax or VAT number; Authorized Economic Operator and/or Approved Exporter Authorization number and/or other customs identification number, if applicable; payment terms as agreed.

To the extent permitted by law, and unless specifically agreed in writing, the payment term shall be seventy-five (75) days, End of Month ("EOM").

All taxes and duties which are levied in Purchaser's country in connection with the conclusion or the execution of the Order are to the charge of Purchaser. If Supplier is subject to

withholding tax in Purchaser's country, such tax is to the charge of Supplier. Purchaser will deduct such withholding tax from the charges due and pay the withholding tax on behalf of Supplier to the responsible authority. Purchaser will submit a tax receipt for withholding tax paid to Supplier. VAT, if levied, is to be paid by Purchaser, unless otherwise agreed. With respect to Non-Conforming Products or Non-Conforming Services (as defined in these Standard Terms), Purchaser reserves the right to recoupment or set off of such amount owed to Supplier or to withhold payment.

7. Delivery. Except as otherwise agreed between the Parties, delivery terms shall be DDP (Ship To location) (Incoterms 2010). Purchaser's production schedules and warranties to its customers are dependent upon the agreement that deliveries of the Products or performance of the services covered by the Order will occur on the required delivery schedule. Therefore, time is of the essence. The Products shall be delivered (packed and marked) according to Purchaser's specifications or, if absent, in a manner that Supplier selects as commercially reasonable. Title shall transfer with risk of loss as per the specified Incoterm. Partial delivery, excess delivery, or earlier delivery than agreed require the prior written approval of Purchaser, and if not so approved, shall be considered as Non-Conforming Products.

8. Delay Costs and Liquidated Damages. If Supplier is unable to comply with the date of delivery set out in the Order, Supplier shall without delay inform Purchaser thereof and Purchaser shall then be entitled to: (i) recover from Supplier any expenditure reasonably incurred by Purchaser in obtaining products including but not limited to premium (air) freight if required due to Supplier's delay and including recovery of costs from third parties for substitution; and (ii) Purchaser may in its sole discretion seek liquidated damages for delay equal to one (1%) percent per commenced week of the Product's

price that are delayed or cannot be used as a consequence of the delay up to ten (10%) percent of the price of such Order, unless otherwise agreed in writing between the Parties. The foregoing is not an exclusive remedy and Purchaser shall have all other rights and remedies available at law or in equity or as provided in the Agreement.

9. Proprietary Information.

Drawings, specifications, photographs, and other engineering and manufacturing information or proprietary information disclosed by Purchaser shall remain Purchaser's property, shall not be disclosed to any third party, and shall be returned to Purchaser upon completion of the Order or upon demand. Supplier shall use such information solely for Supplier's performance of the Order and Supplier shall not, without Purchaser's written consent, directly or indirectly use any such information derived therefrom in performing services or providing products for any other customer. If Purchaser requests that Supplier specially manufacture, develop, or design Products for Purchaser, Supplier agrees that any resulting designs, drawings, blueprints, plans, specifications, data, business information, or other materials used to develop and design said Products will be owned by Purchaser, including any intellectual property rights therein, and Supplier agrees that such results, materials, and rights may be used exclusively and without restriction by Purchaser for any purpose whatsoever.

10. Tooling. Unless otherwise agreed in writing, all special dies, molds, patterns, jigs, fixtures, and any other tooling or property furnished to Supplier by Purchaser, or specifically paid for by Purchaser, for use in the performance of the Order shall be and remain the property of Purchaser and shall be subject to removal upon Purchaser's instruction; shall be used only in fulfilling orders from Purchaser; shall be maintained by Supplier in good working order according to industry standards; shall be held at Supplier's risk; and shall be kept insured by Supplier at Supplier's expense while in its custody or control in an amount equal to the replacement cost, with loss payable to Purchaser.

Supplier will furnish copies of policies or certificates of such insurance to Purchaser on demand.

11. Confidentiality. All information disclosed by Purchaser shall remain Purchaser's property, shall not be disclosed to any third party, and shall be returned to Purchaser upon completion of Order or upon demand.

12. Express Warranties. Supplier warrants that (i) the Products and services conform in all respects to any expressed warranties made by Supplier to Purchaser; (ii) the Products and services are free from defects in title, labor, materials, services, manufacture, and design; (iii) the Products and services conform to the applicable specifications, drawings, and standards of quality and performance; (iv) the Products and services comply with all governmental requirements that may apply to the design, production, sale, or distribution of the Products; (v) the Products are new and unused at the date of delivery and fit for the purposes for which purchased by Purchaser; and (vi) the services will be performed with all appropriate skill and care in accordance with industry best practice and in compliance with all governmental requirements that apply to the services. Purchaser's acceptance or use of or payment for the Products or services shall not diminish Supplier's obligations under this warranty. The warranty period for Products is twenty-four (24) months from the date of delivery from Purchaser to its customer, but no more than thirty (30) months from date of delivery from Supplier to Purchaser, and for services is twenty-four (24) months from the date of Purchaser's acceptance thereof, unless otherwise agreed between the Parties and set forth on the face of the Order.

If the Products or services do not conform with the above warranties ("Non-Conforming Products" and "Non-Conforming Services"), Supplier agrees, at Purchaser's option, to: (i) repair or replace Non-Conforming Products or re-perform Non-Conforming Services within 48 hours; (ii) issue a credit note for the corresponding amount or refund the purchase price; or (iii) assent to and

perform pursuant to Purchaser's exercise of any other applicable rights or remedies available under contract, law, or equity, including the purchase of substitute products or services. If Product is repaired or replaced or a service is re-performed, the warranty period shall restart. Supplier shall pay for or reimburse Purchaser for all defective product costs, including but not limited to labor (direct and indirect) and materials (i) to return, store, or dispose of any Non-Conforming Products; (ii) to inspect, evaluate, and/or disassemble any Non-Conforming Products wherever located; (iii) to transport and install replacement product; (iv) to repair and re-work Non-Conforming Products if Supplier is unable to repair or replace the same to meet Purchaser's time and quantity needs; (v) to perform value-add activities prior to discovery of the defect/non-conformity; and (vi) an administrative fee equivalent to USD three hundred (\$300) per claim. The foregoing remedies are cumulative and are not exclusive of any rights and remedies at law or in equity.

13. Indemnity. Supplier agrees to pay, reimburse, defend, hold harmless, and indemnify Purchaser and its customers (whether direct or indirect), and their respective successors and assigns, from and against all claims, liability, loss, damage, and expenses (including without limitation attorneys' fees) arising from or in connection with any third party claims or demands for personal injury or death, property damage, or economic loss allegedly caused by or contributed to by (i) any of the Products supplied by Supplier, regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability, product liability, or any other legal or equitable theories, and/or (ii) the performance of any service or work by Supplier or its employees, agents, representatives, or sub-contractors on the property of Purchaser or its customer or the use by Supplier of the property of Purchaser or its customer. Such indemnification obligation applies to the extent of fault of Supplier and its employees, agents, representatives, and subcontractors, and regardless of whether both Supplier and Purchaser are negligent or otherwise at fault.

14. Intellectual Property Warranty. Supplier warrants that the use or resale of the Products by Purchaser and its customers do not entail any infringement of patent, copyright, design, trademark, or similar right. Supplier agrees to pay, reimburse, defend, hold harmless, and indemnify Purchaser and its customers (whether direct or indirect), and their respective successors and assigns, against any and all claims, liability, loss, damage, and expenses (including without limitation attorneys' fees) which they, or any of them, may sustain or incur as a result of breach, except such indemnity does not apply if the infringement or violation arises from or is based upon Supplier's compliance with particular requirements of Purchaser that differ from Supplier's standard specifications for the Product. If notified in writing, Supplier shall undertake at its expense the defense of any such suit or proceeding and save Purchaser harmless from any expenses, loss, or damage arising therefrom. Further, if an infringement claim is made against Purchaser, at Purchaser's request without prejudice to its other rights herein, Supplier shall at its sole expense and risk (i) procure for Purchaser the right to continue using or reselling the Product or using the results of the services, (ii) modify the Product or the results of the services so that they cease to be infringing, or (iii) replace the Product or re-perform the services so that they become non-infringing; provided always that the modified or replaced Product or services do not detract from agreed functionality.

15. Assignment & Sub-contracting. Neither the Agreement nor any Order, nor any monies due or to become due thereunder, may be assigned or transferred by Supplier without Purchaser's prior written consent and any purported assignment or transfer without Purchaser's prior written consent shall be void and of no effect. Supplier agrees that it will not subcontract any of its obligations without Purchaser's prior written consent.

Purchaser may assign the Agreement and/or any Order, and/or any of its

rights, benefits, duties, or obligations thereunder, without consent to any of its Affiliates or to a successor who acquires all or substantially all of the assets or equity of Purchaser through purchase, merger, or other change in control transaction, in which case the obligations of Purchaser shall cease.

Nothing in the Agreement shall be construed as (i) a guarantee by Xylem Europe GmbH of any obligations of any Purchaser hereunder or (ii) an obligation by Xylem Europe GmbH to purchase any Products or services from Supplier.

The Agreement is binding upon the Parties and their successors and permitted assigns. If either Party is merged with or into another entity, the legal successor of the merged Party shall automatically become party to the Agreement and shall have the same rights and obligations as its predecessor thereunder. Supplier will provide Purchaser with notice as soon as reasonably practicable upon knowledge of any material change of control in Supplier's business or if Supplier ceases or threatens to cease operating, but in no case shall notice be provided more than forty-eight (48) hours after a change in control has occurred.

16. Fair Labor Certification. In performing its obligations under the Order, Supplier hereby certifies that it will not use child labor as defined by local law, will not use forced or compulsory labor, will not physically abuse labor, and will respect employees' rights to choose whether to be represented by third parties and to bargain collectively in accordance with local law. In addition, Supplier hereby certifies that it will comply with all applicable laws and regulations relating to wage and benefit, working hours and overtime, and health, safety, and environmental matters. If requested by Purchaser, Supplier shall demonstrate to the satisfaction of Purchaser its compliance with all requirements in this paragraph.

Where applicable, federal contractors and sub-contractors in the United States shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These

regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their age, race, color, religion, creed, sex, marital status, sexual orientation, gender identity, genetic information, citizenship status, or national origin. Moreover, these regulations require that covered prime contractors and sub-contractors take affirmative action to employ and advance in employment individuals without regard to age, race, color, religion, creed, sex, marital status, sexual orientation, gender identity, genetic information, citizenship status, national origin, protected veteran status, or disability. Where applicable, the Parties agree to abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under U.S. federal labor laws.

17. Insurance. Supplier shall maintain public liability coverage including products completed operations, blanket contractual liability, bodily injury and property damage, and automobile coverage (bodily injury and property damage), each with minimum limits of USD two million (\$2,000,000) per occurrence unless a higher limit is specified in the Order. If the Order covers services to be performed on Purchaser's premises, Supplier shall maintain and provide evidence of statutory Workmen's Compensation or equivalent coverage in accordance with the laws of the location in which the work is performed, including employer's liability with a limit of USD 1 million (\$1,000,000) unless a higher limit is specified in the Order.

18. Quality Control. Supplier shall continuously carry out quality control tests to ensure that the Products comply with technical specifications; any specification of Purchaser; quality requirements agreed upon in writing; and quality standards required by law and regulations, including food and drug laws, these Standard Terms, or the Order. Supplier shall conduct all necessary control prior to dispatch of the Product. At any time prior to

dispatch and during Supplier's business hours, Purchaser shall have the right at its cost upon reasonable notice to audit Supplier's compliance with the above requirements at the premises where the Products are manufactured. Supplier will ensure that Purchaser's rights in this respect are included in Supplier's contracts with subcontractors (if any) in order to enable Purchaser to undertake the same with any subcontractors. Purchaser is not required to perform incoming inspection of any Products supplied or of any services performed. Supplier will maintain ISO9001:2008 compliance or equivalent standard approved by Purchaser while performing any Order.

19. Product Content. Supplier agrees to provide to Purchaser product content information required to satisfy both Purchaser's content reporting obligations and Purchaser's customer's reporting obligations in each case as required by law or regulation, including without limitation "conflict minerals". Supplier declares to be fully compliant with Purchaser's 3TG Conflict Mineral Policy available at [<https://www.xylem.com/en-US/about-xylem/>].

Supplier shall comply with all laws and regulations relating to product content applicable to the sale of goods sold hereunder, and Purchaser shall advise Supplier of countries into which the goods shall be sold.

20. Force Majeure. In the event that war, fire, explosion, flood, strike, riot, act of governmental authority, act of terrorism, act of God, a natural disaster, or other contingency beyond the reasonable control of a Party causes cessation or interruption of its performance hereunder, then such performance shall be excused for the period of the disability, without liability, provided that the Party unable to carry out its obligations hereunder shall have, promptly after it has actual knowledge of the beginning of any excusable delay, notified the other Party of such delay, of the reason therefore, and of the probable duration and consequence thereof. The Party so excused shall use its best efforts to eliminate the cause of the delay, interruption, or cessation and resume

performance of its obligations hereunder with the least possible delay. If the period of disability extends for a period greater than three (3) months, then the other Party, notwithstanding the other termination provisions of these Standard Terms, may terminate the Order and/or Agreement upon fifteen (15) days prior written notice.

21. Termination. Purchaser may terminate all or part of the Agreement and/or any Order without cause on sixty (60) days' notice. Purchaser's liability for cancellation without cause shall be limited to Supplier's actual cost for work and materials applicable solely to the Order and consistent with agreed purchase order commitments, if any, for raw material, work in process, and furnished products materials. Seller shall cancel all purchase commitments for raw materials and other Product inputs when it receives notice of cancellation from Purchaser. If prior to delivery, Supplier becomes insolvent or bankrupt, or bankruptcy or insolvency proceedings are filed by or against Supplier, or Supplier otherwise is deemed to be bankrupt or insolvent, Purchaser may terminate the Agreement and/or any Order immediately by sending Supplier written notice.

Without prejudice to any other provisions herein, Purchaser may terminate all or part of the Agreement and/or any Order with immediate effect upon written notice to Supplier if Supplier commits a breach of any of its obligations which is not remedied within thirty (30) days of Supplier's receipt of notice. Upon termination due to Supplier's breach, Purchaser shall have against Supplier all remedies provided by contract, law, and equity. Except as otherwise provided, upon termination for any reason, the rights and obligations of the Parties that arose under this Agreement prior to its termination shall survive termination.

22. Disputes, Applicable Law. The Agreement and all Orders shall be governed by the laws of the jurisdiction where Purchaser is located without regard to its conflict of laws provisions. The United Nations Convention on Contracts for the

International Sale of Goods, to the extent it may be deemed to apply, shall not apply to the Agreement or any Order.

23. Severability. In the event that any provision contained in the Agreement shall be found invalid or unenforceable, the balance of the Agreement shall remain in full force and effect.

24. Waiver. No waiver of any provision of the Agreement, or any right or default thereunder, shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any such waiver shall be effective only for the instance given and shall not operate as a waiver with respect to any other right or obligation under the Agreement or applicable law in connection with any other instance or circumstance.

25. Compliance. Supplier shall adhere to all laws and regulations applicable to both itself and the commercial relationship with Purchaser. Should any violation occur, Purchaser may immediately withdraw from and/or terminate all orders and/or transactions with Supplier. Supplier agrees to adhere to Purchaser's Code of Conduct and Purchaser's Supplier Code of Conduct available at [<https://www.xylem.com/en-US/about-xylem/>].

26. Exports Regulations. Supplier shall comply with all applicable laws, rules and regulations relating to the export or re-export of technical data and products. Supplier will, at its reasonable expense, provide Purchaser with information, documentation, and electronic transaction records relating to the Products supplied or services performed necessary for Purchaser to fulfill any customs, origin marking, or labeling requirements, certification or local content reporting requirements, and to enable Purchaser to claim preferential duty treatment for products eligible under applicable trade preference regimes.

27. Headings. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Standard Terms.