

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT3378038

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
CHLORINE ENGINEERS CORP LTD	06/30/2012
RECEIVING PARTY DATA	
Name:	CEC WATER TECHNOLOGIES LIMITED
Street Address:	24-6, HIGASHI-TAKASAKI TAMANO CITY
City:	OKAYAMA
State/Country:	JAPAN
Postal Code:	706-0134
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5622613
CORRESPONDENCE DATA	
Fax Number:	(713)975-0995
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	713-975-0800
Email:	info@dmiplaw.com
Correspondent Name:	D'AMBROSIO & MENON, PLLC
Address Line 1:	2825 WILCREST DRIVE
Address Line 2:	SUITE 486
Address Line 4:	HOUSTON, TEXAS 77042
ATTORNEY DOCKET NUMBER:	SEVR175STWP
NAME OF SUBMITTER:	TANYA TAYLOR
SIGNATURE:	/Tanya Taylor/
DATE SIGNED:	06/02/2015
Total Attachments: 152	
source=CECWT_ Asset Purchase Agreement#page1.tif	
source=CECWT_ Asset Purchase Agreement#page2.tif	
source=CECWT_ Asset Purchase Agreement#page3.tif	
source=CECWT_ Asset Purchase Agreement#page4.tif	
source=CECWT_ Asset Purchase Agreement#page5.tif	

source=CECWT_Asset Purchase Agreement#page6.tif
source=CECWT_Asset Purchase Agreement#page7.tif
source=CECWT_Asset Purchase Agreement#page8.tif
source=CECWT_Asset Purchase Agreement#page9.tif
source=CECWT_Asset Purchase Agreement#page10.tif
source=CECWT_Asset Purchase Agreement#page11.tif
source=CECWT_Asset Purchase Agreement#page12.tif
source=CECWT_Asset Purchase Agreement#page13.tif
source=CECWT_Asset Purchase Agreement#page14.tif
source=CECWT_Asset Purchase Agreement#page15.tif
source=CECWT_Asset Purchase Agreement#page16.tif
source=CECWT_Asset Purchase Agreement#page17.tif
source=CECWT_Asset Purchase Agreement#page18.tif
source=CECWT_Asset Purchase Agreement#page19.tif
source=CECWT_Asset Purchase Agreement#page20.tif
source=CECWT_Asset Purchase Agreement#page21.tif
source=CECWT_Asset Purchase Agreement#page22.tif
source=CECWT_Asset Purchase Agreement#page23.tif
source=CECWT_Asset Purchase Agreement#page24.tif
source=CECWT_Asset Purchase Agreement#page25.tif
source=CECWT_Asset Purchase Agreement#page26.tif
source=CECWT_Asset Purchase Agreement#page27.tif
source=CECWT_Asset Purchase Agreement#page28.tif
source=CECWT_Asset Purchase Agreement#page29.tif
source=CECWT_Asset Purchase Agreement#page30.tif
source=CECWT_Asset Purchase Agreement#page31.tif
source=CECWT_Asset Purchase Agreement#page32.tif
source=CECWT_Asset Purchase Agreement#page33.tif
source=CECWT_Asset Purchase Agreement#page34.tif
source=CECWT_Asset Purchase Agreement#page35.tif
source=CECWT_Asset Purchase Agreement#page36.tif
source=CECWT_Asset Purchase Agreement#page37.tif
source=CECWT_Asset Purchase Agreement#page38.tif
source=CECWT_Asset Purchase Agreement#page39.tif
source=CECWT_Asset Purchase Agreement#page40.tif
source=CECWT_Asset Purchase Agreement#page41.tif
source=CECWT_Asset Purchase Agreement#page42.tif
source=CECWT_Asset Purchase Agreement#page43.tif
source=CECWT_Asset Purchase Agreement#page44.tif
source=CECWT_Asset Purchase Agreement#page45.tif
source=CECWT_Asset Purchase Agreement#page46.tif
source=CECWT_Asset Purchase Agreement#page47.tif
source=CECWT_Asset Purchase Agreement#page48.tif
source=CECWT_Asset Purchase Agreement#page49.tif
source=CECWT_Asset Purchase Agreement#page50.tif
source=CECWT_Asset Purchase Agreement#page51.tif
source=CECWT_Asset Purchase Agreement#page52.tif
source=CECWT_Asset Purchase Agreement#page53.tif

source=CECWT_Asset Purchase Agreement#page54.tif
source=CECWT_Asset Purchase Agreement#page55.tif
source=CECWT_Asset Purchase Agreement#page56.tif
source=CECWT_Asset Purchase Agreement#page57.tif
source=CECWT_Asset Purchase Agreement#page58.tif
source=CECWT_Asset Purchase Agreement#page59.tif
source=CECWT_Asset Purchase Agreement#page60.tif
source=CECWT_Asset Purchase Agreement#page61.tif
source=CECWT_Asset Purchase Agreement#page62.tif
source=CECWT_Asset Purchase Agreement#page63.tif
source=CECWT_Asset Purchase Agreement#page64.tif
source=CECWT_Asset Purchase Agreement#page65.tif
source=CECWT_Asset Purchase Agreement#page66.tif
source=CECWT_Asset Purchase Agreement#page67.tif
source=CECWT_Asset Purchase Agreement#page68.tif
source=CECWT_Asset Purchase Agreement#page69.tif
source=CECWT_Asset Purchase Agreement#page70.tif
source=CECWT_Asset Purchase Agreement#page71.tif
source=CECWT_Asset Purchase Agreement#page72.tif
source=CECWT_Asset Purchase Agreement#page73.tif
source=CECWT_Asset Purchase Agreement#page74.tif
source=CECWT_Asset Purchase Agreement#page75.tif
source=CECWT_Asset Purchase Agreement#page76.tif
source=CECWT_Asset Purchase Agreement#page77.tif
source=CECWT_Asset Purchase Agreement#page78.tif
source=CECWT_Asset Purchase Agreement#page79.tif
source=CECWT_Asset Purchase Agreement#page80.tif
source=CECWT_Asset Purchase Agreement#page81.tif
source=CECWT_Asset Purchase Agreement#page82.tif
source=CECWT_Asset Purchase Agreement#page83.tif
source=CECWT_Asset Purchase Agreement#page84.tif
source=CECWT_Asset Purchase Agreement#page85.tif
source=CECWT_Asset Purchase Agreement#page86.tif
source=CECWT_Asset Purchase Agreement#page87.tif
source=CECWT_Asset Purchase Agreement#page88.tif
source=CECWT_Asset Purchase Agreement#page89.tif
source=CECWT_Asset Purchase Agreement#page90.tif
source=CECWT_Asset Purchase Agreement#page91.tif
source=CECWT_Asset Purchase Agreement#page92.tif
source=CECWT_Asset Purchase Agreement#page93.tif
source=CECWT_Asset Purchase Agreement#page94.tif
source=CECWT_Asset Purchase Agreement#page95.tif
source=CECWT_Asset Purchase Agreement#page96.tif
source=CECWT_Asset Purchase Agreement#page97.tif
source=CECWT_Asset Purchase Agreement#page98.tif
source=CECWT_Asset Purchase Agreement#page99.tif
source=CECWT_Asset Purchase Agreement#page100.tif
source=CECWT_Asset Purchase Agreement#page101.tif

source=CECWT_ Asset Purchase Agreement#page150.tif
source=CECWT_ Asset Purchase Agreement#page151.tif
source=CECWT_ Asset Purchase Agreement#page152.tif

TRANSACTION AGREEMENTS
BETWEEN
CEC WATER TECHNOLOGIES LIMITED
AND
CHLORINE ENGINEERS CORP. LTD.

DATED AS OF JUNE 30, 2012

TABLE OF AGREEMENTS

<u>Document</u>	<u>Tab</u>
Asset Purchase Agreement	1
Assignment and Assumption of Assumed Contracts	2
Deed of Assignment of Intellectual Property	3
License Agreement	4
Project Services and Equipment Production Agreement	5
Administrative Support and Services Agreement	6
Secondment Agreements Mr. Kimitoshi Tadatsu Mr. Naofumi Takai Mr. Kan Yoshida	7
Settlement Letter	8

ASSET PURCHASE AGREEMENT

FOR EXECUTION

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 30th day of June, 2012 by and between CEC Water Technologies Limited, a corporation organized under the laws of Japan (the "Buyer") and Chlorine Engineers Corp. Ltd., a corporation organized under the laws of Japan (the "Seller").

RECITALS

WHEREAS, the Seller is engaged in, among other businesses, the Business (as defined below); and

WHEREAS, simultaneously with the execution of this Agreement, the Buyer is purchasing and acquiring from the Seller, and the Seller is selling, assigning and transferring to the Buyer, specified assets relating to or held for use by Seller in connection with the Business; and

NOW THEREFORE, in consideration of the respective representations, warranties, agreements, and conditions set forth below in this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by Buyer and Seller, the parties hereby agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Defined Terms.

As used in this Agreement, the following terms shall have the following meanings:

"Administrative Support and Services Agreement" means that certain agreement dated as of even date herewith between Buyer and Seller for the administrative support and services more specifically described therein.

"Affected Employees" has the meaning set forth in Section 3.1(j).

"Affiliate" means, with respect to any Person, any other person controlling, controlled by or under common control with such Person. For purposes of this definition and this Agreement, the term "control" (and correlative terms) means the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

"Agreement" means this Asset Purchase Agreement and the Exhibits and Schedules attached hereto.

"Applicable Law(s)" means all laws, statutes, rules, regulations, ordinances, judgments, orders, decrees, injunctions, and writs of any Governmental Entity having jurisdiction over the Assets or the Business, as may be in effect on or prior to the date hereof.

"Assets" means all of Seller's right, title and interest in the following:

- (a) the Intellectual Property;
- (b) the Assumed Contracts;
- (c) all books and records in Seller's possession as of the date hereof related to the Seller's ownership of the Assets or operation of the Business including (i) executed copies of the Assumed Contracts, (ii) all records, correspondence or documents regarding the filing, prosecution, maintenance and/or validity of the Intellectual Property and (iii) all books, records, manuals and other materials (in any form or medium), advertising matter, catalogues, price lists, correspondence, mailing lists, lists of customers, distribution lists, photographs, production data, sales and promotional materials and records, purchasing materials and records, personnel records, manufacturing and quality control records and procedures, blueprints, research and development files, records, data and laboratory books, media materials and plates, accounting records and sales order files each to the extent related to the Business;
- (d) any and all goodwill associated with the Business; and
- (e) the Work in Progress and all revenues earned, paid or to be realized from same.

"Assumed Contracts" means those agreements, contracts, purchase orders, or other binding commitments or arrangements, written or oral (including any amendments and other modifications thereto), to which the Seller is a party or to which Seller is otherwise bound specifically identified as being assumed by Buyer on Schedule 2.4.

"Assumed Liabilities" has the meaning set forth in Section 2.4.

"Assignment and Assumption Agreement" means the agreement dated as of even date hereof between Buyer and Seller substantially in the form of Exhibit A in order to evidence the assignment of the Assumed Contracts.

"Assignment of Intellectual Property" means the agreement dated as of even date hereof between Buyer and Seller substantially in the form of Exhibit B in order to evidence the assignment and sale of the Intellectual Property.

"Bonded Contract" has the meaning set forth in Section 2.6.

"Business" means carrying on the business of designing, manufacturing, fabricating, marketing, selling, supplying, distributing, leasing, operating, maintaining and repairing seawater electrochlorination disinfection systems and brine electrochlorination systems on a worldwide basis. Notwithstanding the foregoing, the term "Business" as defined hereunder shall specifically exclude all business activities conducted outside the "Field" as such term is defined in the License Agreement.

"Buyer" has the meaning set forth in the Preamble of this Agreement and includes its permitted successors and assigns.

"Buyer's Consents" means each and every Consent that Buyer is required to obtain in order to purchase the Assets and consummate the transactions contemplated hereby.

"Consent(s)" means all governmental consents and approvals, and all consents and approvals of third parties, in each case that are necessary in order to transfer the Assets to Buyer and otherwise to consummate the transactions contemplated hereby.

"Copyright(s)" means all works of authorship protected by the copyright laws related to Seller's ownership of the Assets and/or Seller's operation of the Business, a list of which is attached hereto as Schedule 3.1(i). Copyrights shall specifically exclude all intellectual property rights licensed to STDN pursuant to the License Agreement.

"Electrolyzer" has the meaning provided for such term in the License Agreement.

"Exhibits" means the Exhibits attached to this Agreement.

"Governmental Entity" means any governmental department, commission, board, bureau, agency, court or other instrumentality of Japan or any foreign country or any state, county, parish or municipality, jurisdiction, or other political subdivision thereof.

"Government Official" means any officer or employee of any government (including any government of any political subdivision within a country) or any department, agency or instrumentality (including any business or corporate entity owned or managed by a government, such as a national water company), or any Person acting in an official capacity or performing public duties or functions on behalf of any such government, department, agency or instrumentality, any political party or official thereof, any candidate for public office, or any officer, employee or agent of a public international organization, including, for example, the United Nations, the International Monetary Fund or the World Bank.

"Intellectual Property" means all intellectual property rights, including all Patents, Know-how, Copyrights, Trademarks, and Internet domain names owned by Seller, whether solely or jointly, whether statutory or common law, registered or unregistered, which are used or held for use as of the date hereof in connection with the Seller's ownership of the Assets and/or Seller's operation of the Business; provided however that the term "Intellectual Property" shall specifically exclude all intellectual property rights

(i) incorporated into, or which comprise any part of the Electrolyzers; and (ii) otherwise licensed to STDN pursuant to the License Agreement.

“Know-how” means (i) all secret, confidential, proprietary or non-public technical or business information, trade secrets or know-how to the extent related to the Business, whether held solely or jointly, including, plans, ideas, concepts, information, improvements, discoveries, inventions, applications of products and services, manufacturing methods and techniques, data, research reports and records, results of investigations, studies or experiments, products, processes, compositions, samples, formulas, computer programs, computer hardware designs, computer firmware designs, all promotional literature, customer and supplier lists, and marketing techniques; and (ii) the rights to sue for past, present, and future misappropriation of the foregoing. Know-how shall specifically exclude all intellectual property rights licensed to STDN pursuant to the License Agreement. Notwithstanding any provision to the contrary contained hereinabove the term “Know-how” shall specifically exclude all “Know-how” embodied or comprising any part of the Electrolyzer.

“Knowledge” means, with respect to a specified party hereto, the actual knowledge of such party and the actual knowledge of such party’s officers, directors, and employees who have dealt with the Business, together with such additional knowledge as would be acquired by a reasonable officer, director or employee upon conducting reasonable and diligent inquiry concerning the subject matter in question.

“License Agreement” means that certain agreement dated as of even date herewith between Seller and STDN for the license of certain intellectual property rights more specifically described therein.

“Lien(s)” has the meaning set forth in Section 3.1(d).

“Patent(s)” means (i) all patents owned by Seller as of the date hereof and held for use in connection with Seller’s operation of the Business, together with any foreign counterpart patents including any reissued and reexamined patents and extensions corresponding to such patents, all of which are listed in Schedule 3.1(i) attached hereto; and (ii) all patent applications related to Seller’s ownership of the Assets and/or Seller’s operation of the Business, as well as any related continuation, continuation in part, and divisional applications and patents issuing therefrom and any respective foreign counterpart foreign patent applications or foreign patents issuing therefrom and (iii) the right to sue for past, present and future infringements of the foregoing. Patents shall specifically exclude all intellectual property rights licensed to STDN pursuant to the License Agreement.

“Person” or “person” means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other entity.

“Project Services and Equipment Production Agreement” means that certain agreement of even date herewith between Seller and STDN for the supply of services and activities more specifically described therein.

"Purchase Price" has the meaning set forth in Section 2.3.

"Schedules" means the Schedules attached to this Agreement.

"Seller" has the meaning set forth in the Preamble of this Agreement.

"Seller's Consents" means each and every Consent that Seller is required to obtain in order to sell the Assets and consummate the transactions contemplated hereby.

"STDN" refers to Severn Trent DeNora LLC, a limited liability company organized under the laws of the State of Delaware, United States of America. STDN is an Affiliate of the Buyer.

"STDN Operating Agreement" refers to that certain Amended and Restated Limited Liability Company Agreement of Severn Trent DeNora LLC dated as of March 31, 2002.

"Trademark(s)" means (a) trademarks, service marks, trade names, trade dress, domain labels, logos, and all other names and slogans associated with any products or services together with any goodwill and common law rights associated with the foregoing, whether or not registered, any applications or registrations therefor, but all only to the extent used or held for use in connection with Seller's ownership of the Assets and/or Seller's operation of the Business and (b) the right to sue for past, present and future infringements of the foregoing. A listing of such Trademarks is provided on Schedule 3.1(i). Trademarks shall specifically exclude all intellectual property rights licensed to STDN pursuant to the License Agreement.

"Transaction Documents" has the meaning set forth in Section 3.1(a)(ii).

"Unassumed Liabilities" has the meaning set forth in Section 2.4.

"Work in Progress" or "WIP" means all materials and partly finished products in Seller's inventory as of the date hereof to the extent related to any Assumed Contract, regardless of the extent to which customers may have been invoiced for the same as of the date hereof, and regardless of the amount of payments made by a customer with respect to the same as of the date hereof. For purposes of determining value under this Agreement, WIP shall be calculated on the basis of the percentage of completion method and shall be derived in a manner consistent with Seller's historical accounting practices.

1.2 References and Titles.

All references in this Agreement to Exhibits, Schedules, Articles, Sections, subsections, and other subdivisions refer to the corresponding Exhibits, Schedules, Articles, Sections, subsections, and other subdivisions of this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections, or other subdivisions of this Agreement are for convenience only, do not constitute any part of such Articles, Sections, subsections or other subdivisions, and shall be disregarded in construing the language contained therein. The words "this Agreement," "herein," "hereby," "hereunder," "and "hereof," and words of similar import, refer to this

Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Section," "this subsection," and words of similar import, refer only to the Sections or subsections hereof in which such words occur. The word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation." Pronouns in masculine, feminine, or neuter genders shall be construed to state and include any other gender and words, terms, and titles (including terms defined in this Agreement) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise expressly requires. Unless the context otherwise requires, all defined terms contained in this Agreement shall include the singular and plural and the conjunctive and disjunctive forms of such defined terms. In construing this Agreement, no consideration shall be given to the fact or presumption that any of the parties had a greater or lesser hand in drafting this Agreement.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy.

Subject to the terms and conditions set forth in this Agreement, the Seller hereby sells, assigns, transfers and delivers to Buyer, and Buyer hereby purchases, all of the Assets, free and clear of any Liens or liabilities (except for liabilities assumed by Buyer in accordance with Section 2.4). In order to further evidence the sale and purchase of the Assets pursuant to this Agreement, the parties are, simultaneously with the execution of this Agreement, delivering to each other the documents and instruments referred to in Article 4 herein.

2.2 Excluded Assets.

The Assets assigned, transferred and delivered by the Seller hereunder do not include any item not specifically listed in the definition of the term "Assets".

2.3 Purchase Price.

Subject to the terms and conditions of this Agreement, in consideration of the grant, sale, conveyance, assignment, transfer and delivery of the Assets to the Buyer, the Buyer shall pay to the Seller the sum of [REDACTED] US Dollars (the "Purchase Price"). The Purchase Price includes the sum [REDACTED] which represents the value of the Work in Progress as set forth in Schedule 3.1(k). The Purchase Price is payable to the Seller within thirty (30) days of the date hereof via wire transfer of immediately available funds to such bank account designated by written instructions of the Seller.

2.4 Assumption of Liabilities and Obligations.

Buyer hereby assumes and undertakes to pay, discharge and perform all the obligations and liabilities of Seller under the Assumed Contracts or otherwise related to the ownership of the Assets, but only to the extent relating to the time period beginning after or arising out of events occurring after the date hereof, so long as the same do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by Seller on or prior to the date hereof (collectively the "Assumed Liabilities"). All other obligations and liabilities of Seller or relating to the Business (collectively the

"Unassumed Liabilities") shall remain and be the obligation and liability solely of the Seller. In furtherance of the foregoing (a) in no event is Buyer assuming any liabilities or obligations in respect to the Business or the Assets for any period prior to the date hereof and (b) the Parties specifically agree that, with the exception of all revenues earned or expected from the Work in Progress which belong to the Buyer as they comprise part of the Assets purchased by Buyer hereunder, all revenues and expenses arising under the Assumed Contracts shall be prorated between Buyer and Seller such that Seller shall receive all revenues, and shall be responsible for all expenses, relating to the Assumed Contracts prior to the date hereof, and Buyer shall receive all revenues, and shall be responsible for all expenses, relating to the Assumed Contracts subsequent to the date hereof. Notwithstanding any provision to the contrary contained hereinabove, Buyer acknowledges that the purchase orders listed in Schedule 2.4, Table n. 2 have been already placed by Seller to the respective vendors. To the extent that the relevant invoices for such purchase orders have not yet been issued and same is accordingly not included in the WIP, Seller shall pay such invoices as and when received and Buyer shall promptly reimburse Seller for same.

2.5 Deemed Assignment of Contracts.

To the extent that the assignment hereunder of any of the Assumed Contracts shall require the consent of any other party and such consent has not been obtained (or in the event that any of the same shall be non-assignable), same shall not constitute a breach by the Seller of any representation to the contrary made hereunder (but Seller shall nevertheless continue to use reasonable efforts to obtain any such consent) and neither this Agreement nor any actions taken hereunder shall constitute an assignment or an agreement to assign if such assignment or attempted assignment would constitute a breach thereof or result in a loss or diminution thereof; provided, however, that Seller shall cooperate, at Buyer's expense, with Buyer to establish a reasonable arrangement designed to provide Buyer with the benefits and burdens of any Assumed Contract, including appointing Buyer to act as its agent to perform all of such Seller's obligations under such Assumed Contract and to collect and promptly remit to Buyer all compensation received by Seller pursuant to such Assumed Contract and to enforce, for the account and benefit of Buyer and at Buyer's expense, any and all rights of Seller against any other person arising out of the breach or cancellation of such Assumed Contract by such other person or otherwise (any and all of which arrangements shall constitute, as between the parties hereto, a deemed assignment or transfer).

2.6 Surety Bonds and Bonded Contracts

Schedule 2.6 hereunder provides a listing of each Assumed Contract with a requirement to post and/or maintain a surety bond to assure the faithful completion and discharge of the obligations arising under each such Assumed Contract (each such Assumed Contract is referred to hereunder as a "Bonded Contract"). Schedule 2.6 also sets forth the principal or penal amount of each such surety bond. Notwithstanding Buyer's obligations to replace all such surety bonds as part of its Assumed Liabilities as provided in Section 2.4 above, Seller hereby covenants and agrees, at Buyer's expense, to keep in place and maintain, on behalf of the Buyer, all such surety bonds for the contractually required term and duration as required under each Bonded Contract. In consideration of

the foregoing, Buyer hereby agrees to indemnify and hold Seller harmless from and against any and all damage, loss, deficiency, liability, expense action, suit, proceedings, demand, assessment or adverse judgment that arises out of or relates to each and every claim made under any such surety bond maintained by Seller on behalf of Buyer, but only to the extent same arises as a result of Buyer's failure to promptly discharge or perform any of its Assumed Liabilities hereunder relating to each of the Bonded Contracts.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows (with the understanding that Buyer is relying on such representations and warranties in entering into and performing this Agreement):

(a) Organization, Good Standing, Etc.

(i) Seller is a corporation duly organized, validly existing and in good standing under the laws of Japan. Seller has all requisite corporate power and authority to own, lease and operate the Assets and to carry on the Business and its business, as applicable, as is now being conducted.

(ii) Seller has all requisite corporate power and authority to enter into this Agreement and each document, and instrument required to be executed in accordance with Article 4 (collectively, the "Transaction Documents") and to consummate the transactions contemplated hereby. The execution and delivery of the Transaction Documents by the Seller and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Seller. The Transaction Documents have been, or upon execution and delivery will be, duly executed and delivered and constitute, or upon execution and delivery will constitute, the valid and binding obligations of the Seller enforceable against it in accordance with their terms, subject as to enforceability to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) No Conflict: Required Filings and Consents. The execution and delivery of the Transaction Documents by the Seller do not and the performance by the Seller of the transactions contemplated hereby will not, (A) violate, conflict with, or result in any breach of any provision of Seller's constituency documents, (B) violate, conflict with, or result in a violation or breach of, or constitute a default (with or without due notice or lapse of time or both) under, or permit the termination of, or result in the acceleration of, or entitle any party to accelerate (whether as a result of a change of control of such party or otherwise) any obligation, or result in the loss of any benefit, or give any person the right to require any security to be repurchased, or give rise to the creation of any Lien, upon any of the Assets under any of the terms, conditions, or provisions of any loan or credit agreement, note, bond, mortgage, indenture, or deed of trust, or any license, lease, agreement, or other instrument or obligation to which the

Seller is a party or by which or to which it or any of the Assets may be bound or subject, or (C) violate any order, writ, judgment, injunction, decree, statute, law, rule, or regulation, of any Governmental Entity applicable to the Seller or by which or to which any of the Assets are bound or subject. No Seller's Consent of any Governmental Entity or any other Person is required with respect to or in connection with the execution and delivery of any of the Transaction Documents.

(c) Litigation. As of the date hereof, there is no claim, action, suit, inquiry, judicial or administrative proceeding, grievance, or arbitration pending or, to the Knowledge of the Seller, threatened against Seller, the Business, any of the Assets or otherwise relating to the transactions contemplated by this Agreement.

(d) Liens and Encumbrances. All of the Assets are free and clear of all liens, pledges, claims, security interests, restrictions, mortgages, deeds of trust, tenancies, and other possessory interests, conditional sale or other title retention agreements, assessments, easements, rights of way, covenants, restrictions, rights of first refusal, defects in title, encroachments, and other burdens, options or encumbrances of any kind (collectively, "Liens"). As of the date hereof, Buyer holds good and marketable title to all of the Assets free and clear of all Liens.

(e) Affiliate Transactions. None of the Assumed Liabilities consist of debts, commitments or other obligations owed to any Affiliate of the Seller and no Affiliate of the Seller is party to any Assumed Contract.

(f) Absence of Certain Commercial Practices. Seller has not, and no shareholder, director, officer, sales agent, distributor, reseller, employee or other Person acting on behalf of or for the benefit of Seller, has given, offered, promised, or authorized any payment or provision of money or anything of value (including any loan, reward, advantage, or benefit of any kind), either directly or indirectly to (1) any Government Official, (2) a relative of any Government Official, (3) any customer or potential customer, (4) supplier, or (5) any other Person who is or may be in a position to help or hinder Seller or assist Seller in connection with any proposed transaction, for the purpose of influencing any act, decision, or omission by the recipient in order to unlawfully obtain or retain business, direct business to the Seller, or gain any business advantage or benefit for the Seller. Seller has not used any corporate or other funds for unlawful contributions, payments, gifts, or entertainment, or made any unlawful expenditures relating to political activity to any Government Official or other Person. Seller has not, and no shareholder, director, officer, sales agent, distributor, employee or other Person acting on behalf of Seller, has accepted or received any unlawful contributions, payments, gifts, or expenditures.

(g) Compliance with Applicable Laws. The Seller has conducted and operated the Business in compliance in all material respects with Applicable Laws. No investigation or review by any Governmental Entity with respect to Seller regarding Seller's ownership of the Assets and/or operation of the Business is pending or, to the Knowledge of the Seller, threatened.

(h) Assumed Contracts. Each Assumed Contract is a valid and binding obligation of the Seller and is in full force and effect without amendment. The Seller and, to the Knowledge of the Seller, each other party to each and every Assumed Contract, has performed in all material respects the obligations required to be performed by it thereunder and is not (with or without lapse of time or the giving of notice, or both) in breach or default thereunder. The Seller has not received (i) any notice, written or otherwise, of defaults by the Seller under any Assumed Contract, or (ii) any notice written or otherwise, that any other party to any such Assumed Contract has terminated or canceled, or intends to terminate or cancel, such Assumed Contract.

(i) Intellectual Property.

(1) Seller owns all the Intellectual Property free and clear of all Liens of any kind and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand is pending or, to the Knowledge of the Seller is threatened which challenges the legality, validity, enforceability, use, or ownership of the Intellectual Property.

(2) The Intellectual Property does not infringe or misappropriate, and will not infringe or misappropriate, any patent, trade secret, copyright, trademark, service mark, or right of publicity of any person or entity. No part of the Intellectual Property, nor the use thereof for its intended purposes, infringes or will infringe, misappropriates or will misappropriate, any patent, trade secret, copyright, trademark, service mark, or right of publicity or other intellectual property right of any third party. No claims have been asserted against the Seller by any person or entity as to the use of any of the Intellectual Property, and, to the knowledge of the Seller, there is no basis for any such claims.

(3) No third party has asserted or filed or to the Seller's Knowledge threatened to file, a cause of action or claim that through its ownership or use of the Intellectual Property the Seller is infringing upon intellectual property rights belonging to a third party.

(4) To Seller's Knowledge, no third party is infringing or misappropriating the Intellectual Property.

(5) All outstanding Intellectual Property maintenance fees and filing fees have been paid and no applications for registration of the Intellectual Property have been abandoned or not filed when due. Seller will provide or has provided as part of the Assets conveyed hereunder all relevant records, correspondence or documents pertaining to the Intellectual Property.

(j) Affected Employees.

(1) Schedule 3.1(i) lists any and all employees and consultants who are substantially involved in the management of the Business as of the date hereof (the "Affected Employees"). The respective dates of hire of the Affected Employee, their

current salary, bonus and/or other terms of compensation and a description of their pension and other benefits have been provided by Seller to Buyer immediately prior to the date hereof. All such employment information so provided by Seller to Buyer is not included in Schedule 3.1(j) for reasons of maintaining and respecting employee confidentiality, but all such information so provided is true and correct in all material respects.

(2) Buyer shall have the right to solicit and offer employment at any time after the date hereof to each Affected Employee. It is further agreed and understood that any or all of the Affected Employees may be providing services to Buyer pursuant to the terms of that certain Administrative Support and Services Agreement dated as of even date herewith between Buyer and Seller.

(k) Work in Progress. The WIP consists of items of good, usable and merchantable quality in all material respects and no item comprising a part of such WIP is damaged or obsolete. Schedule 3.1(k) hereto is a listing of the value of WIP as of the date hereof broken down by each corresponding Assumed Contract. The value of the WIP as listed in Schedule 3.1(k) has been calculated on the basis of costs incurred by Seller and in a manner consistent with Seller's historical accounting practices.

(l) Information. The information provided by Seller in the Transaction Documents and a due diligence process in relation to the transaction contemplated herein is true and accurate in all material respects, is not intentionally misleading by act or omission and no particulars or other information relating to the business, activities, assets, liabilities or obligations of Seller or which would impact on the Purchase Price has been omitted to be provided in the due diligence process.

3.2 Representations and Warranties of Buyer. Buyer represents and warrants to the Seller as follows (with the understanding that the Seller is relying on such representations and warranties in performing this Agreement):

(a) Organization, Authority, Etc.

(i) Buyer is a corporation duly organized, validly existing, and in good standing under the laws of Japan and has all requisite power and authority to own, lease, and operate its properties and to carry on its business as now being conducted and is duly qualified and in good standing to do business in each jurisdiction where it conducts its business. The Buyer is not in violation of any provisions of its constituency documents.

(ii) Buyer has all requisite corporate power and authority to enter into the Transaction Documents and to consummate the transactions contemplated hereby. The execution and delivery of the Transaction Documents by the Buyer and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Buyer. The Transaction Documents have been, or upon execution and delivery will be, duly executed and delivered and constitute, or upon execution and delivery will constitute, the valid and binding obligations of the Buyer

enforceable against it in accordance with their terms, subject as to enforceability to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) No Conflict; Required Filings and Consents. The execution and delivery of the Transaction Documents by the Buyer do not and the performance by the Buyer of the transactions contemplated hereby will not, (A) violate, conflict with, or result in any breach of any provision of Buyer's constituency documents, (B) violate, conflict with, or result in a violation or breach of, or constitute a default (with or without due notice or lapse of time or both) under, or permit the termination of any agreement or other instrument or obligation to which the Buyer is a party or by which or to which it may be bound or subject and which is material in the context of the transaction contemplated by this Agreement, or (C) violate any order, writ, judgment, injunction, decree, statute, law, rule, or regulation, of any Governmental Entity applicable to the Buyer and which is material in the context of the transaction contemplated in this Agreement. No Buyer's Consent of any Governmental Entity or any other Person is required with respect to or in connection with the execution and delivery of any of the Transaction Documents.

(c) Litigation. As of the date hereof, there is no claim, action, suit, inquiry, judicial or administrative proceeding, grievance, or arbitration pending or, to the Knowledge of Buyer, threatened against Buyer relating to the transactions contemplated by this Agreement.

ARTICLE 4 **CLOSING DELIVERIES**

Simultaneously with the execution of this Agreement by the Seller and Buyer,

(a) Buyer shall deliver the following to the Seller or otherwise provide Seller with evidence of the following:

- (i) The Assignment and Assumption Agreement executed by Buyer;
- (ii) The Assignment of Intellectual Property executed by Buyer;
- (iii) The Administrative Support and Services Agreement executed by Buyer;
- (iv) The Project Services and Production Agreement executed by STDN; and
- (v) The License Agreement executed by STDN.

(b) Seller shall deliver to Buyer or otherwise provide Buyer with evidence of the following:

(i) Access and possession to the books and records which are part of the Assets conveyed hereunder;

(ii) Any and all documents evidencing that Seller has all requisite corporate power and authority to enter the Transaction Documents and to consummate the transactions contemplated hereby (including but not limited to the board of directors meeting minutes and the shareholders' meeting minutes (if necessary));

(iii) The Assignment and Assumption Agreement executed by Seller;

(iv) The Assignment of Intellectual Property executed by Seller;

(v) The Administrative Support and Services Agreement executed by Seller;

(vi) The Project Services and Production Agreement executed by Seller; and

(vii) The License Agreement executed by Seller.

ARTICLE 5
NON-COMPETITION

(a) Seller hereby agrees on behalf of itself and its Affiliates that for a period commencing on the date hereof and continuing through the expiration of each obligation of Seller or any of its Affiliates under Section 6.11 of the STDN Operating Agreement, Seller and each of its Affiliates will not, directly or indirectly, either acting on their own behalf or through or in connection with any Person, engage in, invest in, or derive any profit from any business that competes with the Business.

(b) The restrictions contained in this Article 5 are not intended to limit or further define the obligations of Seller, Buyer and their respective Affiliates pursuant to Section 6.11 of the STDN Operating Agreement. Seller hereby acknowledges on behalf of itself and its Affiliates that the above restrictions are consistent with their respective obligations under Section 6.11 of the STDN Operating Agreement.

ARTICLE 6
GENERAL PROVISIONS

6.1 Indemnification.

Seller, Buyer, and their successors and assigns shall indemnify and hold each other and each of their successors and assigns harmless from and against any and all damage, loss, deficiency, liability, expense action, suit, proceedings, demand, assessment or adverse judgment that arises out of or relates to any inaccuracy, breach or violation of, or non-performance by of any of their respective representations, warranties, covenants or agreements contained in any of the Transaction Documents. This indemnity obligation shall (i) survive for a period of two (2) years from the date hereof; and (ii) exclude punitive and consequential damages. In addition, the recovery by Buyer under this indemnity obligation shall not in the aggregate exceed an amount equal to the Purchase Price, except for claims arising as a result of Seller's fraud or willful misrepresentation of a material fact, or otherwise arising as a result of Seller's breach of any representation or warranty provided under Sections 3.1(d) and 3.1(i) hereunder for which the amount of recovery by Buyer shall not be limited in any way.

6.2 Further Actions.

After the date hereof, the Seller shall execute and deliver such other certificates, agreements, conveyances, and other documents, and take such other action, as may be reasonably requested by Buyer in order to transfer and assign to, and vest in, Buyer the Assets pursuant to the terms of this Agreement. Subject to the terms and conditions of this Agreement, each of the Parties hereto will use its commercially reasonable efforts to do, or cause to be taken all action and to do, or cause to be done, all things which in the reasonable opinion of the legal counsels of the Parties are necessary, proper, or advisable under Applicable Laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If at any time after the date hereof, any further action is necessary or desirable, in the reasonable opinion of the legal counsels of the Parties, to carry out the purposes of this Agreement, the Parties and their duly authorized representatives shall take all such action as may be reasonably requested by any other Party hereto. Without limiting the generality of the foregoing, if, after the date hereof, Buyer seeks indemnification or recovery from one or more other parties to an Assumed Contract or otherwise seeks to enforce such Assumed Contract and, in order to obtain such indemnification, recovery or enforcement, it is necessary for the Seller to initiate a suit, participate in any enforcement proceeding or otherwise provide assistance to Buyer, then, at the request and the sole expense of Buyer, the Seller shall take such action as Buyer may reasonably request in connection with Buyer's efforts to obtain such indemnification, recovery or enforcement.

6.3 Amendment and Modification.

This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

6.4 Waiver of Compliance.

Any failure of Buyer or Seller to comply with any obligation, covenant, agreement, or condition contained herein may be waived only if set forth in an instrument in writing signed by the party or parties to be bound thereby, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any other failure.

6.5 Severability.

If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

6.6 Expenses and Obligations.

All costs and expenses incurred by the Parties in connection with the consummation of the transactions contemplated hereby shall be borne solely and entirely by the Party which has incurred such expenses. In the event of a dispute between the Parties in connection with this Agreement and the transactions contemplated hereby, each of the Parties hereto hereby agrees that the arbitral award which will be issued pursuant to Section 6.12 below will provide for the reimbursement of reasonable legal fees and expenses incurred by the prevailing Party in connection with any action or proceeding.

6.7 Parties in Interest.

This Agreement shall be binding upon and, except as provided below, inure solely to the benefit of each Party hereto and their successors and assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

6.8 Notices.

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally (including by Federal Express or other recognized overnight courier), mailed by registered or certified mail (return receipt requested) or by telecopy to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Buyer: Representative Director
CEC Water Technologies Limited
C/O Severn Trent DeNora
1110 Industrial Boulevard
Sugar Land, Texas 77478
United States
Attn: Alex Lloyd

With a copy to: Elias Group, LLP
411 Theodore Fremd Avenue
Rye, New York 10580
Attn: Dan Elias
Facsimile: (914) 925-9344

If to Seller: Chief Executive Officer
Chlorine Engineers Corp. Ltd.
35F St. Luke's Tower
8-1 Akashi-cho
Chuo-ku, Tokyo, Japan

With a copy to: Avv. Giuseppe Cambareri
Piazza Castello 26
20121 Milano (Italy)
Facsimile: (39) 02-72018336

All notices, requests or instructions given in accordance herewith shall be deemed given (i) on the date of delivery, if hand delivered, (ii) on the date of receipt, if telecopied, (iii) five (5) business days after the date of mailing, if mailed by registered or certified mail, return receipt requested, and (iv) three (3) business days after the date of sending, if sent by Federal Express or other recognized overnight courier.

6.9 Counterparts.

Agreement may be executed and delivered (including by facsimile or electronic transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

6.10 Entire Agreement.

This Agreement together with the Transaction Documents constitute the entire agreement of the Parties hereto and supersedes all prior agreements, letters of intent and understandings, both written and oral, among the Parties with respect to the subject matter hereof. There are no representations or warranties, agreements, or covenants other than those expressly set forth or referred to in this Agreement or the Transaction Documents.

6.11 Successors and Assignment.

This Agreement shall be binding upon any and all successors of the Seller and Buyer. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the Parties hereto, whether by operation of law or otherwise without having first obtained the written consent of the other Party hereto, which consent may be given or withheld in each such Party's sole and absolute discretion.

6.12 Governing Law, Venue, and Language.

(a) This Agreement and the each of the Transaction Documents and performance thereunder shall be governed by and construed in accordance with the laws of Japan. Any dispute, claim or controversy arising out of or relating to this Agreement, or any of the Transaction Documents, or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be exclusively referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules"). The arbitral tribunal shall consist of three arbitrators, which shall be appointed in accordance with the Rules. The language to be used in the arbitral proceeding will be English and the place of the arbitration shall be in Singapore. The arbitral award thereof shall be final and binding on both Seller and Buyer and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) The American English language shall be the official text of this Agreement. No modification of this Agreement (including changes in scope, specifications, price or delivery schedule) shall be of any force or effect unless made in writing, in English, signed by both Parties.

6.13 Press Releases.

The Parties shall discuss and agree in advance to make or authorize the public release of information (except information which, in the reasonable discretion of each Party, should be kept confidential and not disclosed to any Third Party) regarding the matters contemplated by, or any provisions or terms of, this Agreement, including, but not limited to, (i) a press release or press releases following the execution of this Agreement; (ii) communications with employees, customers, suppliers, stockholders, lenders, lessors, and other particular groups as the Parties deem to be appropriate; and (iii) after consultation with each other, as required by law, communications pursuant to any stock exchange rules or as necessary for the assertion or enforcement of contractual rights.

[Signature page follows.]

... AGREEMENT, AND ALL PURCHASE AGREEMENT HAS BEEN DULY EXECUTED ON
behalf of the parties by their authorized representatives as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: 
Name: Alex Lloyd

Title: Representative Director

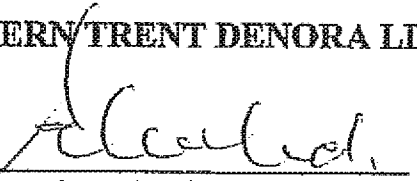
CHLORINE ENGINEERS CORP. LTD.

By: _____
Name: Danilo Parini

Title: Chief Executive Officer

IN WITNESS WHEREOF, Severn Trent DeNora LLC hereby unconditionally and irrevocably guarantees to Chlorine Engineers Corp. Ltd. the due and punctual payment in full of the Purchase Price by CEC Water Technologies Limited in accordance with Section 2.3 of this Agreement.

SEVERN TRENT DENORA LLC

By: 
Name: Alex Lloyd

Title: Manager

IN WITNESS WHEREOF, this Asset Purchase Agreement has been duly executed on behalf of the parties by their authorized representatives as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: _____
Name: Alex Lloyd

Title: Representative Director

CHLORINE ENGINEERS CORP. LTD.

By: Danilo Parini
Name: Danilo Parini

Title: Chief Executive Officer

IN WITNESS WHEREOF, Severn Trent DeNora LLC hereby unconditionally and irrevocably guarantees to Chlorine Engineers Corp. Ltd. the due and punctual payment in full of the Purchase Price by CEC Water Technologies Limited in accordance with Section 2.3 of this Agreement.

SEVERN TRENT DENORA LLC

By: _____
Name: Alex Lloyd

Title: Manager

Exhibits and Schedules

Exhibits:

- Exhibit A - Assignment and Assumption Agreement
- Exhibit B - Assignment of Intellectual Property

Schedules:

- Schedule 2.4 - Assumed Contracts
- Schedule 2.6 - Bonded Contracts
- Schedule 3.1(i) - Intellectual Property (Patents, Copyrights and Trademarks)
- Schedule 3.1(j) - List of Affected Employees and related information
- Schedule 3.1(k) - Work in Progress

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "AA Agreement") is entered into this 30th day of June, 2012 by and between CEC Water Technologies Limited, a corporation organized under the laws of Japan (the "Buyer") and Chlorine Engineers Corp. Ltd., a corporation organized under the laws of Japan (the "Seller").

WHEREAS, simultaneously with the execution and delivery of this AA Agreement, the Seller is entering into that certain asset purchase agreement (the "Asset Purchase Agreement") with the Buyer, dated as of even date herewith, which provides, among other things, that the Seller, on the terms and subject to the conditions thereof, is selling, assigning and transferring to the Buyer certain Assets related to the Business; and

WHEREAS, Section 2.4 and Article 4 of the Asset Purchase Agreement require the parties execute and deliver this AA Agreement contemporaneously with the Closing of the transactions contemplated by the Asset Purchase Agreement;

NOW, THEREFORE, for the consideration of the promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment. The Seller shall, and does hereby transfer, assign, convey, and grant, bargain and sell unto the Buyer all rights, obligations, remedies, powers, title or interest in all Work in Progress and otherwise in the Assumed Contracts to the extent relating to the time period beginning on or arising out of events occurring on or after the date hereof.

2. Assumption. The Buyer hereby assumes and undertakes to pay, discharge, and perform all the obligations and liabilities of the Seller under the Assumed Contracts but only to the extent relating to the time period beginning on or arising out of events occurring on or after the date hereof, subject to Seller's agreement to maintain and keep in place on behalf of Buyer surety bonds required under any Assumed Contract. The Seller represents and warrants to the Buyer that the Seller has satisfied all of its obligations under the Assumed Contracts accrued through the date hereof.

3. Benefit. This AA Agreement shall inure to the benefit of the Seller and the Buyer, and shall be binding upon the Buyer and its respective successors and assigns. Nothing herein shall create or be construed as creating any right in any third person.

4. Counterparts. This AA Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5. Governing Law. The laws of Japan shall govern the construction, interpretation and effect of this AA Agreement.

6. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the same meaning for such terms as are set forth in the Asset Purchase Agreement.

IN WITNESS WHEREOF, the Buyer and the Seller have executed and delivered this AA Agreement as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: _____

Name: _____

Title: _____

CHLORINE ENGINEERS CORP. LTD.

By: _____

Name: _____

Title: _____

EXHIBIT B

DEED OF ASSIGNMENT
OF
INTELLECTUAL PROPERTY

CHLORINE ENGINEERS CORP. LTD.

and

CEC WATER TECHNOLOGIES LIMITED

THIS DEED is made on June 30, 2012

BETWEEN:

- 1) **CHLORINE ENGINEERS CORP. LTD.**, a corporation organized under the laws of Japan (the "Assignor") whose registered office is at 35F St.Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo, Japan; and
- 2) **CEC WATER TECHNOLOGIES LIMITED**, a corporation organized under the laws of Japan with offices at 24-6, Higashi-Takasaki Tamano City, Okayama 706-0134, Japan (the "Assignee").

BACKGROUND

- (A) The Assignor is the beneficial owner of the Intellectual Property as defined in the Asset Purchase Agreement and as listed in Schedule 3.1(i), Sections 1.1, 1.2 and 1.3 of the Asset Purchase Agreement (a copy of the referenced Schedule is attached herewith).
- (B) The parties have agreed that the Intellectual Property be transferred and assigned by the Assignor to the Assignee on the terms contained in this Assignment.

IT IS AGREED as follows:

1. **Definitions and interpretation**

- 1.1 In this Assignment, the definitions used in the Asset Purchase Agreement of even date between the Assignor, Assignee, and others in respect of, amongst other things, the acquisition by the Assignee of certain Intellectual Property shall also apply to this Assignment.
- 1.2 In this Assignment:
 - 1.2.1 the clause headings are included for convenience only and shall not affect the interpretation of this Assignment; and
 - 1.2.2 any reference to a recital, clause or schedule is to the relevant recital, clause or schedule of or to this Assignment;
 - 1.2.3 the recitals and schedules form part of this Assignment and shall have effect as if set out in full in the body of this Assignment and any reference to this Assignment includes the recitals and schedules.

2 **Assignment**

2.1 In consideration of the sum of the Purchase Price, the Assignor assigns to the Assignee absolutely and with full title guarantee:

2.1.1 the Intellectual Property, including, without limitation, all right, title and interest past, present and future in the Intellectual Property (including, without limitation, the benefit of any applications for registration with the intention that when the applications are granted the registration will vest in the Assignee) for its full term and any renewal or extension of that term, free from all liens, charges and encumbrances together with all rights of action accrued in relation to the Intellectual Property including further, without limitation, the right to take proceedings and recover damages in respect of all past, present and future infringements and in respect of any aggravated damages, exemplary damages and other remedies; and

2.1.2 all documentation and media embodying any of the Intellectual Property.

3 **Covenants**

3.1 The Assignor covenants with the Assignee that:

3.1.1 the rights assigned by this Assignment will be uninterrupted and undisturbed by the Assignor or any party claiming through, under or in trust for the Assignor; and

3.1.2 it will not do or (so far as the same is under the Assignor's control) omit to do any act which may adversely affect the validity or enforceability of the rights in or prevent the grant of any applications for registration of any Intellectual Property in its present form.

4 **Further assurance**

4.1 The Assignor agrees to and shall use all its reasonable endeavors to procure that any necessary third party shall, at the cost of the Assignee, do all such acts and things and sign and execute all such documents and deeds which may be required to perfect, protect or enforce any of the rights or interests in the Intellectual Property assigned to the Assignee pursuant to this Assignment. The Assignor will use its reasonable endeavors to provide all such information and other assistance as may be reasonably required for the purpose of making any application for

protection of such rights, prosecuting, maintaining and enforcing the same, provided that the Assignee shall reimburse the Assignor for all expenses which the Assignor reasonably incurs in carrying out the same.

- 4.2 Any request made to the Assignor requiring it to do any act or thing or to sign or execute any document or deed pursuant to clause 4.1 shall be delivered or sent to the Assignor at its address set out in this Assignment (or such other address as may have been notified) and shall be deemed to have been validly made and served on the Assignor: if delivered by hand – at the time of delivery; if sent by electronic mail – upon receipt of a delivery confirmation; if sent by post – upon the expiration of 48 hours after posting; and if sent by fax – at 9:00 am on the next business day after the fax was dispatched.

5 General

- 5.1 The failure or delay of a party to exercise or enforce any right under this Assignment shall not operate as a waiver of that right or preclude the exercise or enforcement of it at any time or time thereafter.
- 5.2 This Assignment, the Asset Purchase Agreement and the documents referred to therein as being in the agreed form constitute the entire understanding between the parties with respect to its subject matter and supersede and replace all prior agreements, negotiations and discussions between them relating to it. However, nothing in the Assignment purports to exclude liability for any fraudulent statement or act.
- 5.3 No variation of this Assignment shall be valid unless it is in writing and signed by or on behalf of each of the parties.
- 5.4 If there is a conflict between the provisions of this Assignment and the Asset Purchase Agreement then the provisions of the Asset Purchase Agreement shall prevail.
- 5.5 The Assignor may not assign or transfer all or any of its rights or obligations under this Assignment without the prior written consent of the Assignee. This Assignment shall be binding on and enure to the benefit of the parties and their successors and permitted assigns.
- 5.6 Nothing in this Assignment is intended to or shall operate to create a partnership or joint venture of any kind between the parties, or to authorize either party to act as agent for the other, and neither party shall have authority to act in the name of or on behalf of or otherwise to bind the other in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

5.7 If any provision of this Assignment shall be held to be unlawful, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be severed from this Assignment and rendered ineffective as far as possible without modifying or affecting the legality, validity or enforceability of the remaining provisions of this Assignment which will remain in full force and effect.

6. Choice of law and jurisdiction

6.1 This Assignment shall be governed by and construed in accordance with the laws of Japan.

6.2 The parties irrevocably agree that the any dispute, claim or controversy arising out of or relating to this Assignment, or the breach, termination, enforcement, interpretation or validity thereof, shall be exclusively referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in accordance with Article 6.12(a) of the Asset Purchase Agreement.

IN WITNESS WHEREOF, this Assignment has been duly executed as a Deed on behalf of the parties by their authorized representatives on the date stated at the beginning.

(Signature of parties on following page.)

Signed as a Deed by **Chlorine Engineers Corp. Ltd.** acting by its duly authorized signatory

CHLORINE ENGINEERS CORP. LTD. (Assignor)

By: _____

Name: _____

Title: _____

Signed as a Deed by **CEC Water Technologies Limited** acting by its duly authorized signatory

CEC WATER TECHNOLOGIES LIMITED (Assignee)

By: _____

Name: _____

Title: _____

**SCHEDULE 2.4
ASSUMED CONTRACTS**

1. Assumed Customer Contracts

Project Name	Customer	Date	Contract No.
Sales Contract for MHI Electrode Replacement Project in Kingdom of Saudi Arabia	VChlorin Engineering Private Limited	20 April 2012	CEC-ESS2MPGS-20120420
Collaboration Agreement	VChlorin Engineering Private Limited	1 April 2011	3584
Minutes of Meeting – Extension of Collaboration Agreement	VChlorin Engineering Private Limited	Date of meeting was 24 November, 2011	3584
Sales Contract of Bi-Polar Electrolyzer System for Tuniso Algerienne du Chlore in Tunisia	Tuniso Algerienne due Chlore S.A.	16 February 2012	CEC-EWCECHLIMS828-20120216
License Agreement for Membrane Brine Electrolysis Section of 15.8 MTPD Chlorine Plant at Elouast - Tunisie	Tuniso Algerienne due Chlore S.A.	16 February 2012	Unknown
Seawater Hypochlorite of Soda Electrolysis Equipment for Kitakyushu Office	Nippon Coke & Engineering Co., Ltd	20 February 2012 or 1 Feb 2010	CE221458-01
Seawater Electrolytic Equipment Electrode Recoating for Hokkaido Refinery	Idemitsu Kosan Co., Ltd.	5 April 2000	Order Reference 3-230-0004
Sales Contract for Bi-Polar Electrolyzer System for Flash Chemicals Industry in Algeria	Flash Chemicals Industry	16 February 2012	CEC-EWCECHLOMS842-20120216
License Agreement for Membrane Brine Electrolysis Section of 25 MTPD (expandable to 50 MTPD) Chlorine Plant at Ouargla - Algeria	Flash Chemicals Industry	16 February 2012	Unknown

2. Assumed Vendor Contracts/ Purchase Orders

Project Name	Item/Component to be Supplied	Vendor Name	Order No.	Quantity	Currency	Unit Price
Nippon Coke AS00991	Flowmeter	Azbil Corporation	00007795	1	JPY	204000
	Flowmeter	Azbil Corporation	00007795	1	JPY	189000
	Level Gauge	Azbil Corporation	00007795	1	JPY	122000
	Storage tank	TACMINA CORPORATION	00007845	1	JPY	655000
	Control Panel	Tokai Panel Corporation	00008063	1	JPY	1700000
	Pressure Gauge	Asahi Keiki Kogyo	00008636	2	JPY	12100
	Pressure Gauge	Asahi Keiki Kogyo	00008636	2	JPY	52800
	Strainer	Daiwa Kosan	00008043	2	JPY	200000
	Injection pump	Daiwa Kosan	00007797	2	JPY	595000
	Blower	Daiwa Kosan	00007798	2	JPY	202500
Idemitsu MS00672-004	Level Adjusting Valve	Daiwa Kosan	00008079	1	JPY	410000
	Injection Adjusting Valve	Daiwa Kosan	00008079	1	JPY	410000
	12% NaClO Injection flowmeter	Tokyo Keiso	00008635	1	JPY	45000
	Supervisor for disassembly 6/5 to 6/8	Chlorine Techno Service	00008188	1	JPY	350000
	Electrode	Chlorine Techno Service	00008536	61	JPY	660
	O ring	Okayama Packing	00008149	45	JPY	35.1
	Teflon Spacer	Okayama Packing	00008149	50	JPY	455
	Teflon Band	Okayama Packing	00008633	2	JPY	10000
	Spacer Gasket for Electrolyzer	Okayama Packing	00008633	1	JPY	2800
	O ring	Okayama Packing	00008633	4	JPY	2300
	Titanium plate t1.5xW1219xL2438	Shinnei Kiko	00008113	5	JPY	82410
	Titanium plate 3 t *1000*1000	Shinnei Kiko	00008113	1	JPY	63450
	Electrode Spacer	Daiwa Kosan	00008108	30	JPY	550
	PVC Sleeve M10	Daiwa Kosan	00008712	2	JPY	180
	PVC Washer M12	Daiwa Kosan	00008712	42	JPY	125
	PVC hexagon head screw M12	Daiwa Kosan	00008712	6	JPY	540
	Place t1 for Ti M20 Nut	Ryowa Kiko	00008632	42	JPY	500

Project Name	Item/Component to be Supplied	Vendor Name	Order No.	Quantity	Currency	Unit Price
Tuniso Algerienne Chlore S.A. Ab00441	Feed(Recycle) Brine Manifold	Chlorine Shanghai (CES)	00008280	1	USD	3030
	RECYCLE Naoh(KOH) MANIFOLD	Chlorine Shanghai (CES)	00008280	1	USD	2960
	CL2+DEP.BRINE MANIFOLD	Chlorine Shanghai (CES)	00008280	1	USD	3400
	H2+Naoh(KOH) MANIFOLD	Chlorine Shanghai (CES)	00008280	1	USD	3930
	Ion Exchange Membrane (N2030WX: 1500mm×2440mm)	Dupont De Nemours	00008570	30	USD	1281
	LEG-L	OG CORPORATION	00008306	4	JPY	4705
	Measuring Jig Plate	Chlorine Techno Service	00008502	15	JPY	1960
	Measuring Jig Rod-A D155	Chlorine Techno Service	00008502	15	JPY	3450
	End Frame	Tanomura	00007672	1	JPY	258300
	End Frame-2	Tanomura	00007672	1	JPY	258300
	End Beam & Brace	Tanomura	00007672	1	JPY	35100
	Base Plate-A-1	Tanomura	00007672	6	JPY	2070
	Base Plate-B-1	Tanomura	00007672	2	JPY	2520
	Liner-1	Tanomura	00007672	10	JPY	450
	Liner-2	Tanomura	00007672	10	JPY	540
	Support-1	Tanomura	00007672	4	JPY	1395
	Support-3	Tanomura	00007672	4	JPY	3195
	Side Beam-A L2700	Tanomura	00007672	1	JPY	129465
	Side Beam-B L2700	Tanomura	00007672	1	JPY	129465
	Support Beam L2380	Tanomura	00007672	2	JPY	7200
	Slide Bearing-A L1850	Pillar Engineering Service	00008039	2	JPY	20035
	Slide Bearing-A L0550	Pillar Engineering Service	00008039	2	JPY	7500
	Slide Bearing-B L1850	Pillar Engineering Service	00008039	1	JPY	12705
	Slide Bearing-B L0550	Pillar Engineering Service	00008039	1	JPY	5000
	Adhesive (Quick-Type) GEL-10 (20g/Pc)	Takayama Corporation	00008291	2	JPY	660
	Anti-Seize Thread Compound Moly LG Grease No. 2	Takayama Corporation	00008291	3	JPY	650
	Marking Pen YYTS5-BK Or EQ.	Takayama Corporation	00008291	20	JPY	78
Special Torque Wrench (15N·M)	Takayama Corporation	00008455	4	JPY	55000	
Contact Grease	Takayama Corporation	00008291	1	JPY	11400	

Silicon Grease (SE1700) IKG	Mitsui Bussan Trade Co., Ltd.	Plastics	00007837	4	JPY	6136
I-Section Steel I 300x150x10x12704	MBK Steel Products West	Plastics	00007587	2	JPY	25665
H-Section Steel 125x125x6.5x12380	MBK Steel Products West	Plastics	00007587	2	JPY	5488
EPDM-F BITAC GASKET-A (Cathode)	Showa-Rubber Co., Ltd.	Plastics	00007640	28	JPY	4800
EPDM-F BITAC GASKET-A (Cathode)	Showa-Rubber Co., Ltd.	Plastics	00007640	5	JPY	4800
Element Gasket-HS	Showa-Rubber Co., Ltd.	Plastics	00007640	28	JPY	6030
Element Gasket-HS	Showa-Rubber Co., Ltd.	Plastics	00007640	5	JPY	6030
Hose Band-C	Shinko Techno	Plastics	00008054	58	JPY	1150
Hose Band-C	Shinko Techno	Plastics	00008054	6	JPY	1150
Insulator O173 X H126	Shinsei Sangyo	Plastics	00007870	4	JPY	6000
LEG-H(SLIDE SHOE-1: 2 Pcs)	Daiwa Kosan	Plastics	00007824	1	JPY	8976
LEG-H(SLIDE SHOE-1: 3 Pcs)	Daiwa Kosan	Plastics	00007824	1	JPY	8989
Drip Cap-1A	Daiwa Kosan	Plastics	00007826	4	JPY	6000
LEG-H(SLIDE SHOE-1: 2 Pcs)	Daiwa Kosan	Plastics	00008309	1	JPY	8976
LEG-H(SLIDE SHOE-1: 3 Pcs)	Daiwa Kosan	Plastics	00008309	1	JPY	8989
Cell Tightness And Pinhole Test Jig	Daiwa Kosan	Plastics	00008131	1	JPY	260580
Double-Sided Tape (DF-2700M) W20mmx150m	TOYO INK	Plastics	00008234	8	JPY	700
Double-Sided Tape (DF-2700M) W7mmx150m	TOYO INK	Plastics	00008234	6	JPY	305
PTFE Adhesive Tape #7910-S	NIPPON VALQUA INDUSTRIES,LTD.	Plastics	00007821	11	JPY	1500
SUS304 Bolt M12 X L30	Ryowa Kiko	Plastics	00008016	9	JPY	22
SUS304 Bolt M12 X L50	Ryowa Kiko	Plastics	00008016	116	JPY	30
SUS304 Bolt M12 X L60	Ryowa Kiko	Plastics	00008016	40	JPY	36
SUS304 Bolt M16 X L40	Ryowa Kiko	Plastics	00008016	9	JPY	52
SUS304 Bolt M16 X L45	Ryowa Kiko	Plastics	00008016	17	JPY	53
SUS304 Bolt M16 X L60	Ryowa Kiko	Plastics	00008016	17	JPY	61
SUS304 Bolt M16 X L65	Ryowa Kiko	Plastics	00008016	17	JPY	64
SUS304 Bolt M16 X L130	Ryowa Kiko	Plastics	00008016	30	JPY	120

SUS304 Flat Head Bolt M20 X L45	Ryowa Kiko	00008016	9	JPY	310
SUS304 Nut M12	Ryowa Kiko	00008016	9	JPY	10
SUS304 Nut M16	Ryowa Kiko	00008016	90	JPY	16
SUS304 Washer M12	Ryowa Kiko	00008016	17	JPY	4
SUS304 Washer M16	Ryowa Kiko	00008016	192	JPY	5
SUS304 Spring Washer M16	Ryowa Kiko	00008016	30	JPY	9
SUS304 Taper Washer 8 M16	Ryowa Kiko	00008016	17	JPY	280
Belleville Spring Washer For Tie Rod	Ryowa Kiko	00007588	450	JPY	378
POSITIONING BOLT M12XL45(GRP) For LEG-J	KITAMURA MANUFACTURING	00008245	31	JPY	33
Sliding Plate	Hayashi Chemic	00008267	2	JPY	655
Spacer Ring-A (EPDM) 5TX24/15	Hayashi Chemic	00008267	116	JPY	25
Spacer Ring-A (EPDM) 5TX24/15	Hayashi Chemic	00008267	12	JPY	25
Rubber Stopper	Hayashi Chemic	00008267	20	JPY	400
Cock (Gray Handle-Nichias) Fbφ10/7x112	Hayashi Chemic	00008267	29	JPY	1600
Sliding Sheet	Hayashi Chemic	00008267	20	JPY	50
Blind Sheet-4	Hayashi Chemic	00008267	10	JPY	210
Blind Sheet-3	Hayashi Chemic	00008267	10	JPY	600
LUBRICATING GREASE TOMBO 9401	Hayashi Chemic	00008267	3	JPY	1650
Gasket-3 For Feed Tube	Hayashi Chemic	00007924	4	JPY	90
Feed Tube-L-AD (Gasket Type)	Hayashi Chemic	00007924	29	JPY	3250
Feed Tube-L-AD (Gasket Type)	Hayashi Chemic	00007924	3	JPY	3250
Feed Tube-L-AD For Cathode (Gasket Type)	Hayashi Chemic	00007924	3	JPY	3250
Feed Tube-L-AD For Cathode (Gasket Type)	Hayashi Chemic	00007924	29	JPY	3250
Fabrication and Assembly of Electrode	De Nora Elettrodi (Suzhou)	00008321	8	USD	36000
Cell Terminal	Kuroki Composites	00007908	64	JPY	85778.75
Pt Coating on Cell Terminal	Wako Sangyo	00008026	64	JPY	23700

VChlorini/
Marafiq
AS01031

3. Assumed Sales Channel Contracts and Agreements

Country	Channel Name	Agreement
Japan	<u>Mitsui & Co. Plant Systems, Ltd (MPS)</u>	<p>Authorization of Agent for Sales to Tokyo Electric Power Company (2865)</p> <p>Agency of CECHLO-M for Sigma Power Ariake (2760), with Ebara</p> <p>Authorization of Agent for Toshiba Plant Systems (3460)</p> <p>Authorization of Agent for Nuclear power plants by Tokyo Power (3462)</p> <p>Authorization for MPS to sell to Agent Sigma Power Ariake (3558)</p> <p>Authorization of Agent for Thermal power plants by Tokyo Electric Power (3461)</p> <p>Authorization of Agent for Toshiba (3459) shall be assigned to NewCO</p> <p>Authorization of Agent for Chugoku Electric Power Company- Shall be assigned to NewCO</p> <p>Authorization of Agent for Kyushu Electric Power Company - Shall be assigned to NewCO</p> <p>Authorisation of Agent for Shikoku Electric Power Inc.</p>
Japan	<u>Yonden Business Co., Ltd.</u>	<p>Authorization of Agent for Shikoku Electric Power Corporation</p>
Japan	<u>Iwatani Corporation</u>	<p>Agency Agreement of CECHLO for Kansai Electric Power Company 0569(J).pdf</p> <p>Authorization of Agent for Kansai Electric Power Company</p>
Saudi Arabia	K. Awdah Structural and Mechanical Works Co.	Joint Proposal Letter
India	Vchlorin Engineering Private Limited	Collaboration Agreement for Joint Sales & Marketing in India (3584)

**SCHEDULE 2.6
SURETY BONDS AND BONDED CONTRACTS**

Project Name	Customer	Type of Bond	Details of Bond
Sales Contract of Bi-Polar Electrolyzer System for Tuniso Algerienne du Chlore in Tunisia	Tuniso Algerienne du Chlore S.A.	Refund Bond	Issued on April 25, 2012 Amount JPY10,360,000 Valid until Dec. 25, 2012
Sales Contract for MHI Electrode Replacement Project in Kingdom of Saudi Arabia	VChlorin Engineering Private Limited	Performance Bond	To be provided in July 2012. Amount USD37,200 Validity 12 months from shipment

Note: The following Assumed Contracts will require performance bonds to be put in place after the Execution Date by the Buyer:

- a. Tuniso Algerienne du Chlore S.A. required to be issued in November 2012 (JPY5,180,000; Validity 12 months).
- b. Flash Chemicals Industry required to be issued at the shipment (JPY8,200,000; Validity 12 months).

SCHEDULE 3.1(i)
PATENTS, COPYRIGHTS AND TRADEMARKS

1. Patents

Technology	Title	Country	Filing Date	Patent No.	Date Of Patent	Date Of Expiry
CECHLO-NS (Box Type)	Electrolyser for producing hypochlorite	Japan	08/03/2000	3770530	17/02/2006	08/03/2020
CECHLO-NS (Box & Module Type)	Apparatus for producing hypochlorite	Japan	01/09/2000	3770533	17/02/2006	01/09/2020
CECHLO-M, NS (Box & Module Type)	Electrolytic method for manufacturing hypochlorite	USA	04/10/1995	5622613	22/04/1997	04/10/2015
		Japan	05/10/1994	3319887	21/06/2002	21/6/2013
	Anode for producing hypochlorite and method for producing hypochlorite	Japan	22/07/1994	3319880	21/06/2002	21/06/2013

2. Copyrights

There are no registered Copyrights

3. Trademarks

Mark	Country	Registration No.	Current Holder	Date Of Expiry
CECHLO	Japan	4099199	Chlorine Engineers	09/01/2018

SCHEDULE 3.1(j)
AFFECTED EMPLOYEES

Kimitoshi Tadatsu

Naofumi Takai

Yoshida Kan

Mr. Shigeki Sudo

SCHEDULE 3.1(k)
WORK IN PROGRESS

Work in Progress to be transferred to Buyer from Assumed Contracts is set out in the table below:

Job No	Client Name	Projected WIP at 29 June 2012	
AS00991-000	Nippon Coke	1,722,624	Yen
MS00672-004	Idemitsu Kosan	193,564	
AB00441-000	Tuniso Algerienne Du Chlore	2,122,087	
AS01031-000	Marafiq MGPS Electrode	588,817	
AB00431-000	Flash Chemicals	826,636	
	Total in Yen	<u>5,453,728</u>	Yen
	Total in USD (at 84)	<u>\$64,925</u>	USD

ASSIGNMENT AND ASSUMPTION OF ASSUMED CONTRACTS

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "AA Agreement") is entered into this 30th day of June, 2012 by and between CEC Water Technologies Limited, a corporation organized under the laws of Japan (the "Buyer") and Chlorine Engineers Corp. Ltd., a corporation organized under the laws of Japan (the "Seller").

WHEREAS, simultaneously with the execution and delivery of this AA Agreement, the Seller is entering into that certain asset purchase agreement (the "Asset Purchase Agreement") with the Buyer, dated as of even date herewith, which provides, among other things, that the Seller, on the terms and subject to the conditions thereof, is selling, assigning and transferring to the Buyer certain Assets related to the Business; and

WHEREAS, Section 2.4 and Article 4 of the Asset Purchase Agreement require the parties execute and deliver this AA Agreement contemporaneously with the Closing of the transactions contemplated by the Asset Purchase Agreement;

NOW, THEREFORE, for the consideration of the promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment. The Seller shall, and does hereby transfer, assign, convey, and grant, bargain and sell unto the Buyer all rights, obligations, remedies, powers, title or interest in all Work in Progress and otherwise in the Assumed Contracts to the extent relating to the time period beginning on or arising out of events occurring on or after the date hereof.

2. Assumption. The Buyer hereby assumes and undertakes to pay, discharge, and perform all the obligations and liabilities of the Seller under the Assumed Contracts but only to the extent relating to the time period beginning on or arising out of events occurring on or after the date hereof, subject to Seller's agreement to maintain and keep in place on behalf of Buyer surety bonds required under any Assumed Contract. The Seller represents and warrants to the Buyer that the Seller has satisfied all of its obligations under the Assumed Contracts accrued through the date hereof.

3. Benefit. This AA Agreement shall inure to the benefit of the Seller and the Buyer, and shall be binding upon the Buyer and its respective successors and assigns. Nothing herein shall create or be construed as creating any right in any third person.


counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5. Governing Law. The laws of Japan shall govern the construction, interpretation and effect of this AA Agreement.

6. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the same meaning for such terms as are set forth in the Asset Purchase Agreement.

IN WITNESS WHEREOF, the Buyer and the Seller have executed and delivered this AA Agreement as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: 
Name: Alex Lloyd

Title: Representative Director

CHLORINE ENGINEERS CORP. LTD.

By: _____
Name: Danilo Parini

Title: CEO

4. Counterparts. This AA Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5. Governing Law. The laws of Japan shall govern the construction, interpretation and effect of this AA Agreement.

6. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the same meaning for such terms as are set forth in the Asset Purchase Agreement.

IN WITNESS WHEREOF, the Buyer and the Seller have executed and delivered this AA Agreement as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: _____

Name: Alex Lloyd

Title: Representative Director

CHLORINE ENGINEERS CORP. LTD.

By: *Danilo Parini*

Name: Danilo Parini

Title: CEO

DEED OF ASSIGNMENT OF INTELLECTUAL PROPERTY

**DEED OF ASSIGNMENT
OF
INTELLECTUAL PROPERTY**

CHLORINE ENGINEERS CORP. LTD.

and

CEC WATER TECHNOLOGIES LIMITED

THIS DEED is made on June 30, 2012

BETWEEN:

- 1) **CHLORINE ENGINEERS CORP. LTD.** a corporation organized under the laws of Japan (the "Assignor") whose registered office is at 35F St.Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo, Japan; and
- 2) **CEC WATER TECHNOLOGIES LIMITED**, a corporation organized under the laws of Japan with offices at 24-6, Higashi-Takasaki Tamano City, Okayama 706-0134, Japan (the "Assignee").

BACKGROUND

- (A) The Assignor is the beneficial owner of the Intellectual Property as defined in the Asset Purchase Agreement and as listed in Schedule 3.1(i), Sections 1.1, 1.2 and 1.3 of the Asset Purchase Agreement (a copy of the referenced Schedule is attached herewith).
- (B) The parties have agreed that the Intellectual Property be transferred and assigned by the Assignor to the Assignee on the terms contained in this Assignment.

IT IS AGREED as follows:

1. **Definitions and interpretation**

- 1.1 In this Assignment, the definitions used in the Asset Purchase Agreement of even date between the Assignor, Assignee, and others in respect of, amongst other things, the acquisition by the Assignee of certain Intellectual Property shall also apply to this Assignment.
- 1.2 In this Assignment:
 - 1.2.1 the clause headings are included for convenience only and shall not affect the interpretation of this Assignment; and
 - 1.2.2 any reference to a recital, clause or schedule is to the relevant recital, clause or schedule of or to this Assignment;
 - 1.2.3 the recitals and schedules form part of this Assignment and shall have effect as if set out in full in the body of this Assignment and any reference to this Assignment includes the recitals and schedules.

2 **Assignment**

2.1 In consideration of the sum of the Purchase Price, the Assignor assigns to the Assignee absolutely and with full title guarantee:

2.1.1 the Intellectual Property, including, without limitation, all right, title and interest past, present and future in the Intellectual Property (including, without limitation, the benefit of any applications for registration with the intention that when the applications are granted the registration will vest in the Assignee) for its full term and any renewal or extension of that term, free from all liens, charges and encumbrances together with all rights of action accrued in relation to the Intellectual Property including further, without limitation, the right to take proceedings and recover damages in respect of all past, present and future infringements and in respect of any aggravated damages, exemplary damages and other remedies; and

2.1.2 all documentation and media embodying any of the Intellectual Property.

3 **Covenants**

3.1 The Assignor covenants with the Assignee that:

3.1.1 the rights assigned by this Assignment will be uninterrupted and undisturbed by the Assignor or any party claiming through, under or in trust for the Assignor; and

3.1.2 it will not do or (so far as the same is under the Assignor's control) omit to do any act which may adversely affect the validity or enforceability of the rights in or prevent the grant of any applications for registration of any Intellectual Property in its present form.

4 **Further assurance**

4.1 The Assignor agrees to and shall use all its reasonable endeavors to procure that any necessary third party shall, at the cost of the Assignee, do all such acts and things and sign and execute all such documents and deeds which may be required to perfect, protect or enforce any of the rights or interests in the Intellectual Property assigned to the Assignee pursuant to this Assignment. The Assignor will use its reasonable endeavors to provide all such information and other assistance as may be reasonably required for the purpose of making any application for

protection of such rights, prosecuting, maintaining and enforcing the same, provided that the Assignee shall reimburse the Assignor for all expenses which the Assignor reasonably incurs in carrying out the same.

- 4.2 Any request made to the Assignor requiring it to do any act or thing or to sign or execute any document or deed pursuant to clause 4.1 shall be delivered or sent to the Assignor at its address set out in this Assignment (or such other address as may have been notified) and shall be deemed to have been validly made and served on the Assignor: if delivered by hand – at the time of delivery; if sent by electronic mail – upon receipt of a delivery confirmation; if sent by post – upon the expiration of 48 hours after posting; and if sent by fax – at 9:00 am on the next business day after the fax was dispatched.

5 General

- 5.1 The failure or delay of a party to exercise or enforce any right under this Assignment shall not operate as a waiver of that right or preclude the exercise or enforcement of it at any time or time thereafter.
- 5.2 This Assignment, the Asset Purchase Agreement and the documents referred to therein as being in the agreed form constitute the entire understanding between the parties with respect to its subject matter and supersede and replace all prior agreements, negotiations and discussions between them relating to it. However, nothing in the Assignment purports to exclude liability for any fraudulent statement or act.
- 5.3 No variation of this Assignment shall be valid unless it is in writing and signed by or on behalf of each of the parties.
- 5.4 If there is a conflict between the provisions of this Assignment and the Asset Purchase Agreement then the provisions of the Asset Purchase Agreement shall prevail.
- 5.5 The Assignor may not assign or transfer all or any of its rights or obligations under this Assignment without the prior written consent of the Assignee. This Assignment shall be binding on and enure to the benefit of the parties and their successors and permitted assigns.
- 5.6 Nothing in this Assignment is intended to or shall operate to create a partnership or joint venture of any kind between the parties, or to authorize either party to act as agent for the other, and neither party shall have authority to act in the name of or on behalf of or otherwise to bind the other in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

5.7 If any provision of this Assignment shall be held to be unlawful, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be severed from this Assignment and rendered ineffective as far as possible without modifying or affecting the legality, validity or enforceability of the remaining provisions of this Assignment which will remain in full force and effect.

6. **Choice of law and jurisdiction**

6.1 This Assignment shall be governed by and construed in accordance with the laws of Japan.

6.2 The parties irrevocably agree that the any dispute, claim or controversy arising out of or relating to this Assignment, or the breach, termination, enforcement, interpretation or validity thereof, shall be exclusively referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in accordance with Article 6.12(a) of the Asset Purchase Agreement.

IN WITNESS WHEREOF, this Assignment has been duly executed as a Deed on behalf of the parties by their authorized representatives on the date stated at the beginning.

(Signature of parties on following page.)

Signed as a Deed by Chlorine Engineers Corp. Ltd. acting by its duly authorized signatory

CHLORINE ENGINEERS CORP. LTD. (Assignor)

By: Danilo Parini
Name: Danilo Parini

Title: CEO

Signed as a Deed by CEC Water Technologies Limited acting by its duly authorized signatory

CEC WATER TECHNOLOGIES LIMITED (Assignee)

By: _____
Name: Alex Lloyd

Title: Representative Director

Signed as a Deed by CHLORINE ENGINEERS CORP. LTD. acting by its duly authorized signatory

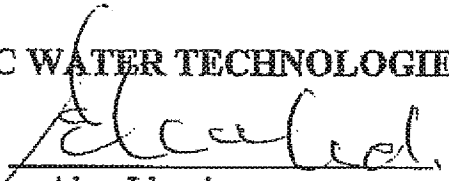
CHLORINE ENGINEERS CORP. LTD. (Assignor)

By: _____
Name: Danilo Parini

Title: CEO

Signed as a Deed by CEC Water Technologies Limited acting by its duly authorized signatory

CEC WATER TECHNOLOGIES LIMITED (Assignee)

By: 
Name: Alex Lloyd

Title: Representative Director



LICENSE AGREEMENT

FOR EXECUTION

LICENSE AGREEMENT

This Agreement ("Agreement"), effective as of the date set forth on the signature page below, is by and between Chlorine Engineers Corp. Ltd. ("Licensor"), having a place of business at 35F St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo, Japan and Severn Trent DeNora LLC, on behalf of itself and any of its Affiliates (each referred to hereunder as "Licensee") with offices at 1110 Industrial Boulevard, Sugar Land, Texas 77478. Licensor and Licensee are hereinafter individually referred to as "Party" or collectively as the "Parties".

WITNESSETH:

In consideration of the payment hereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor and Licensee agree as follows.

ARTICLE 1 – DEFINITIONS AND REPRESENTATIONS AND WARRANTIES

1.01 Definitions

As used in this Agreement, the following terms have the following meanings (other terms defined in this Agreement but not listed below have the meanings so given them in this Agreement):

"*Affiliate(s)*" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, any other Person. A Person shall be deemed to control a corporation or similar legal entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or similar legal entity, whether through the ownership of voting securities, by contract or otherwise.

"*Agreement*" has the meaning given to that term in the Preamble.

"*Confidential Information*" has the meaning given to that term in Section 5.03(a).

"*Copyrights*" refers to all works of authorship owned or used by Licensor or that can be used in connection with the Membrane Brine Technology. A list of all registered Copyrights is included in Exhibit A.

"*Event(s) of Default*" has the meaning given to that term in Section 8.01.

"*Electrolyzer*" means the electrolyzer (component, either skid mounted or not, which includes associated wiring and plumbing) comprising a part of a Licensed Product as described and labeled in the process flow diagram titled as Scope of Supply and attached hereto as Exhibit B hereunder.

"Field" means each of the following applications: (i) any municipal, industrial or combined use application with a chlorine production capacity less than five (5) metric tons per day, whether sold directly to or via third-party purchasing entities, including distributors or repackagers, anywhere in the world; and/or (ii) the direct sale by Licensee (or by any of its subsidiaries) anywhere in the world of any municipal end-use water or wastewater application having a chlorine production capacity greater than five (5) metric tons per day.

"Force Majeure" means any act, event, or condition to the extent that it materially and adversely impacts, or affects, the ability of either Party to perform any obligation under this Agreement (except for payment obligations) and only to the extent that such act, event or condition, in light of circumstances that should have been known or reasonably believed to have existed at the time, is beyond the reasonable control and is not a result of the willful or negligent act, error or omission, or failure to exercise reasonable diligence on the part of the Party relying thereon. Examples of events that may qualify as Force Majeure under this Agreement include, but are not limited to, acts of God, landslide, lightning, earthquake, hurricane, flood, tsunami, acts of a public enemy, war, blockade, insurrection, riot, or civil disturbance, the acts of civil or military authority, quarantine restrictions, riots, national strikes, lockouts or other labor disputes, commercial impossibility, epidemics, fires, explosions and bombings, the inability to obtain or delays in obtaining permits or other private or governmental approvals, etc.

"Intellectual Property" means all of Licensor's intellectual property rights related to the Membrane Brine Technology, whether registered or not, owned, licensed, used, or otherwise incorporated therein. The Intellectual Property specifically includes all Patents, Trade Secrets, Copyrights, and Trademarks and any developments, improvements or modifications thereto. The Intellectual Property specifically excludes intellectual property rights belonging exclusively to the Tosoh Corporation and utilized by Licensor pursuant to the terms of the Tosoh License for applications falling outside the Field.

"Knowledge" means, with respect to a specified Party hereto, the actual knowledge of such Party and the actual knowledge of such Party's officers, directors, and employees who have dealt with the Intellectual Property, together with such additional knowledge as would be acquired by a reasonable officer, director or employee upon conducting reasonable and diligent inquiry concerning the subject matter in question.

"Licensed Products" means any equipment or products utilizing or incorporating, in any way, any part of the Membrane Brine Technology.

"Licensee" has the meaning given to that term in the Preamble.

"Licensee Customer Sublicense" has the meaning given to that term in Section 2.01(a).

"Licensor" has the meaning given to that term in the Preamble.

"Membrane Brine Technology" means Licensor's ion exchange membrane (IEM) electrolyzer technology which is either (i) incorporated into the products known as CECHLO-MS (Type C, Series 300 and Series 800) and/or CECHLO-IS or (ii) otherwise utilized to produce high strength

sodium hypochlorite (by combining caustic soda and chlorine), or caustic soda and chlorine as separate products.

"Party" or "Parties" have the meaning given to such terms in the Preamble.

"Patents" means (i) all patents that relate to the Membrane Brine Technology which are either owned by Licensor or licensed to Licensor as of the date of this Agreement, together with any foreign counterpart patents, including any reissued and reexamined patents and extensions corresponding to such patents, all of which are listed in Exhibit A attached hereto; and (ii) all patent applications now and during the Term that relate to the Membrane Brine Technology which are prepared by Licensor on or after the date of this Agreement, including any related continuation, continuation in part, and divisional applications and patents issuing therefrom and any respective foreign counterpart foreign patent applications or foreign patents issuing therefrom, in each case together with any modification or improvements thereon.

"Person" means any natural person, firm, partnership, association, corporation, limited liability company, company, trust, entity, public body or government.

"Project Services and Equipment Production Agreement" means that certain Project Services and Equipment Production Agreement between the Parties, dated as of even date herewith.

"Royalty" or "Royalties" are the required payments by Licensee to Licensor calculated in accordance with Article 7 in consideration for the license granted hereunder.

"Term" has the meaning set forth in Section 6(a).

"Tosoh License" means that certain license agreement dated as of September 1, 2002 by and between Tosoh Corporation and Licensor for the use of such portions of the Intellectual Property licensed hereunder that are jointly owned by Tosoh Corporation and Licensor and more specifically described in Exhibit A.

"Trademarks" means all trademarks, service marks, and trade names now and during the Term, and the goodwill associated with such trademarks, service marks, and trade names owned, licensed to, or used by Licensor to identify the Membrane Brine Technology or any Licensed Product, a list of which is provided in Exhibit A.

"Trade Secrets" means all secret, confidential, or non-public information or know-how owned, licensed to, or used by Licensor as of the date hereof and at any time during the Term in connection to the Membrane Brine Technology -- and otherwise associated with the design, assembly, construction and/or fabrication of the balance of plant so as to comprise a fully operational system incorporating such Membrane Brine Technology -- including but not limited to, information, ideas, concepts, improvements, discoveries, inventions, applications of products and services, results of investigations, studies or experiments products, processes, methods of operation, compositions, samples, formulas, computer programs, computer hardware designs, computer firmware designs, and process engineering, servicing, marketing or manufacturing methods and techniques and the like. Trade Secrets shall not include any information that: (1) is disclosed in a printed or online publication available to the public, is described in an issued

patent anywhere in the world, is otherwise in the public domain at the time of disclosure, or becomes publicly known through no wrongful act on the part of the Licensee; (2) is already known to Licensee at the time of the disclosure or becomes known to or lawfully available to Licensee through disclosure by a third party who has not received the Trade Secret, directly or indirectly, from Licensor under an obligation of secrecy; (3) is disclosed to third parties by Licensor without an obligation of confidence being imposed on such third parties; (4) is subsequently developed by or for Licensee without use of the Trade Secrets by Licensee; and (5) Licensor expressly authorizes in writing shall not be considered Trade Secrets. Notwithstanding any provision to the contrary contained hereinabove the term "Trade Secrets" shall specifically exclude all "Trade Secrets" embodied or comprising any part of the Electrolyzer.

1.02 Representations and Warranties of the Parties

(a) Each Party hereby represents, warrants, and covenants that, as of the date hereof:

(i) Such Party is a legal entity, duly organized, validly existing, and in good standing under the laws of the state and country of its formation and has all requisite power, ability, right and authority to enter into and perform this Agreement.

(ii) The execution, delivery, and performance of this Agreement has been duly authorized and approved by all necessary corporate and similar action on its part.

(iii) The execution, delivery, and performance of this Agreement will not conflict with, or result in any violation of, or constitute a default or a condition which upon notice or lapse of time, or both, would constitute a default under the organizational documents of such Party nor under any judgment, order, writ, injunction, decree, rule, regulation, permit, license, note, agreement, mortgage, deed, contract or other instruments that apply to, or which bind such Party or its Affiliates, as the case may be.

(iv) This Agreement is a legally valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally, by general principles of equity and by the exercise of judicial discretion.

(v) There are no actions, suits, proceedings, or governmental investigations pending, or, to the Knowledge of such Party, threatened, against it, or judgments, decrees, orders, rulings, writs, or injunctions outstanding against it, that would in each such case have a material adverse effect upon such Party's ability to consummate and perform its obligations hereunder.

(b) Licensor further represents, warrants and covenants that:

(i) Licensor has not transferred to any third party, by assignment, mortgage, security interest, license, or otherwise, any of the rights or title in and to any of the Intellectual Property.

(ii) To the Knowledge of Licensor, the Intellectual Property is valid and in full force and effect, all outstanding Intellectual Property maintenance fees and filing fees have been paid and no applications for registration of the Intellectual Property have been abandoned or not filed when due and Licensor has disclosed to Licensee all correspondence or documents regarding the validity of the Intellectual Property.

(iii) No item of the Intellectual Property is subject to any outstanding judgment, order, decree, stipulation, injunction, or charge and, to Licensor's Knowledge, no charge, complaint, action, suit, proceedings, hearing, investigation, claim, or demand is pending or is threatened which challenges the legality, validity, or enforceability of any item of the Intellectual Property.

(iv) Licensor will not take any action that might jeopardize or adversely affect Licensee's rights under this Agreement, nor will Licensor take any action that is designed or intended to have the effect of discouraging any customer, supplier or other business associate of any kind from entering into relationships with Licensee.

(v) To the Knowledge of Licensor, the Tosoh License is in full force and effect and each party thereto has performed in all material respects the obligations required to be performed by it and is not (with or without lapse of time or the giving of notice, or both) in breach or default thereunder. Licensor has the full right and authority to license to Licensee pursuant to the terms of this Agreement and for the duration of the Term all such portions of the Intellectual Property subject to the terms of the Tosoh License (as identified in Exhibit A), all without consent or payment by Licensee. Licensor hereby undertakes to pay from its own account all royalties and other payments due under the Tosoh License, to discharge and perform all of its obligations and liabilities arising thereunder and to otherwise keep and maintain the Tosoh License in full force and effect for the duration of the Term. In the event that the Tosoh License is terminated during the term hereof for any reason or for no reason, same shall not constitute a default hereunder provided that Licensor shall, within a reasonable period of time following such termination (not exceeding a period of sixty (60) days), procure and provide Licensee, at Licensor's sole cost and expense, with access to and rights to use and exploit alternative intellectual property rights that are suitable, in the joint reasonable determination of the Licensor and Licensee, to replace the intellectual property rights lost upon the termination of the Tosoh License, upon substantially the same terms and conditions set forth in this License.

ARTICLE 2 - SCOPE OF LICENSE

2.01 Grant and Terms of License

(a) Subject to the terms and conditions hereof, Licensor hereby grants to Licensee (i) within the Field, an irrevocable and exclusive license, with the full rights to sublicense, to use the Intellectual Property for any purpose in any business of the Licensee and/or Licensee's Affiliates, including the right to make, manufacture, assemble, market, sell, lease, install, operate, maintain and repair Licensed Products; and (ii) outside of the Field a non-exclusive license on a project-by-project basis, each subject to the prior approval of Licensor. This license

shall be subject to the Royalties described in Article 7. Without limiting the generality of the foregoing sentence, Licensee may issue to each end-user (which could include Licensee's Affiliates) of the Intellectual Property or Licensed Products a non-exclusive, assignable, paid-up, site-specific sublicense (a "Licensee Customer Sublicense") to practice and use the Intellectual Property as may be necessary to operate and maintain the Licensed Products. Each Licensee Customer Sublicense shall survive the expiration or early termination of this Agreement, until the expiration of its term. Notwithstanding any provision to the contrary contained hereinabove and in order to avoid doubt, Licensee shall not have the right to make, manufacture, or assemble Electrolyzers, or otherwise perform maintenance work (including retrofit electrodes) on the Electrolyzers, it being agreed to and understood that all Electrolyzers shall be purchased and maintained by Licensee from Licensor on an exclusive basis pursuant to the terms of Article 3 hereunder.

(b) Licensor agrees to promptly disclose all Trade Secrets to Licensee now known and as acquired during the Term and as necessary for Licensee's use of the Trade Secrets. Upon the termination of this Agreement, to the extent that any of the Trade Secrets are still confidential, Licensee shall have a fully paid-up irrevocable license to use and practice all know-how acquired or retained by Licensee during the term hereof.

(c) Without limiting the generality of the foregoing provisions of Section 2.01(b) above, from time to time, as and when reasonably practicable, Licensor shall supply to Licensee all Trade Secrets to the extent reasonably required by Licensee to pursue the activities licensed hereunder, and in the manner, language, and format that is available. The information to be supplied shall, as applicable, include the following:

- (i) Process engineering;
- (ii) Assembly drawings;
- (iii) Technical and assembly know-how;
- (iv) Test and research and development information;
- (v) Engineering reports;
- (vi) Cost information (for items falling outside Licensor's scope of supply with respect to each project or sale);
- (vii) Price information (for items falling within Licensor scope of supply with respect to each project or sale)
- (viii) Equipment operating and service data;
- (ix) Operating manuals;
- (x) Service manuals; and
- (xi) Material purchasing specifications.

(d) Licensor shall deliver a complete set of all files and correspondence relating to the Copyrights, Patents and the Trademarks. Licensor agrees to be responsible for the costs of preparation, filing, and continued prosecution of the Copyright, Patent and Trademark applications, as well as any related continuation, continuation in part, and divisional applications and Patents issuing therefrom and any respective foreign counterpart foreign Patent applications or foreign Patents issuing therefrom, and any reissue, reexaminations or other similar proceedings regarding the Patents. Licensor agrees to be responsible for the costs of any maintenance fees related to the Trademarks, Copyrights and Patents.

(e) During the Term, the Parties agree that duly accredited representatives of Licensee shall have access to Licensor's facilities, factories and laboratories, at reasonable times, frequencies, and conditions as agreed to by the Parties, for the purpose of acquiring further information as necessary for Licensee's use of the Intellectual Property. Licensee shall exercise the greatest possible care in selecting and designating representatives to visit the facilities, factories and laboratories of Licensor to the end that any such information received by them shall be kept confidential as provided in Section 5.03. All direct expenses such as transportation, lodging and other travel expenses incurred by Licensee's representatives shall be borne by Licensee.

(f) If either Party at any time shall become aware or receive notice of any infringement or misappropriation of the Intellectual Property, then such Party shall promptly give written notice thereof to the other Party. Licensor shall have the responsibility and control for evaluating any such claim against a third party and shall be required to use reasonable business judgment in deciding whether to prosecute such claim and whether to settle or compromise any such claim and on what terms. Whenever such suit is brought by Licensor as provided above, Licensor shall notify Licensee in writing of such suit. Subject to the rights of indemnification contained herein, Licensor shall be responsible for the attorneys' fees, costs and expenses in bringing any such claims for infringement or misappropriation of the Intellectual Property.

(g) It is agreed and understood by the Parties that Licensee shall use commercially viable efforts to ensure the efficient marketing and to maximize the sale of Licensed Products; provided however that Licensee shall have no minimum sales obligations in order to maintain its exclusivity in the Field.

(h) As for the allocation of risk and liability among the Parties, it is agreed that Licensee will retain the exclusive responsibility for on-site installation, commissioning, operation and maintenance of the Licensed Products and for after-sales services and maintenance of the Licensed Products sold by Licensee to customers, subject only to the terms and conditions governing Licensor's supply and maintenance of Electrolyzers pursuant to Article 3 hereunder and the terms and conditions governing Licensor's supply of services and equipment under the Project Services and Equipment Production Agreement. Licensee shall ensure that the terms of its product liability insurance extend to and cover the sale of Licensed Products. Licensee shall obtain all necessary approvals, permissions or consents from any applicable government authority required for the design, manufacture, marketing, distribution and sale of Licensed Products and ensure that it complies with all such approvals, permissions or consents and any applicable legislation, rules, regulations or statutory requirements in relation to such activities.

2.02 Parties' Restrictions and Non-Compete Obligations

(a) During the term of this Agreement, Licensee covenants and agrees that it shall not directly or indirectly, acting alone or in concert with others:

(i) utilize, or sublicense the use of the Intellectual Property outside the Field, unless prior written permission to do so is granted by the Licensor, which Licensee may request on a case-by-case basis; nor

(ii) solicit orders for, distribute, sell, or lease Licensed Products outside of the Field or solicit orders for, distribute, ship, sell, or lease Licensed Products to any Person that Licensee knows, should know, or have reasonable basis to believe, may operate, use, manufacture, distribute, sell, or lease Licensed Products outside of the Field, unless prior written permission to do so is granted by the Licensor, which Licensee may request on a case-by-case basis.

(b) During the term of this Agreement, Licensor covenants and agrees that it shall not directly or indirectly, acting alone or in concert with others:

(i) license the Intellectual Property to any other Person for any use, either directly or indirectly, within the Field; nor

(ii) solicit orders for, distribute, sell, lease, or ship Licensed Products within the Field other than through Licensee or a third party designated by the Licensee, nor shall Licensor solicit orders for, distribute, ship, sell, or lease, Licensed Products to any Person that Licensor knows, should know, or have reasonable basis to believe, may operate, use, manufacture, distribute, sell, or lease Licensed Products within the Field.

(c) During the Term, Licensor agrees to (and shall further cause its Affiliates to) refer exclusively to Licensee all business leads or potential opportunities related to the sale of Licensed Products within the Field.

(d) Each Party understands that in the event of a breach of Sections 2.02(a), 2.02(b) or 2.02(c) above, as applicable, the non-breaching Party will be irreparably harmed and, accordingly, will be entitled to seek and enforce against the breaching Party all appropriate remedies accorded to it by law and/or under this Agreement, including actions for damages and injunctive relief.

2.03 Training

(a) In order to transfer product know-how, Licensor shall make available to Licensee up-front and periodic product training and general technical assistance to Licensee's personnel involved in the marketing, sale, installation operation and maintenance of the Licensed Products. Such training and assistance will be furnished by technically competent personnel of Licensor and shall be undertaken at no cost, provided however that: (i) any additional training in excess of the activities, time and man/hours listed in Schedule 2.03(a) shall be compensated by Licensee at the then prevailing rates applied by Licensor under the Project Services and Equipment Production Agreement; and (ii) for any training to be conducted outside Licensor's or its Affiliates' premises, Licensee shall pay or reimburse Licensor for any traveling and living expenses of Licensor's personnel.

(b) In relation to any specific projects it is pursuing, Licensee may request specific project support via technical personnel competent for the purpose of rendering technical assistance. Licensee shall specify its requirements for project specific support and compensate Licensor under the terms of the Project Services and Equipment Production Agreement.

2.04 Improvements to the Membrane Brine Technology

(a) During the Term, the Parties will collaborate to identify improvements to the Licensed Products, including the Membrane Brine Technology, which may enhance competitiveness (which could also include expansion of the range of Licensed Products). Where a clear business case is established and agreed via mutual discussion, Licensor shall utilize commercially viable efforts to commercialize such improvements, including research and development. The Parties specifically agree that any and all such improvements will fall within the scope of the license granted hereunder.

(b) Licensor will give the Licensee written notice of the availability of each modification or improvement to the Membrane Brine Technology or range of Licensed Products as soon as same becomes commercially viable.

(c) Each Party shall regularly inform the other Party of any opinions, comments, or suggestions that such Party and its employees and customers have expressed, which in such Party's reasonable opinion, may enhance or improve the quality and/or marketability of the Membrane Brine Technology or Licensed Products.

ARTICLE 3 – LICENSOR'S SUPPLY OF ELECTROLYZERS AND OTHER SERVICES

3.01 Supply of Electrolyzers

The Parties agree that during the Term, Licensee shall purchase from Licensor on an exclusive basis and Licensor shall exclusively sell only to Licensee and supply all of Licensee's requirements for Electrolyzers (to be incorporated into Licensed Products sold by Licensee within the Field). The purchase and sale of Electrolyzers shall include maintenance services and shall be at prices and upon terms not less favorable than those offered by Licensor from time to time to its best and most favorable customers. Licensor shall endeavor to meet all of Licensee's requirements for the supply and maintenance of Electrolyzers on a priority basis and in an efficient and expeditious manner. Licensor shall utilize viable commercial efforts, including research and development, to enhance and improve upon the Electrolyzers so as to maintain a competitive product, including in terms of price, performance, warranty and useful life.

3.02 Supply of Services

Licensee shall utilize the Project Services and Equipment Production Agreement to retain Licensor to design, assemble and/or manufacture the Licensed Products (x) on an exclusive basis, to provide the services listed in Exhibit B under the heading "Licensor's Exclusive Scope of Supply" and (y) on a project by project basis at the discretion of the Licensee, the services listed in Exhibit B under the heading "Licensor's Expected Initial Scope of Supply".

ARTICLE 4 – LICENSEE'S MARKETING OBLIGATIONS

In consideration for the license granted hereunder, during the term of this Agreement, Licensee agrees to use commercially reasonable efforts to promote and market the Membrane Brine Technology within the Field, including the Licensed Products, and to actively pursue business opportunities for the sale or lease of Licensed Products.

ARTICLE 5 – LICENSOR PROPERTY AND CONFIDENTIAL INFORMATION

5.01 Prototypes and Demos

Any prototypes, demos, or other sample equipment and/or products of Licensor received by Licensee and not intended for re-sale shall be held for the account of Licensor, and upon request shall be returned in as good condition as when received, ordinary wear and tear excepted.

5.02 Use of Intellectual Property

(a) Licensee agrees that it will not at any time do or cause to be done any act or thing, directly or indirectly, which in any way impairs or tends to impair Licensor's right, title, and interest in any of the Intellectual Property and in any applications of same. Without limiting the generality of the foregoing, Licensee acknowledges that the identification of any Intellectual Property, including Licensed Products, by any of Licensee's business names, trademarks, service mark or other trade names shall not create in Licensee any right, title or interest in the Intellectual Property beyond the rights specifically granted hereunder.

(b) The Parties specifically agree that all improvements, inventions, discoveries and copyright in works of authorship, including those in formative stages, made by either Party hereto (either alone or jointly with others) improving upon or related in any way to the Intellectual Property shall from the time of conception or, in the case of works of authorship, from the time of creation, be owned by the Licensor; provided however that all such improvements, inventions, discoveries and works of authorship shall, upon discovery or creation, automatically become part of the Intellectual Property and the license granted to Licensee hereunder.

5.03 Confidential Information

(a) Licensee and Licensor acknowledge that, in the course of the dealings hereunder, either may acquire information about the other's business activities, business prospects, operations, technical information and trade secrets, patented and un-patented inventions (and specifically including Licensor's proprietary technology), drawings, blueprints, flow sheets, designs, engineering information, construction information, financial information, operation criteria, customers, suppliers, and other information of similar nature (whether or not same is reduced to a tangible medium), all of which are proprietary and highly confidential ("Confidential Information"). Each Party shall hold all Confidential Information, which shall

include the Intellectual Property, in strict confidence and shall not reveal the same except for information (a) for which disclosure is required by any court of competent jurisdiction or any governmental, taxation or other regulatory authority or similar body or pursuant to the rules of any relevant stock exchange or any applicable law or regulation; (b) which is generally known to the public other than as a direct or indirect result of any breach of this Agreement; (c) was known by either Party prior to negotiations leading to this Agreement as evidenced by documents in existence prior to the date of this Agreement; (d) is independently and lawfully acquired by either Party from third parties not under obligation of confidentiality; or (e) which is provided or disclosed in connection with a Licensee Customer Sublicense. All Confidential Information shall be safeguarded by each Party to the same extent that it safeguards its own most confidential materials or data relating to its own business. Neither Party shall use the other Party's Confidential Information for its own benefit or the benefit of a third party without the express written consent of the other Party. The provisions of this Section 5.03 shall survive the termination of this Agreement for a period of ten (10) years thereafter.

(b) Both Parties shall ensure that its employees, agents and other representatives that have access to Confidential Information shall not, in whole or part, directly or indirectly, copy or in any way reproduce or reverse-engineer any of the other Party's Confidential Information. Both Parties shall moreover ensure that its employees, agents and other representatives that have access to Confidential Information are informed of the confidential nature of the information and have entered into a confidentiality undertaking substantially in the form agreed between the Parties under this Agreement or are otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive.

(c) Notwithstanding anything to the contrary in this Section 5.03, with Licensor's prior written consent (which consent shall not be unreasonably withheld), Licensee may disclose Confidential Information as necessary to allow a potential customer to evaluate a proposal for the use, sale or lease of Licensed Products or to allow Licensee's Affiliates, customers, vendors, agents or contractors, as applicable, to design and construct projects utilizing the Intellectual Property provided that any Person to whom Confidential Information is disclosed is informed of its confidential nature and enters into a confidentiality undertaking substantially in the form as agreed between the Parties under this Agreement.

(d) Upon the expiration of the Term or upon the earlier termination of this Agreement, each Party who is in receipt of Confidential Information hereunder shall either (i) return to the disclosing Party all copies of any documents containing Confidential Information and all research notebooks, technical reports and other documents developed by the receiving Party in connection with the Intellectual Property so disclosed to it or (ii) certify to the disclosing Party that such documents or any other material containing or embodying the Confidential Information (whether kept in electronic format or in hard) have been destroyed.

ARTICLE 6 - AGREEMENT TERM AND TERMINATION

(a) This Agreement shall commence on the date hereof and shall, unless terminated earlier as provided in this Article 6 or Article 8 below, continue for a period of five (5) years from the date hereof (the "Term"). Thereafter, this Agreement shall be automatically renewed for successive five (5) year terms unless terminated in writing either (i) by Licensee, at its discretion at least twelve (12) calendar months prior to the expiration of the then current term; or (ii) by Licensor, but only in the event that Licensee shall fail to sell (or to complete or execute any sales or orders that are partially complete, including under any Assumed Contract) for a total of three (3) Licensed Products within the Term, or if the Agreement is renewed, within any successive five year term. If the Licensor elects to terminate and not renew the Agreement, it shall provide notice of its intention to terminate (6) calendar months prior to the expiration of the then current term.

(b) If the Agreement is automatically renewed and is not otherwise terminated, all terms and conditions of this Agreement shall remain in full force and effect unless modified in writing and signed by both Parties.

ARTICLE 7 - ROYALTIES AND PAYMENT TERMS

In consideration of the license granted hereunder, Licensee expressly covenants and agrees to pay to Licensor the Royalties set forth below:

(a) Within thirty (30) days of the date hereof, Licensee shall pay to Licensor an up-front royalty payment in the amount of One Hundred Forty Thousand U.S. Dollars (\$140,000) via wire transfer of immediately available funds to such bank account designated by written instructions of the Licensor.

(b) In the event that the Term is extended beyond the initial five (5) year period established in Section 6(a), upon the commencement of the extended Term, Licensee shall pay to Licensor an additional up-front payment in the amount of One Hundred Thousand U.S. Dollars (\$100,000).

(c) Licensee shall pay Licensor a Royalty for each Licensed Product sold or leased by Licensee during the Term hereunder. Such Royalty shall be in an amount equal to five percent (5%) of Licensee's "direct cost" attributed to such portions or components of each License Product that are specifically listed in Exhibit B under the heading "Licensee Expected Scope of Supply" but only to the extent not otherwise procured or purchased by Licensee from the Licensor or any of its Affiliates. The calculation of "direct cost" for the purpose of determining Royalties due under this Section shall be limited to Licensee's actual costs of materials and labor (burdened by associated labor benefit costs and payroll/employment taxes), but such "direct cost" shall specifically exclude any allocation for overhead and/or profit.

(d) The following terms apply to the payment of Royalties by Licensee to Licensor:

(i) The Royalties shall be paid on a project-by-project basis upon receipt by Licensee of the full outstanding amount due for such Licensed Product(s) from the customer. Full payment by the customer of all amounts due to the Licensee is a condition precedent to the payment of the applicable Royalty.

(ii) Along with each Royalty payment, Licensee shall furnish Licensor with an accounting report together with all relevant backup information in sufficient detail necessary to document and substantiate the total amount of Royalties due and paid, including required cost information where a Licensed Product is part of a larger system being provided by Licensee.

(iii) Licensee shall keep accurate records of all Licensed Products sales and sublicenses granted to any Person (as permitted herein). From time to time and upon prior notice, Licensor and its auditors shall have the right to inspect and audit Licensee's cost and sales records for the purpose of verifying the accuracy of sales reports provided by Licensor and the Royalties due or paid to Licensor thereon. All such inspections and audits shall be conducted at reasonable intervals during business hours and at the location where such sales records are customarily kept by Licensee.

ARTICLE 8 - EVENTS OF DEFAULT AND REMEDIES FOR DEFAULT

8.01 Events of Default

The occurrence of any of the following shall constitute an Event of Default on the part of either Party, entitling the non-defaulting Party to terminate this Agreement in accordance with Section 8.02 below:

(a) The written admission by a Party that it is insolvent; or the filing by a Party of a voluntary petition under any applicable bankruptcy laws; or the consent by a Party to the appointment by a court of a receiver or trustee for all or a substantial portion of such Party's property or business; or the making by a Party of any arrangement with or for the benefit of creditors involving an assignment to a trustee, receiver, or similar fiduciary, regardless of how designated, of all or a substantial portion of such Party's property or business.

(b) The final adjudication of a Party as insolvent after the filing of an involuntary petition under any bankruptcy law applicable to such Party.

(c) The failure or refusal of a Party to meet any of its material obligations under this Agreement, unless any such failure or refusal is excused or justified pursuant to the terms of this Agreement, or by other legally recognized cause customarily justifying or excusing non-performance.

8.02 Remedies and Termination for Default

(a) If either Party has a right of termination for cause because an Event of Default as defined in accordance with Section 8.01 has occurred, the other Party may send a written notice of termination. Such notice shall clearly specify the nature of the default and provide the defaulting Party with thirty (30) days to cure the default. If the default is not cured within said thirty (30) day period, the Agreement may be terminated at midnight of the thirtieth (30th) day following the defaulting Party's receipt of the notice of termination. Upon such termination for default, the non-defaulting Party may, except as specified otherwise in this Agreement, pursue against the defaulting Party any and all remedies, claims and damages allowable under applicable law, but subject to the limitations and conditions set forth in Section 12.13 of this Agreement.

(b) Upon the termination of this Agreement by Licensor for an Event of Default committed by Licensee and without prejudicing any other right or remedy available to Licensor under this Agreement and/or any applicable law, Licensee shall (i) cease exploiting or utilizing the Intellectual Property in any manner and (ii) provide Licensor with a list of all Persons who have purchased or leased Licensed Products during the Term.

ARTICLE 9 - RELATIONSHIP OF THE PARTIES

It is understood and agreed to by the Parties that the relationship between Licensor and Licensee is that of licensor and licensee. Neither Party is an agent, legal representative, partner, franchisee, or employee of or for the other Party under this Agreement for any purpose whatsoever, and neither Party has any authority, right or power, either expressed or implied, to bind the other Party on any obligation or undertaking. The Parties hereto intend that the relationships created hereunder shall not be a partnership (or limited partnership) or a joint venture, and that no Party hereto shall be a partner or joint venturer with the other Party for any purpose, and that this Agreement shall not be construed to suggest otherwise.

ARTICLE 10 - INSURANCE REQUIREMENTS

During the term of this Agreement and during such additional periods extending beyond the term of this Agreement, each Party shall purchase and maintain, at its sole cost, liability insurance in such types, including but not limited to product liability and commercial general liability insurance, and amounts considered to be reasonably appropriate for the performance of its obligations (including, without limitation, each Party's indemnity obligations) hereunder.

ARTICLE 11 - INDEMNIFICATION

Each Party agrees to indemnify, defend and hold harmless the other Party, its Affiliates and its successors and assigns and their respective shareholders, directors, officers, employees, subcontractors, material men and agents from and against all losses, damages, reasonable costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and

expenses incurred by such party) and all demands, claims, and causes of action asserted against, imposed upon or incurred by such party by reason of or resulting from (i) the inaccuracy or breach of any representation, warranty or covenant contained in or made pursuant to this Agreement or (ii) the breach of any term of this Agreement or any agreement executed in connection with this Agreement.

ARTICLE 12 - GENERAL PROVISIONS

12.01 Waiver

No action or failure to act by either Party including, but not limited to, the making of any payment or permitting a Party to continue with the performance of its obligations, shall constitute a waiver of any right or duty afforded under this Agreement, nor shall any such action or failure to act constitute an approval or acquiescence in any breach hereunder, except as may be specifically agreed in writing.

12.02 Notices

Notices which are required or permitted hereunder shall be given in writing and shall be delivered in hand or sent, postage prepaid, registered or certified mail return receipt requested, confirmed facsimile or by expedited commercial delivery service, such as Federal Express or equivalent, addressed to the Parties at the following addresses:

To Licensor:

Mr. Okura Makoto
Chief Operating Officer
Chlorine Engineers Corp. Ltd.
35F St. Luke Tower, 8-1 Akashi-cho
Chuo-ku, Tokyo
Japan

With a copy to:

Avv. Giuseppe Cambareri
Piazza Castello 26
20121 Milano (Italy)
Facsimile: (39) 02-72018336

To Licensee:

Mr. Alex Lloyd
Severn Trent DeNora LLC
1110 Industrial Boulevard
Sugar Land, Texas 77478
United States

With a copy to: Elias Group, LLP
411 Theodore Fremd Avenue
Rye, New York 10580
Attn: Dan Elias
Facsimile: (914) 925-9344

Any address for the giving of notice may be changed from time to time by written notice given to the other Party.

12.03 Assignment

(a) Licensee may freely transfer or assign this Agreement and the license granted hereunder to any wholly owned subsidiary of Licensee (or to Affiliate or successor of Licensee in which Licensor or any of its Affiliates has an ownership interest), but otherwise Licensee may not transfer or assign same to any other Person without the prior written consent of Licensor, which consent may not be unreasonably withheld, conditioned or delayed.

(b) In the event that all or any part of Licensor's business is sold during the Term, Licensor represents and warrants that its successor shall fully assume all responsibilities and obligations of Licensor under this Agreement.

12.04 Force Majeure

No delay in or failure of performance by a Party hereto shall constitute a default, or a non-compliance with any obligation hereunder, or give rise to any claim for damages against said Party by the other Party if and to the extent such delay or failure is caused by Force Majeure provided, however, the Party claiming Force Majeure must notify the other Party in writing within thirty (30) days of its occurrence. In any such event, the Party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

12.05 Governing Law, Venue, and Language

(a) This Agreement and performance under it shall be governed by and construed in accordance with the laws of Japan (provided that with respect to any Intellectual Property registered in other jurisdictions, the rights granted to Licensee hereunder governing the use of such Intellectual Property may be subject to the laws of such jurisdictions). Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be exclusively referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules"). The arbitral tribunal shall consist of three arbitrators, which shall be appointed in accordance with the Rules. The language to be used in the arbitral proceeding will be English and the place of the arbitration shall be in Singapore. The arbitral award thereof shall

be final and binding on both Licensor and Licensee and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) The American English language shall be the official text of this Agreement. No modification of this Agreement (including changes in scope, specifications, price or delivery schedule) shall be of any force or effect unless made in writing, in English, signed by both Parties.

12.06 Entire Agreement

This Agreement constitutes the full understanding between the Parties hereto with reference to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the subject matter of this Agreement. No other statements, oral or written shall vary or modify the written terms hereof, and neither Party shall claim any amendment, modification or release from any provision hereof by mutual agreement, acknowledgement or acceptance of purchase order forms, or otherwise, unless such agreement is in writing and signed by the other Party, and specifically states that it is an amendment to this Agreement. If any terms and conditions of this Agreement are held invalid or unenforceable, then the remaining portions shall continue in full force and effect.

12.07 Benefits of Agreement Restricted to Parties

This Agreement is made solely for the benefit of the Parties, and no other Person (including Licensee's employees, subcontractors, sales representatives, agents and customers) shall have any right, claim, or cause of action under or by virtue of this Agreement.

12.08 Construction

In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction; (ii) no consideration shall be given to the fact or presumption that any of the Parties had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other genders; (vii) each exhibit, appendix, attachment and schedule to this Agreement is a part of this Agreement; and (viii) any reference herein or in any schedule hereto to any agreements entered into prior to the date hereof shall include any amendments or supplements made thereto.

12.09 Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall collectively constitute the same instrument. Fax copies and

electronic copies shall be given the full force and effect as an original. Upon request by either Party, original signatures will be substituted for fax or electronic copies.

12.10 Binding Effect

This Agreement shall not be binding on Licensor unless it is executed by Licensee and a duly executed copy is delivered to Licensor upon any specific date specified by Licensor, or if such date is not specified, within a reasonable period of time.

12.11 Survival

Termination or expiration of this Agreement shall not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly agreed shall survive any such termination or expiration or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.

12.12 Transaction Costs

Each Party shall be solely responsible for and bear all of its own respective costs, fees, and expenses in connection with the negotiation and execution of this Agreement.

12.13 Limitation of Damages

Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either Party or its Affiliates (nor shall the officers, directors, agents and employees of any of the foregoing) be liable, either directly or as an indemnitor of the other Party, for any special, punitive, indirect, incidental and/or consequential damages, including damages attributable to loss of use, loss of productivity, loss of income, or loss of profit whether the action in which recovery of damages is sought is based on contract, tort (including products liability, sole, concurrent or other negligence and strict liability), statute or otherwise and even if such Party has been advised of the possibility of such damages. To the extent permitted by law, any statutory remedies that are inconsistent with the provisions of these terms are waived by both Parties.

12.14 Press Releases

Licensee may, at its reasonable discretion and in agreement with Licensor, make or authorize the public release of information (except for Confidential Information) regarding the matters contemplated by, or any provisions or terms of, this Agreement, including, but not limited to, (i) a press release or press releases following the execution of this Agreement; (ii) communications with employees, customers, suppliers, stockholders, lenders, lessors, and other particular groups as the Parties deem to be appropriate; and (iii) after consultation with each other, as required by law, communications pursuant to Securities and Exchange Commission regulations or stock exchange rules or as necessary for the assertion or enforcement of contractual rights.

12.15 Further Actions

After the date hereof, the Licensor shall execute and deliver such other certificates, agreements, conveyances, and other documents, and take such other action, as may be reasonably requested by Licensee in order to evidence, record and otherwise give full effect to the license granted herein.

[Signatures Continued On Next Page]

IN WITNESS WHEREOF, this Agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date specified below.

CHLORINE ENGINEERS CORP. LTD. (Licensor)

By: Danilo Parini
Name: Danilo Parini
Title: Chief Executive Officer

SEVERN TRENT DENORA LLC (Licensee)

By: _____
Name: Alex Lloyd
Title: Manager

DATE: June 30, 2012

Parties by their authorized representatives as of the date specified below.

CHLORINE ENGINEERS CORP. LTD. (Licensor)

By: _____
Name: Danilo Parini
Title: Chief Executive Officer

SEVERN TRENT DENORA LLC (Licensee)

By: Alex Lloyd
Name: Alex Lloyd
Title: Manager

DATE: June 30, 2012

**Exhibit A
Intellectual Property**

I. Patents: Patents Exclusively Licensed in the Field

(i) Patents owned solely by Licensor

Technology	Territory	Patent No.
Cathode Material/ CECHLO-MS	Japan	3334996 valid until 02/08/2012
Cathode Material/ CECHLO-MS	Japan	3608880
Cathode Material/ CECHLO-MS	Japan	3612365 valid until 29/10/2012
Cathode Material/ CECHLO-MS	Japan	3712220 valid until 26/08/2012
Cathode Material/ CECHLO-MS	Japan	3756166 valid until 06/01/2013
Cathode Material/ CECHLO-MS	Japan	4274489
IEM Electrolysis / CECHLO-MS	Japan	3304221 valid until 10/05/2013
IEM Electrolysis / CECHLO	Japan	3651871 valid until 14/03/2013
IEM Electrolysis / CECHLO	Japan	3784024
PAN TYPE – NEW CELL / CECHLO-MS	Japan	3803317 valid until 12/05/2013
PAN TYPE – NEW CELL / CECHLO-MS	Japan	3850265 valid until 8/09/2012
PAN TYPE – NEW CELL / CECHLO-MS	Japan	3860132
PAN TYPE – NEW CELL / CECHLO-MS	Japan	4246530
PAN TYPE – NEW CELL / CECHLO-MS	Japan	4305929
PAN TYPE-NEW CELL/ CECHLO-MS	USA	7303661
Cathode Material/ CECHLO-MS	Germany	082349569702030.4
Cathode Material/ CECHLO-MS	USA	5873987
Cathode Material/ CECHLO-MS	USA	5954928
Cathode Material/ CECHLO-MS	Italy	823495

(ii) Patents Jointly Licensed with Tosoh Corporation

Technology	Territory	Patent No.
BiTAC / CECHLO-MS	Japan	3282691 valid until 01/03/2013
BiTAC / CECHLO-MS	Japan	3320834 valid until 01/06/2013
BiTAC / CECHLO-MS	Japan	4007565 valid until 07/09/2012
BiTAC / CECHLO-MS	Japan	4056030 valid until 21/12/2012
n-BiTAC / CECHLO-MS	Japan	3501453
n-BiTAC / CECHLO-MS	Japan	3770551
n-BiTAC / CECHLO-MS	Japan	3803248 valid until 12/05/2013
n-BiTAC / CECHLO-MS	Japan	3807676 valid until 26/05/2013
n-BiTAC / CECHLO-MS	Japan	4121137
n-BiTAC / CECHLO-MS	Japan	4198726
BiTAC / CECHLO-MS	China	56122 valid until 29/04/2013
BiTAC / CECHLO-MS	India	184136 valid until 29/04/2013
BiTAC / CECHLO-MS	France	625591 valid until 29/04/2013
BiTAC / CECHLO-MS	Italy	625591 valid until 29/04/2013
BiTAC / CECHLO-MS	Italy	1264802
BiTAC / CECHLO-MS	Germany	4318533
BiTAC / CECHLO-MS	USA	5314591 valid until 25/06/2012
BiTAC / CECHLO-MS	USA	5360526
BiTAC / CECHLO-MS	USA	5372692
BiTAC / CECHLO-MS	USA	5484514
BiTAC / CECHLO-MS	USA	6200435 valid until 13/09/2012
BiTAC / CECHLO-MS	Germany	062559169405047.4 valid until 27/04/2013
BiTAC / CECHLO-MS	USA	6312572 valid until 06/05/2013
n-BiTAC / CECHLO-MS	Italy	1378589
n-BiTAC / CECHLO-MS	France	1378589
n-BiTAC / CECHLO-MS	UK	1378589
n-BiTAC / CECHLO-MS	Germany	137858960302610.9-08
n-BiTAC / CECHLO-MS	China	210860
n-BiTAC / CECHLO-MS	China	264840 valid until 20/02/2013
n-BiTAC / CECHLO-MS	Korea	509300
n-BiTAC / CECHLO-MS	Korea	558405 valid until 28/02/2013
n-BiTAC / CECHLO-MS	USA	7045041
n-BiTAC / CECHLO-MS	USA	7048838 valid until 23/11/2013

2. Trademarks: There are no registered trade marks
3. Services Marks: There are no registered services marks
4. Trade Names: The following trade names are in use in relation to the Licensed Products:
- MS
 - MS Type C
 - MS Type 300
 - MS Type 800
 - IS

Exhibit B
Scope of Supply

1. Licensor's Exclusive Scope of Supply

- Electrolyzer: to include all instrumentation, wiring, and piping contained within the skid itself which is to be supplied exclusively for each and every Licensed Product pursuant to Article 3
- Maintenance of Electrolyzers (including retrofitting of electrodes)
- Basic Engineering Design Package: to include P&ID, flow sheet describing the detailed process and a bill of materials for major equipment items

2. Licensor's Expected Initial Scope of Supply

Licensee may expand the Licensor's scope of supply on a project by project basis at its discretion, particularly during the knowledge transfer, to include:

- Control Panel
- Transformer / Rectifier
- Hypo Production Tank
- Chelate Resin Adsorption Process Equipment

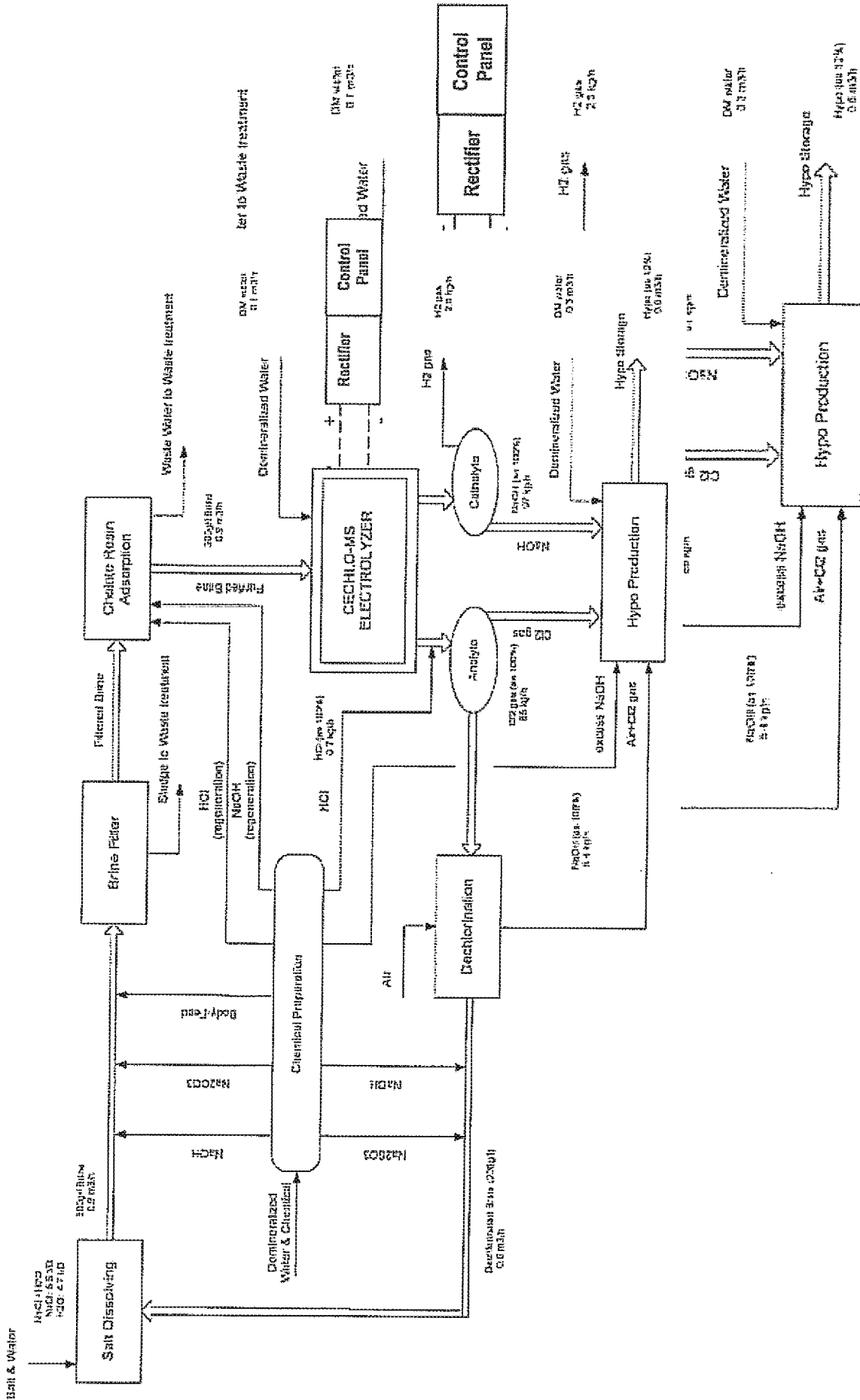
Where Licensee expands the Licensor scope of supply beyond the exclusive scope of supply, such items shall be procured under the terms of the Project Services and Equipment Production Agreement.

3. Licensee's Expected Scope of Supply

Licensee's expected scope of supply shall include all other items not part of the Licensor's exclusive scope of supply or Licensor's expected initial scope of supply as identified in the process flow diagram appearing on the following page.

Royalties to be paid in accordance with Article 7(c) shall be calculated only on the components included in the process flow diagram appearing on the following page and only based on Licensee's actual scope of supply as same varies from project to project. Under all circumstances, Royalty payments shall not be due on any civil works or on other balance of plant.

Process Flow Diagram



Schedule 2.03(a)
Training Furnished by Licensor at No Cost

Licensor shall make available to Licensee the following up-front training as described in Article 2.03(a) (with periodic updates thereto to be agreed based on any advancements or developments made by Licensor)

1. Marketing & Selling

Objectives

- Provide overview/ introduction to the Membrane Brine Technology and Licensed Products
- Provide explanation of flow sheets
- Communicate and discuss key selling points (including features and customer benefits)

Method of Training

- Training to be conducted via use of PowerPoint/ other tools from qualified CEC sales and technical personnel
- To be delivered face to face at a facility of CEC or one of its Affiliates (date and location via mutual agreement between Licensor and Licensee)

Maximum Number of Licensee Participants

- Eight (8) persons for face-to-face training via one session

Time Required

- One (1) day training for face-to-face session

2. General Technical Training

Objectives

- Provide technical explanation of each typical process flow of Ion Exchange membrane
 1. Brine Purification Section
 - Salt Dissolving
 - Brine filtration
 - Chelate Resin Adsorption
 - Brine Dechlorination
 - Chlorate Removal
 - Na₂SO₃ Preparation
 2. Electrolysis Section
 - Anolyte System
 - Catholyte System
 - H₂ gas system
 - Cl₂ gas system
 3. NaClO Reaction Section

- Discuss structure and function of each item, especially the electrolyzer, brine purification system (chelate resin tower).

Method of Training

- To be delivered face to face at a facility of CEC or one of its Affiliates (date and location via mutual agreement between Licensor and Licensee)

Maximum Number of Licensee Participants

- Six (6) persons via one session

Time Required

- Two (2) days training for face-to-face session

3. Installation, Operation and Maintenance

Objectives

- Develop practical understanding of installation, operation and maintenance issues
- HAZOP study with P&ID and bill of materials review (overview)
- Electrolyzer assembly/ disassembly training using Type 300 Series dummy membrane
- Installation, commissioning and system shut-down process

Method of Training

- To be delivered face to face at a facility of CEC or one of its Affiliates (date and location via mutual agreement between Licensor and Licensee)

Maximum Number of Licensee Participants

- Three (3) persons for face-to-face training

Time Required

- Electrolyzer assembly / disassembly training using dummy membrane on site: two (2) days
- Installation, commissioning and system shut-down: three (3) days

PROJECT SERVICES AND EQUIPMENT
PRODUCTION AGREEMENT

For Execution

PROJECT SERVICES AND EQUIPMENT PRODUCTION AGREEMENT

This Project Services and Equipment Production Agreement (the "Agreement") is made and entered into this 30th day of June, 2012, by and between Severn Trent DeNora LLC, on behalf of itself and any of its Affiliates (each referred to hereunder as "STDN") with offices at 1110 Industrial Boulevard, Sugar Land, Texas 77478 and Chlorine Engineers Corp. Ltd., located at 35F St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo, Japan (hereinafter referred to as "CEC") (each of STDN or CEC individually may be referred to as "Party" and collectively, the "Parties").

WHEREAS, from time to time, STDN (or any Affiliate) may request CEC to perform certain specified activities and services;

WHEREAS, CEC may agree to perform or provide same;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, STDN and CEC hereby agree as follows:

DESCRIPTION OF WORK:

STDN (or any Affiliate) may, from time to time during the term hereof, request CEC to perform specified services in the areas as generally described in Attachment 1 hereto (such services shall be collectively referred to as "Work");

STDN shall request Work by issuing task orders or purchase orders (each referred to hereunder as the "Task Order"). Each Task Order shall be in the form attached hereto as Attachment 2, shall be numbered and shall describe the proposed scope of the Work and completion schedule. A Task Order may also include special requirements, if any, applicable to the proposed scope of Work. Each Task Order shall be subject to CEC's approval, which may be given in writing or by electronic mail within seven (7) Business Days of CEC's receipt of the Task Order. Should CEC not provide its approval within the above period, the Task Order proposed by STDN shall be deemed as rejected by CEC and the Parties shall have no obligation whatsoever in relation to such Task Order.

Prior to issuing a Task Order, STDN may request CEC to provide an estimate of the projected cost and schedule required for proposed Work. CEC's estimate may include a proposed fixed fee proposal (a "Fixed Fee Proposal") for the Work requested by STDN. Any estimate and Fixed Fee Proposal shall include detailed breakdown of labor hours, material and overhead costs. Following receipt of a Fixed Fee Proposal, STDN may elect to issue a Task Order that either incorporates and binds CEC to the terms of its Fixed Fee Proposal or authorizes CEC to proceed with the Work on a time-and-materials basis as described below.

Following acceptance of a Task Order by CEC, CEC shall furnish all labor and proper supervision of its employees and shall supply materials, tools, equipment, supplies, surveys, testing, permits, licenses and all other items and services, which are needed to complete the scope of Work as described in the such Task Order in accordance with the terms of this Agreement and all attachments hereto and thereto, in a timely, diligent and efficient manner.

CEC COMPENSATION FOR WORK PERFORMED PURSUANT TO TASK ORDERS:

In consideration for CEC's obligations under this Agreement, for Work performed pursuant to a Task Order, STDN will compensate CEC on a hourly basis, with CEC's compensation (i) for labor, to be calculated in accordance with the rate schedule attached hereto as Attachment 3 and (ii) for out of pocket expenses in amounts equal to CEC's actual out of pocket costs paid to third parties without any mark-up.

With regard to the cost of any materials required for the Work, CEC shall place the orders for such materials and STDN will render payment directly to such material vendors and suppliers in accordance with the vendors' terms of payment. Unless specifically provided otherwise in a Task Order, the fees to be paid hereunder shall be inclusive of every type of cost and expense incurred by CEC in performing its obligations hereunder, including all applicable taxes of every kind or character, and all employee benefits, withholdings and contributions, whether measured by the salaries or wages or otherwise, including, but not limited to, those due under any unemployment and workmen's compensation acts. If CEC's compensation for any specific Work is to deviate from the above terms, such compensation terms shall be incorporated into the applicable Task Order.

TERM OF AGREEMENT:

Unless otherwise terminated in accordance with the attached Terms and Conditions, this Agreement shall be in effect for a period of five (5) years from the date indicated on the execution page below and shall annually automatically renew in one (1) year increments thereafter, unless terminated in writing by either Party upon a written notice given to the other Party sixty (60) days prior to the expiration of the then current term. Upon termination, this Agreement shall become null and void, except for those obligations intended to survive the termination of this Agreement and except for CEC's requirement to complete and warrant pursuant to the terms hereof and the relevant Task Order any Work that has not been completed prior to termination.

INSURANCE:

During the term of this Agreement and during such additional periods extending beyond the term of this Agreement, CEC shall purchase and maintain, at its sole cost, such insurance in the types and amounts considered to be reasonably appropriate for the performance of CEC's obligations hereunder. Prior to commencing any Work under this Agreement, CEC shall provide STDN with evidence of the existence, amounts and effective dates of such insurance, which evidence may be in Japanese. If any of the insurance policies expire during the term of this Agreement, CEC shall provide STDN with a certificate of insurance confirming renewal of such policies not less than ten (10) days prior to the expiration date of coverage.

SUPERVISION OF WORK:

CEC shall assign Mr. Ohara Masahiro to coordinate, and/or supervise all Work. Any replacement of Mr. Ohara Masahiro shall be subject to the mutual written agreement of the Parties.

CONTRACT ADMINISTRATION AND COOPERATION:

The Parties shall cooperate and regularly communicate with each other and shall take all reasonable actions to assure the implementation of Work under each Task Order in an efficient and expeditious manner. In that regard, the Parties agree to meet as often as necessary, but at least once per month during the term of this Agreement, to discuss ongoing Work, forecasts for upcoming Work and to review other relevant contract management and administration matters.

THE STANDARD TERMS AND CONDITIONS on the following pages, the above-referenced attachments and any Task Order and attachments thereto issued pursuant to the Agreement are agreed to be part of this Agreement.

2012.

SEVERN TRENT DENORA LLC

BY:

Alex Lloyd
Alex Lloyd, Manager

Address for Notices:

1110 Industrial Boulevard
Sugar Land, Texas 77478

CHLORINE ENGINEERS CORP. LTD.

BY:

Danilo Parini
Danilo Parini, CEO

Address for Notices:

35F St. Luke's Tower
8-1 Akashi-cho
Chuo-ku, Tokyo, Japan

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective this 30th day of June, 2012.

SEVERN TRENT DENORA LLC

BY: _____
Alex Lloyd, Manager

Address for Notices:

1110 Industrial Boulevard
Sugar Land, Texas 77478

CHLORINE ENGINEERS CORP. LTD.

BY: *Daniilo Parini*
Daniilo Parini, CEO

Address for Notices:

35F St. Luke's Tower
8-1 Akashi-cho
Chuo-ku, Tokyo, Japan

**STANDARD TERMS AND CONDITIONS OF PROJECT SERVICES AND EQUIPMENT
PRODUCTION AGREEMENT**

Definitions. As used herein, the following terms shall have the following meanings:

- “*Affiliate*” means any entity that is controlling, controlled by either Party, or is under common control of one Party. For the purposes of this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of such Party, whether through ownership of securities, by contract, or otherwise;
- “*Agreement*” has the meaning provided in the recitals and includes these terms and conditions, the terms and conditions of each Task Order and any additional terms and conditions attached hereto or thereto and/or expressly incorporated herein or therein directly or by reference;
- “*Business Day*” means a day (other than a Saturday or Sunday) on which banks are open for general business in Tokyo;
- “*Completion Date*” means the date designated in the Task Order issued pursuant hereto for the completion of the Work. The Completion Date may be changed only pursuant to a change order duly authorized by the Parties pursuant to the terms hereof;
- “*Start Date*” means the date designated in the Task Order issued pursuant hereto for the commencement of the Work.
- “*Task Order*” has the meaning set forth in the recitals to this Agreement, but to avoid any ambiguity each Task Order must be specifically accepted by CEC pursuant to the terms of this Agreement in order to have a binding effect on the Parties.
- “*Work*” means the services to be provided by CEC as described in any Task Order, which Work shall be performed pursuant to the terms and conditions of this Agreement and any special requirements identified in any such Task Order.

Other terms not expressly defined above have the meaning so given to them by this Agreement.

Construction of Agreement. Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter. All references to articles and sections refer to articles and sections of this Agreement, and all references to exhibits or attachments are to exhibits and attachments attached to this for all purposes. Captions, headings, cover pages, tables of contents and footnote instructions contained in this Agreement are inserted only to facilitate reference and for convenience and in no way define, limit or describe the scope, intent or meaning of any provisions of this Agreement. Words and abbreviations that have well known technical or trade meanings are used in this Agreement in accordance with such recognized meanings. The layout (if any) of mechanical and electrical systems, equipment, fixtures, piping ductwork, conduit, specialty items and accessories indicated on any drawings furnished to CEC is diagrammatic and all variations in alignment, elevation and detail required to avoid interferences and satisfy architectural or structural limitations are not necessarily shown.

Representations. CEC hereby represents, warrants and covenants (a) it is familiar with all existing laws, rules and regulations, including without limitation, all applicable environmental and health and safety laws and regulations that relate to and/or may affect CEC’s obligations hereunder; (b) it has or will acquire, at its cost and expense, all appropriate labor, materials, tools, equipment, transportation, taxes, surveys, testing, supplies, skill, experience, knowhow, software, utilities, bonds, licenses, permits and approvals required to perform the Work under each Task Order; and (c) the furnishing of or sale, if any, by either Party to the other Party of any idea, design, drawing, blueprint, flow sheet, engineering information, construction information, technical information, trade secret, patented or un-patented invention, and other tangible or intangible information and the use thereof by CEC or STDN will not infringe on any patent rights, copyrights, trade secret rights or any other rights of a third party.

Intellectual Property. (a) No licenses are granted or implied by this Agreement to either Party under any ownership rights, patents, trademarks, trade names, copyrights, trade secrets or related documentation, drawings, data, records, formulae, customer lists, processes, specifications, methods, intangible rights or literature owned or controlled by the other Party or under which such other Party has any rights. (b) With respect to each intended use or reference to the same, either Party shall not use or refer to the other Party, its trademarks, service marks and trade names in any of its product or service advertising or literature, business cards, stationery and the like without first securing the prior written consent of such other Party. (c) STDN and CEC specifically agree that all improvements, inventions, discoveries and copyright in works of authorship, including those in formative stages, made by either Party hereto (either alone or jointly with others) improving upon or related in any way to any STDN products or equipment shall from the time of conception or, in the case of works of authorship, from the time of creation, be the property of STDN. (d) All documents, drawings, tracing, specifications, computations, electronic data, notes and other documents, data and instruments of service prepared or provided by CEC as part of, or incidental to the Work, shall become and are hereby designated to be the exclusive property of STDN. Without limiting the foregoing, any and all original work of authorship created by CEC which is evidenced in writing or fixed in any tangible medium of expression which is the subject matter of copyright, whether such work is created solely by CEC or jointly with others, shall be considered to be "work made for hire" and the sole and exclusive property of STDN. (e) CEC shall assist, at STDN's expense and to the extent reasonably practical, in the protection of STDN's worldwide right, title, and interest in and to information, ideas, concepts, improvements, discoveries, and inventions, and its copyrighted works, including without limitation, the execution of all formal assignment documents requested by STDN and the execution of all lawful oaths and applications for patents and registration of copyright on a worldwide basis.

Confidentiality. CEC and STDN acknowledge that, in the course of the dealings hereunder, each Party may acquire information about the other Party, its business activities, organizational and management structure, business policies and guidelines, business prospects and operations, its technical information and its trade secrets, its patented and un-patented inventions, its drawings, blueprints, flow sheets, designs, engineering information, construction information, financial information, operation criteria, customers, subcontractors, and other information of similar nature (whether or not same is reduced to a tangible medium), all of which are proprietary and highly confidential ("Confidential Information"). The receiving Party shall hold all Confidential Information in strict confidence and shall not reveal the same except for information (a) which may be disclosed pursuant to the terms of this Agreement; (b) generally known to the public other than as a direct or indirect result of any breach of this Agreement; (c) independently and lawfully acquired by either Party from third parties not under obligation of confidentiality; or (d) for which disclosure is required by any court of competent jurisdiction or any governmental, taxation or other regulatory authority or similar body or pursuant to the rules of any relevant stock exchange or any applicable law or regulation. The Confidential Information shall be safeguarded by the receiving Party to the same extent that it safeguards its own most confidential materials or data relating to its own business. The receiving Party shall not use the Confidential Information for its own benefit or the benefit of a third party without the express written consent of the disclosing Party. The provisions of this subparagraph shall survive the termination of this Agreement for a period of ten (10) years thereafter.

Quality and Warranty of Work. (a) All Work to be provided hereunder shall be performed by qualified personnel in accordance with the highest professional industry standards as practiced in Japan and in compliance with all applicable laws, the terms and conditions of this Agreement and the relevant provisions of the Task Order. (b) CEC acknowledges that STDN is relying on CEC to use the effort, skill, diligence and quality control/quality assurance measures expected of a first class, qualified professional firm performing services of a similar nature to the Work to be performed by CEC. (c) Unless otherwise required by the peculiarity of the Works and/or unless otherwise agreed by the Parties, any materials furnished by CEC shall be new, current, of merchantable quality and in compliance with any technical standards or specifications incorporated into this Agreement or any Task Order. When certain

materials are specified by a reference standard, CEC may select, with the written permission of STDN, which permission shall not be unreasonably withheld, any suitable commercially acceptable material meeting the standard. (d) Each product manufactured or assembled by CEC shall be merchantable, fit for the purpose for which the product is used, and in compliance with the technical standards and specifications identified in this Agreement and/or in the appropriate Task Order. If there is any inconsistency between the terms of this Agreement and the terms of any Task Order, the terms of the Task Order shall prevail. (e) STDN's review, approval or acceptance of the Work, and/or payments made shall not be construed as a release of CEC's obligations hereunder and CEC agrees, at its sole cost and expense, to correct, make good, or replace (as decided by CEC after due and careful consideration but at no cost to STDN), any or all Work that is found not to have been performed in accordance with the standards specified under this Section (each, a "Defective Work"). All remedial work required hereunder shall be undertaken by CEC in such manner so as to minimize any delay and in a prompt and diligent fashion, provided that STDN has given written notice of any Defective Work to CEC not later than thirty (30) days after such defects have been detected by STDN (or 30 days after STDN has been notified by a customer of any such defects) or would have been detected by STDN using reasonable diligence. CEC shall be permitted to have access to any relevant document, drawings inspection records or other documents evidencing the Defective Work and shall be allowed to staff its own personnel to check the existence and the extent of any Defective Work. CEC's obligation to correct, make good, or replace any Defective Work as specified above shall be the sole and exclusive remedy available for STDN for any Defective Work; but only subject to the condition that any such Defective Work is actually and completely corrected in the manner specified herein. To the extent permissible under applicable law but specifically subject to CEC's indemnity obligations hereunder (which indemnity obligations shall not be deemed to be compromised or waived in any way by this provision), CEC shall have no other liability or responsibility for any Defective Work provided hereunder. All expressed and implied warranties are disclaimed, except as otherwise agreed upon by the Parties and/or stated in each Task Order.

Individuals Performing Work. STDN acknowledges and accepts that certain Work may be performed on behalf of CEC by CEC's Affiliates and/or designated subcontractors. Without limiting or excusing any of CEC's obligations hereunder, STDN may direct CEC to refrain from utilizing any subcontractor, consultant, individual or employee of CEC who, in the reasonable opinion of STDN, either (a) has a conflict of interest with STDN; (b) represents a risk for the disclosure of confidential information; or (c) is not sufficiently qualified or experienced to perform the Work.

STDN's Right of Inspection. Upon reasonable advance written notice to CEC and during business hours at times reasonably convenient to both Parties, STDN and/or its agents or representatives shall be permitted to (i) inspect the CEC facilities in which the Work is performed, (ii) conduct quality inspections, and/or other general health, safety, and environmental audits, and (iii) inspect the products produced by CEC pursuant to any Task Order, both finished and in the process of manufacture; provided that the persons provided with access comply at all times with all relevant CEC safety regulations, site rules and any other rules and regulations relating to health, safety and security in force at the CEC facilities and/or any other Place of Work. The Parties may agree to implement changes in the manner in which CEC manufactures, rebuilds, stores or ships such products, to the extent that such changes are necessary to bring the products into conformance with applicable specifications. The failure of STDN to make such visit shall not relieve CEC of any of its obligations under this Agreement or prejudice the rights of STDN hereunder to require the correction of defects in the products, subject to the provisions of this Agreement.

Technical Data and Know-How. To the extent that the Work designated in a Task Order involves the manufacture or assembly of STDN products, STDN shall provide CEC with information and data (including the right to utilize same for the purpose of performing the Work) including, without limitation, process engineering data, assembly drawings, technical and assembly know how, and material purchasing specifications, all as necessary in order to enable CEC to perform the Work. Any and all information furnished by STDN in accordance with this Section shall be complete and accurate in all material respects; provided however that CEC shall inform and advise STDN if it believes or has a reason to

believe utilizing a reasonable standard of care that any such information provided to it by STDN is inaccurate or incomplete. In no case shall CEC be responsible to STDN in respect of any claim alleging any Defective Work which is solely attributable to inaccurate or incomplete information provided by STDN and otherwise not discovered or not discoverable by CEC using a reasonable standard of care. STDN agrees to indemnify, defend and hold harmless CEC from and against all losses, damages, reasonable costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses incurred by CEC) and all demands, claims, and causes of action asserted against, imposed upon or incurred by CEC by reason of or resulting from the use by CEC while performing its obligations hereunder of information provided by STDN under this Section.

Compatibility of Software. All documents, drawings, designs, tracing, specifications, computations, notes and other instruments of service which comprise a part of, or are otherwise incidental to the Work, shall be electronically compiled and/or prepared by CEC and transmitted to STDN by utilizing updated and recent versions of computer software that is readily compatible with the software utilized by STDN. STDN shall give any and all assistance to CEC as necessary to cause CEC to investigate and familiarize itself with the computer software utilized by STDN in order to assure CEC compliance with CEC's obligations under this subparagraph. The computer software utilized by STDN as of the date hereof is set out in Attachment 4 hereto. If CEC is required to incur any costs to make its software compatible with any software utilized by STDN other than the software specified in Attachment 4 as "CEC Software", STDN shall reimburse CEC for such costs.

Place of Work. Unless designated otherwise in a Task Order, all work and/or services associated with the provision of Work shall be performed at any of CEC's facilities and/or, at the discretion of CEC, at the facilities of any Affiliate of CEC and/or its nominated sub-contractor. CEC shall be subject to all workplace safety requirements required by local law and under STDN's policy requirements applicable to STDN's vendors and suppliers (a copy of which has been provided to CEC) and each of CEC's employees, subcontractors, consultants, agents and representatives working at CEC's facilities shall abide by same.

Change Orders. STDN may add or delete, modify, alter, or accelerate the schedule for the Work, including without limitation, order changes to the Work, or require CEC to perform additional Work, but only through a duly executed change order. All change orders shall be in writing and require the signature and acceptance by STDN and by CEC prior to becoming effective. Any adjustments to CEC's compensation and/or the Completion Date shall be made strictly in accordance with this Agreement. Any difference or disagreement between the Parties on any specific change order shall be resolved by mutual discussion, in good faith or otherwise submitted to arbitration pursuant to this Agreement.

Claim for Extra Work. (a) If CEC is of the opinion that any service which it has been ordered to perform is beyond the scope of the Work which it is contractually required to perform under this Agreement or any Task Order, then CEC shall: (i) not suspend the performance of the Work but promptly comply with STDN's order or directive and proceed diligently with the performance of the Work in accordance with STDN's instructions, and (ii) notify STDN in writing within seven (7) Business Days of such order or directive of the reasons for its disagreement; (b) Should the Parties fail to reach an agreement that the Work required to be performed is within the scope of the Work which CEC is contractually required to perform without an adjustment, then CEC, in order to reserve its right to claim compensation for any such additional work, shall submit to STDN within twenty (20) days after it has performed the alleged additional Work, a detailed statement of all the additional compensation it expects to receive. Under all circumstances, the Parties agree that any adjustments to CEC's compensation and/or the Completion Date shall be made strictly in accordance with this Agreement.

Change in Price and Time. Without prejudice to CEC's rights under the Section titled "Claim for Extra Work" above, CEC's compensation under any Task Order will not be revised for any reason, except as and to the extent expressly provided in change orders. (a) The amount by which CEC's compensation for any Work is to be increased or decreased by any change order shall be reasonably determined by the

Parties through one or more of the following methods: (1) by accepting an amount agreed upon by STDN and CEC; (2) by applying the labor rates in Attachment 2, material costs or alternate prices, if any; (3) by receiving from CEC a detailed breakdown reasonably satisfactory to STDN, including actual time slips and invoices, itemizing the direct cost of additional labor necessary to perform the additional Work under the change order; or (4) by receiving from CEC a true copy of bid work sheets to determine the CEC compensation allocable to any eliminated Work. Where the changed scope of Work involves both an increase and a reduction in any Work to be provided hereunder, the Task Order price shall only be increased to the extent that the cost of the increase exceeds the cost of the reduction; (b) The compensation specified in any change order or any adjustment to the CEC compensation occasioned by any change order shall constitute an accord and satisfaction chargeable against both Parties herein; (c) No time extension shall be granted to CEC by reason of the issuance of any change order unless it is expressly stated therein; (d) The Completion Date will not be revised for any reason by CEC except upon the occurrence of an event of Force Majeure. The Completion Date may, however, be accelerated by STDN subject to CEC's reasonable agreement. In such case, CEC shall be compensated for its overtime in accordance with the provisions of (a) (2) above. The Completion Date may also be delayed by STDN subject to CEC's reasonable agreement; (e) Notwithstanding the generality of any of the foregoing provisions contained in this Section, under no circumstances shall CEC's compensation for any Task Order or the Completion Date be adjusted on account of or as a result of any occurrence or transaction arising out of or from the negligence, wrongful willful act or wrongful failure to act on the part of CEC.

Repairs. If so provided in a Task Order, CEC shall be responsible for proper installation, service, maintenance and repair of the CEC-produced or assembled products as well as for coordinating repair requests from STDN's customers or end users and for resolution of such repair requests. If CEC cannot resolve a repair request through its technical support personnel or by providing spare parts, CEC shall first coordinate with STDN's technical support personnel for resolution of such repair request. CEC shall have no liability under this Section if the repair requests have occurred as result of the negligence, wrongful willful act or wrongful failure to act on the part of STDN or on the part of STDN's customers or end users.

Indemnity. From and after the date hereof, each Party (the "Indemnifying Party") shall reimburse, indemnify and hold harmless the other Party, its directors, officers, shareholders and Affiliates (each such entity and its successors and assigns is referred to herein as an "Indemnified Party"), against and in respect of any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses, including without limitation, reasonable attorney's fees suffered, sustained, incurred or required to be paid by any Indemnified Party because of, or that results from, relates to or arises out of (i) the failure to fulfill any agreement or covenant of the Indemnifying Party contained in this Agreement; and (ii) the negligence or willful misconduct of Indemnifying Party; and (b) any and all actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including, without limitation, reasonable legal fees and expenses) incident to any of the foregoing or the enforcement of this Section. To the extent that both the Indemnifying Party and any Indemnified Party are determined by a finder of fact to be negligent and the negligence of both is a proximate cause of the damages assessed by such finder of fact, then in such event, the Indemnifying Party and the Indemnified Party shall each be responsible for their respective portions of the damages assessed in direct proportion to their comparative shares of the total negligence.

Limitation of Liability. In no event shall either Party be liable to the other Party for any punitive, indirect or consequential damages, including but not limited to, damages for loss of income, loss of profit or business interruption. In the event that claims(s) raised against CEC on account of this Agreement, or on account of the Work to be performed under any Task Order, is/are covered under the insurance policies required of CEC hereunder, CEC shall not be responsible for any loss, damage or liability suffered by STDN beyond the insurance policy amounts contractually required hereunder. With respect to any other cause of action and/or claim arising under this Agreement, or otherwise arising as a result of, or on account of, the Work provided under any Task Order, CEC's liability for claims arising during any one (1) year period beginning on the date of the Agreement to which these Standard Terms and Conditions are

attached shall not exceed an amount equal to the aggregate total of the Agreement price(s) of all Tasks Order(s) dated within same one (1) year period. Notwithstanding any of the foregoing, nothing specified in this provision is intended to or shall otherwise define, limit, or cap the amount of recovery from CEC under the provision titled "Indemnity" above with respect to any and all claims to the extent based on a product liability theory, or otherwise attributable to the fraud, gross negligence or willful misconduct of CEC.

Agreement Schedule. (a) CEC shall commence the Work on the Start Date and shall complete the Work on or prior to the Completion Date. Any progress schedule identified or produced in accordance with the terms of any Task Order (hereinafter the "Progress Schedule") shall be followed by CEC (as same may be modified from time to time in accordance with the provisions of this Agreement), and shall be used by STDN to evaluate the progress of the Work; (b) If CEC falls behind the Progress Schedule then in effect, CEC shall take whatever steps as may be necessary to improve its progress and shall, if requested by STDN, submit operational plans to demonstrate the manner in which lost time may be regained. It is the responsibility of CEC to maintain the Progress Schedule and to complete the Work within the Completion Date so as not to delay the progress of work performed by STDN, if any, and others. If CEC falls behind the Progress Schedule, it shall be the responsibility of CEC to increase the number of men, the number of shifts, the days of work and/or, to the extent permitted by law, to institute or increase overtime operations, all without additional cost to STDN.

Delivery and Risk of Loss. (a) Unless otherwise modified by a Task Order, shipping terms are F.O.B. STDN-designated location. Unless indicated otherwise in a Task Order, method of shipment shall be at CEC's discretion. (b) All shipping, handling and insurance costs are to be paid by CEC. CEC is liable for compliance with all laws and regulations governing the unloading, storage, handling and use of all Work. (c) Title and risk of loss shall pass to the end user/customer designated in a Task Order at the time of delivery and/or in accordance with any different terms which may be set out in each Task Order. CEC shall bear all risk of loss in transit. Any claims for damages, loss or delay in transit should be made immediately by CEC directly to the carrier. (d) In the event that STDN requests a postponement of delivery beyond the date specified in the Task Order, STDN shall issue a change order. If delivery is postponed by STDN (with CEC's reasonable consent), CEC shall store the products or secure a storage location based upon terms and conditions agreeable to the Parties. STDN shall pay or reimburse any and all reasonable costs and expenses incurred by CEC for the storage of products as a result of any postponement of delivery under this Section.

Time is of the Essence. CEC specifically acknowledges that **TIME IS OF THE ESSENCE** with regard to the prompt and diligent completion of the Work within the Completion Date. Accordingly, if CEC shall fail to complete all Work within the Completion Date, STDN may, at its option, withhold from any sums due and owing to CEC under that specific Task Order (the "Affected Task Order"), so much of the balance thereof as STDN shall deem necessary to secure STDN against any costs, expenses, or damages which may be incurred by STDN as a result of said failure (subject to CEC's limitation of liability set forth in this Agreement), but any such withholding shall not be deemed to be a waiver of any additional rights that STDN may have under applicable law or under this Agreement in connection with the Affected Task Order.

Force Majeure. CEC shall be entitled to a time extension if a delay in the completion of the Work arises from unforeseeable causes beyond the control and without the fault or negligence of CEC, including but not restricted to, acts of God, acts of the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, earthquake, Tsunami, storm, riots, rebellion, sabotage, terrorism, or similarly excusable delays arising from unforeseeable causes beyond the control and without the fault or negligence of CEC (each event referred to as "Force Majeure"); and CEC, within three (3) Business Days from the beginning of any such delay, notifies STDN in writing of the causes of delay. CEC shall give notice to STDN of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance by it of its obligations under this Agreement as

soon as practicable after becoming aware of each of (i) and (ii) above. If the Work is delayed or is expected to be delayed beyond a reasonably acceptable period of time (considering the expected impact and effect on STDN's business activities and customer relationships) as a result of an event of Force Majeure, then STDN may terminate this Agreement at its sole but reasonable discretion.

Payment Terms. (a) For the timely performance and completion of the Work in accordance with the terms of this Agreement, STDN shall cause CEC to be paid at such times, in such portions, and in such manner as described below or as otherwise provided in any Task Order; (b) To the extent that the Task Order provides for progress payments, such progress payments shall be made by STDN to CEC on a monthly basis (or in accordance with the relevant payment schedule provided in the Task Order) in proportionate degree to the amount/value of Work completed during each payment period to assure the faithful completion of the Work by CEC; (c) Each payment shall be made within a period of thirty (30) days following, as conditions precedent to any such payment, STDN's review and approval of the Work performed and the receipt of invoices/requisitions from CEC (with clear reference to STDN's relevant Task Order number) and in form and content reasonably acceptable to STDN; (d) In addition to the requirements of (c) above, the final payment on any Work shall not be due and payable until such time as the Work performed by CEC has been reviewed and accepted by STDN; provided, however, that if such review and acceptance is delayed for any reason attributable to STDN beyond seven (7) Business Days following the Completion Date, the relevant Work shall be deemed to have been accepted by STDN and STDN shall make the final payment due and owing to CEC; (e) CEC understands and agrees that it will accept payment in full for the Work performed under this Agreement in accordance with the time-and-materials compensation terms specified herein.

Withholding of Payments. If CEC fails to perform in a timely manner a material obligation under any Task Order, STDN may withhold a reasonable portion of CEC's compensation for such affected Task Order - subject to CEC's limitation of liability under this Agreement - to cover the cost of correcting or resolving the lack of performance in connection with such affected Task Order. If or when the lack of performance is resolved, STDN shall pay the withheld amounts to CEC. Notwithstanding the foregoing, under no circumstances shall STDN have the right to withhold any payment to CEC under any Task Order other than the Task Order affected by the lack of performance.

Payment of Taxes. CEC agrees to comply with and assume all responsibility for the payment of any and all taxes, assessments and fees of every kind and character relating to the Work, including all withholdings and contributions, whether measured by the salaries or wages of any its employees or otherwise, including, but not limited to, unemployment and workmen's compensation acts and all sales and uses taxes, which taxes, withholdings and contributions are all specifically included as part of the labor rates payable by STDN to CEC. CEC agrees to furnish to STDN documentary evidence of such payment whenever so requested by STDN.

Default and Termination for Cause. If either Party shall violate any substantial provision of this Agreement (and specifically any Task Order), or any material adverse change shall take place in the financial condition of such Party, or should any of such Party's representations made hereunder prove to be incorrect or misleading ("Event of Default"); then the other Party may serve written notice upon such Party terminating this Agreement at a specified date. Upon such termination for an Event of Default, the other Party shall have the right to pursue any and all remedies available to it under this Agreement and by operation of law.

Termination of a Task Order for Convenience by STDN. STDN, at any time, may terminate any Task Order issued hereunder in whole or in part for its own convenience. Any such termination shall be effected by delivering to CEC a notice of termination specifying the extent to which performance of the Work is terminated and the date upon which such termination becomes effective. Upon receipt of the notice of termination, CEC shall follow reasonable directions provided by STDN with regard to the continuation or termination of the Work. In the event of a termination of a Task Order pursuant to this

Section, CEC shall be paid by STDN only the value of the time and materials actually rendered by CEC; plus the cost of any supplies or materials ordered but not yet delivered, provided that such orders may not be cancelled without the payment of a premium or penalty.

Suspension of Work. STDN may at any time and for any reason direct CEC to suspend the performance of the Work for a reasonable specified period of time. CEC shall resume the performance of the Work upon the date specified in such direction or upon such other dates as STDN may thereafter specify in writing. The Completion Date may be delayed by a period of time equal to the period during which the performance of the Work shall have been suspended. In such case, STDN shall pay or reimburse to CEC any and all costs and expenses incurred by CEC as a result of the suspension of the Work requested by STDN.

Security. CEC agrees to take all necessary precautions to secure the areas of its facilities associated with the performance of the Work, in accordance with any requirement of local laws and the general practices as followed by the industry in Japan and/or where such facilities are located. STDN shall have the right to audit CEC's security practices, policies, procedures and measures so as to verify CEC's compliance with its obligations under this Section. CEC shall immediately report to STDN any breaches or suspected breaches of its security, but such reporting shall not relieve CEC of its responsibilities hereunder.

Independent Contractor. CEC, in performing its obligations to STDN hereunder, is acting as an independent contractor. CEC is not an agent of STDN and has no authority to represent or bind STDN as to any matters except for the payment for the cost of materials required in connection with Work authorized in a Task Order.

Entire Agreement. This Agreement constitutes the full understanding between the Parties hereto with reference to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the subject matter of this Agreement. No other statements, oral or written shall vary or modify the written terms hereof, and neither Party shall claim any amendment, modification or release from any provision hereof by mutual agreement, acknowledgement or acceptance of purchase order forms, or otherwise, unless such agreement is in writing and signed by the other Party, and specifically states that it is an amendment to this Agreement.

Binding Nature and Restriction on Assignment. This Agreement shall be binding on the Parties hereto and their respective successors and permitted assigns. Neither Party may, or shall have the power to, assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other Party.

Waiver. Unless otherwise specified in this Agreement and particularly under the Section above titled as "Quality and Warranty of Work", the duties and obligations imposed by this Agreement and the rights and remedies available hereunder to either Party shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by either Party including, but not limited to, the making of any payment or permitting a Party to continue with the performance of its obligations, shall constitute a waiver of any right or duty afforded under this Agreement, nor shall any such action or failure to act constitute an approval or acquiescence in any breach hereunder, except as may be specifically agreed in writing.

Notices. Wherever under this Agreement or under a Task Order one Party is required or permitted to give notice to the other Party, such notice shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by nationally recognized express courier or sent by certified, registered, first class mail, postage prepaid, but not by electronic mail. Any such notice shall be deemed given when actually received, when so delivered personally, by facsimile transmission or by express courier, or if mailed, on the fifth day after its mailing, postage prepaid to the recipient Party.

Governing Law. This Agreement and performance under it shall be governed by and construed in accordance with the laws of Japan. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be exclusively referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules"). The arbitral tribunal shall consist of three arbitrators, which shall be appointed in accordance with the Rules. The language to be used in the arbitral proceeding will be English and the place of the arbitration shall be in Singapore. The arbitral award thereof shall be final and binding on both STDN and CEC and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

English as Official Language. The American English language shall be the official text of this Agreement. No modification of this Agreement (including changes in scope, specifications, price or delivery schedule) shall be of any force or effect unless made in writing, in English, signed by both Parties.

Severability. Each and every provision of law and government regulation required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall read and shall be enforced as though so included herein, and if through mistake or otherwise any such provision is not inserted or is not correctly inserted, then upon the application of either Party, this Agreement shall be deemed to be amended to make such insertion or correction. If this Agreement contains any unlawful provision, the same shall be deemed of no effect and shall, upon the application of either Party, be deemed stricken from this Agreement without affecting the binding force of the remainder.

Survival. Termination or expiration of this Agreement shall not release either Party from any liabilities or obligations set forth in this Agreement which (i) the parties have expressly agreed shall survive any such termination or expiration or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.

Attachment 1

GENERAL DESCRIPTION OF WORK

Category	Activity	Description
Sales & Marketing	Sales	Sales activities excluding post-acquisition customer and intermediary transition
	Marketing	Marketing research in Japan
Projects	Technical assistance	Visit client with STDN for technical clarification / negotiation
	Proposal Support	Provision of support in the generation of technical elements of bids and proposals to customers
	Project Management	Planning and execution of specific projects including new projects and maintenance jobs including financial control, / reporting, client correspondence where specified by named individuals ensuring project continuity
	Basic Design	Confirmation of the technology and process to be used to meet a client's specification
	Detailed Design	Provide documentation to transition the basic design into a commercially and technically viable solution to include system sizing, equipment specifications, process guarantees (where required), creation of the general arrangements, P&ID drawings, electrical schematics and bill of materials by named individuals ensuring project continuity
	Documentation (e.g. O&M Manual, Proposals, etc)	Provision of documentation in an agreed format to include proposal and project documentation (e.g. O&M manuals, client specified data sheets, client correspondence, project cost summaries, inspection and test plan and testing procedures. Instigate and manage change control of standardised documentation
	Installation/ Commissioning	Provision of qualified personnel and documentation to confirm a safe method of work will be undertaken (method statements and risk assessments), work scheduling and liaison with client, planning of client outages/ shutdowns, logistics, provision of equipment necessary to undertake work in a safe manner (e.g. materials and access), management of site installation and associated activities e.g. site meetings
	Quality Control/ Inspection	The ongoing maintenance and organisation of inspection and test plans, testing procedures and compilation of testing results
	Maintenance	Provision of plans for regular servicing and defining standards of work for servicing. Allocation and scheduling of qualified resources and provision of supporting documentation to confirm safe methods of work (method statements and risk assessments), work scheduling and liaison with client, planning of client outages/ shutdowns, logistics, provision of equipment necessary to undertake work in a safe manner (materials and access), management of on-site maintenance activity
	G&A Services	G&A Services are to be provided pursuant to a separate Administrative Support and Services Agreement
General & Admin	Information	
	Technology Services	
	Procurement Services	
	Logistics Services	
	Risk/ Compliance Services	
Secondment Services		
Office/Warehouse		

Attachment 2

SAMPLE TASK ORDER

Chlorine Engineers Corp. Ltd.

[Address]

[Contact]

Fax: [xxx-xxx-xxxx]

STDN ENTITY ISSUING TASK ORDER:

TASK ORDER No.:

PROJECT NAME:

DESCRIPTION OF SERVICES:

[Describe in detail or attach proposal]

START DATE:

PROJECT SCHEDULE/COMPLETION DATE:

AGREEMENT PRICE AND CURRENCY: [Specify if different than time-and-materials and/or the labor rates in Attachment 3]

PAYMENT TERMS:

SPECIAL REQUIREMENTS:

[Describe]

THIS TASK ORDER IS BEING ISSUED PURSUANT TO THE SERVICE AGREEMENT BETWEEN THE PARTIES DATED AS OF _____ AND THE PARTIES AGREE TO ABIDE BY EACH OF THE TERMS AND CONDITIONS CONTAINED THEREIN.

CHLORINE ENGINEERS CORP. LTD.

SEVERN TRENT DENORA LLC

BY: _____
[Signature]

BY: _____
[Signature]

NAME and TITLE

NAME and TITLE

DATE

DATE

Attachment 3 – CEC Labor Rates

Category	Activity	Agreed Rate in JPY/ Hour	Frequency Of Report	Comments
Sales & Marketing	Sales	Manager: 8,838	Monthly	
	Marketing	Non-Manager: 4,800	Monthly	
	Technical assistance		Monthly	
Projects	Proposal Support	These rates apply uniformly across all roles and types of support identified which may be required	Monthly	
	Project Management		Monthly	Also requires continual forecast reports with names assigned to projects for continuity
	Basic Design		Monthly	Also requires continual forecast reports with names assigned to projects for continuity
	Detailed Design		Monthly	Also requires continual forecast reports with names assigned to projects for continuity
	Assembly Services		Monthly	Also requires continual forecast reports with names assigned to projects for continuity
	Documentation (e.g. O&M Manual, Proposals, etc)		Monthly	Also requires continual forecast reports with names assigned to projects for continuity
	Installation/ Commissioning		Monthly	
	Quality Control/ Inspection		Monthly	
	Maintenance		Monthly	

CEC represents that the hourly labor rates specified above were calculated in accordance with cost projections practices utilized by CEC as of the date hereof to formulate competitive bid offerings and include actual salary rates, the cost of benefits and an allocation for overhead in an amount equal to 20 percent (20%).

The hourly rates specified in the table above shall be jointly reviewed by the Parties after six (6) calendar months to ensure that they properly reflect actual costs incurred by CEC and may be revised upwards or downwards by mutual discussion and agreement. Thereafter, the rates shall be adjusted on an annual basis by mutual agreement of the parties to reflect any actual increases in CEC's labor costs.

Attachment 4 – Software

STDN Software

Win7

MS Office 2010

Visio Professional 2010

Filemaker Pro Version 9

Chinese Writer (Email font conversion)

Adobe Acrobat Standard and Professional

Maikurou V5

AutoCAD LT2011 (Japanese Version)

CEC Software

Microsoft Office Professional 2003

Autodesk AutoCAD (2 dimension)

Adobe Acrobat 9

Maikurou V5

AutoCAD LT2011 (Japanese Version)

Filemaker Pro Version 9

Chinese Writer (Email font conversion)

ADMINISTRATIVE SUPPORT
AND SERVICES AGREEMENT

For Execution

ADMINISTRATIVE SUPPORT AND SERVICES AGREEMENT

BY AND BETWEEN

CEC WATER TECHNOLOGIES LIMITED

AND

CHLORINE ENGINEERS CORP. LTD.

DATED AS OF JUNE 30, 2012

ADMINISTRATIVE SUPPORT AND SERVICES AGREEMENT

THIS ADMINISTRATIVE SUPPORT AND SERVICES AGREEMENT (this "*Agreement*") is entered into as of June 30th, 2012 (the "*Effective Date*") by and between CEC Water Technologies Limited, a Japanese corporation ("*Customer*"), and Chlorine Engineers Corp. Ltd. ("*CEC*"), a Japanese corporation (each of Customer or CEC individually may be referred to as "*Party*" and collectively, the "*Parties*").

WITNESSETH:

In consideration of the payment hereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Customer and CEC agree as follows.

ARTICLE 1 DEFINITIONS

For purposes of this Administrative Support and Services Agreement, the following capitalized terms shall have the meanings ascribed thereto in this Article 1:

"*Affiliate*" means any entity that is controlling, controlled by a Party, or is under common control of such Party. For the purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through ownership of securities, by contract, or otherwise;

"*Agreement*" has the meaning set forth in the introductory paragraph.

"*CEC*" has the meaning set forth in the introductory paragraph.

"*CEC Personnel*" has the meaning set forth in Section 2.2.

"*Conflict of Interest*" shall mean with respect to any CEC Personnel, employee's direct or indirect interest, or benefit from, employee's activities, particularly commercial activities, which might in any way adversely affect Customer or its Affiliates. Circumstances in which a Conflict of Interest would or might arise, and which should be reported immediately to Customer's managers, include, but are not limited to, the following:

- (a) Ownership of a material interest in any lender, supplier, contractor, subcontractor, customer or other entity (other than CEC and its Affiliates) with which Customer or its Affiliates do business;
- (b) Acting in any capacity, including director, officer, partner, employee, distributor, agent or the like, for lenders, suppliers, contractors, subcontractors, or customers or other entities with which Customer or its Affiliates do business, except for CEC or its Affiliates;
- (c) Acceptance, directly or indirectly, of payments, services or loans from a lender, supplier, contractor, subcontractor, customer or other entity (other than CEC and its Affiliates) with which Customer or its Affiliates do business, including but not limited to, gifts, trips, entertainment, or other favors of more than a nominal value, but excluding loans from publicly held insurance companies and commercial or savings banks at normal rates of interest;
- (d) Misuse of information or facilities to which Customer has access in a manner which will be detrimental to Customer's or its Affiliates' interest, such as utilization for Customer's own benefit of know-how or information developed through Customer's or its Affiliates' business activities;
- (e) Unpermitted disclosure or other misuse of information of any kind related to Customer or Customer's Affiliates;
- (f) Acquiring or trading in, directly or indirectly, other properties, or interests connected with the design or marketing of products or services designed or marketed by Customer or its Affiliates.

provided, however, that a Conflict of Interest shall not include (i) employee's ownership of securities of corporations which are listed on a national securities exchange or traded in the worldwide "Over the Counter Market" in an amount which shall not exceed five percent (5%) of the outstanding shares of any such corporation, nor (ii) employee's continued provision of any services to CEC or its Affiliates.

"*Customer*" has the meaning set forth in the introductory paragraph.

"*Effective Date*" has the meaning set forth in the introductory paragraph.

"*G&A Services*" has the meaning set forth in Section 2.1.

"*Long Term Disability*" shall mean with respect to any CEC Personnel, employee's incapacity for a period of ninety (90) or more consecutive days, or ninety (90) or more cumulative days within any one fiscal year by accident, sickness, or other circumstance that

renders employee mentally or physically incapable of performing the duties and services required of such employee with reasonable accommodation, except as otherwise provided by law.

"*Secondment Agreement*" and "*Secondment Agreements*" have the meanings set forth in Section 2.2.

"*Secondment Services*" has the meaning set forth in Section 2.1.

"*Services*" has the meaning set forth in Section 2.1.

"*Term*" has the meaning set forth in Section 7.1.

"*Transitional Services*" has the meaning set forth in Section 2.1.

ARTICLE 2 SERVICES TO BE PROVIDED BY CEC

2.1 Subject to the terms and conditions of this Agreement and in consideration for the compensation specified in Article 5, CEC agrees to provide to Customer with the following: (a) certain financial, accounting and information technology support services (the "*Transitional Services*") enumerated in Schedule 2.1(a); (b) certain purchasing, logistics, risk/compliance, information technology (the "*G&A Services*") enumerated in Schedule 2.1(b); (c) certain sales support, marketing and management services (the "*Secondment Services*") enumerated in Schedule 2.1(c); and (d) the use of certain office space, meeting/conference room, office equipment (such as telephone systems, computer systems, photocopy machines, etc.) and warehouse space (when required) together with all associated utilities and resources at various locations designated in Schedule 2.1(d). Transitional Services, G&A Services and Secondment Services may be referred to collectively as the "Services".

2.2 All Secondment Services provided shall be performed by Mr. Kimitoshi Tadatsu, Mr. Naofumi Takai and Mr. Kan Yoshida (the "*CEC Personnel*"). Attached hereto as Appendix 1 are secondment agreements (each a "*Secondment Agreement*" and together the "*Secondment Agreements*") executed by CEC as required under Japanese law for all seconded employees. The services of the CEC Personnel shall be governed by the current employment terms of such individuals with CEC, this Agreement and the relevant Secondment Agreement. CEC shall have the right to terminate any of the CEC Personnel in accordance with its work rules and Japanese law. Customer shall have the right to demand that CEC reinstate any of the CEC Personnel in cases listed in and in accordance with Section 17 of the relevant Secondment Agreement. In addition to any rights provided to Customer under any Secondment Agreement, Customer shall have the right to demand that CEC replace any of the CEC Personnel for "cause". As used herein the term "cause" shall mean the employee's (a) repeated negligence in the performance of

his/her duties and services, (b) conviction of a crime involving moral turpitude, (c) dishonesty, (d) substance abuse, (e) Long Term Disability, (f) Conflict of Interest or (g) or any other disciplinary causes (*choukai jiuu*) provided in Article 63 of CEC's Employee Handbook (*Shuugyou Kisoku*). If any of these individuals dies, retires, resigns, is removed from the employment of CEC, or is otherwise unable, unwilling or incapable of providing the Services hereunder, then CEC shall promptly, with the reasonable approval of Customer, replace such individual with another qualified CEC employee for the purpose of providing their designated services. If there is a conflict between the provisions of this Agreement and any Secondment Agreement, the provisions of this Agreement will prevail.

2.3 During the Term, all CEC Personnel shall remain CEC employees and continue to be paid by CEC and to enjoy the benefits to which they are entitled as CEC employees under their existing employment terms. Notwithstanding any provision to the contrary contained in this Agreement, Customer shall have the right to solicit and hire each of the CEC Personnel at any time during and subsequent to the Term and the compensation to be paid by Customer pursuant to Section 5.2 hereunder shall be modified to reflect CEC's reduced cost. In circumstances where any CEC Personnel is hired by Customer, the termination of the employment of such CEC Personnel with CEC shall be considered to be an involuntary termination and, under all circumstances surrounding the hiring of any CEC Personnel by Customer, CEC shall fund any arrears in or unfunded amount in respect of all benefits that any such CEC Personnel was entitled to receive as a CEC employee up and until the date of separation from CEC.

2.4 With regard to the office space provided pursuant to Section 2.1(d) above, to the extent that such space requirements expand or contract (or are no longer needed), or should Customer require the use of warehouse space, Customer shall so advise CEC and CEC shall accommodate Customer's requirements and a new monthly rate will be negotiated by the Parties. If additional office space is required, the new monthly rate will be based on the square meter rental rate specified in Section 5.5. If warehouse space is required, the rate for such warehouse space will be subject to the Parties' agreement based on CEC's cost. CEC hereby represents that it has the right and authority to allow Customer the use of any office or warehouse space provided by CEC pursuant to this Agreement.

2.5 The Services provided under this Agreement shall be performed in a timely and efficient manner by qualified and experienced staff and with diligence, speed, prudence and foresight.

ARTICLE 3 CONTRACT MANAGEMENT

At least once per month during the term of this Agreement, the Parties shall meet to discuss ongoing Services, forecasts for upcoming Services and other relevant management and administration matters. Designated managers of CEC shall report to designated managers of the Customer as to the status of CEC's Services to Customer as often as necessary to ensure the completion of the Services in a competent, timely and efficient manner.

**ARTICLE 4
ADDITION OF PERSONNEL**

During the Term, the Parties may agree that the Secondment Services hereunder shall be performed by additional employees of CEC (beyond the individuals identified in Section 2.2 above). All such additional employees, as may be identified in writing by the Parties from time to time during the Term, shall be included as part of the CEC Personnel for purposes of this Agreement, subject to CEC executing additional secondment agreements similar to those attached hereto as Appendix 1. Accordingly, all such additional employees, as identified and agreed in writing by the Parties, shall be subject to the provisions of Article 2 above and the Customer shall compensate CEC for providing such additional CEC Personnel in accordance with the provisions of Articles 5 and 6 below.

**ARTICLE 5
COMPENSATION FOR CEC'S SERVICES**

5.1 With regard to the Transitional Services, CEC shall be compensated by Customer in the following amounts:

Transitional Services	Basis of Rate (per month/ per hour)	Fee (JPY)	Review Period
Financial Services	Per Month	422,000/Month	Six (6) month anniversary and monthly thereafter
Information Technology Services	To be provided free of charge	To be provided free of charge	Six (6) month anniversary and monthly thereafter

With regard to the Information Technology Services as specified in Schedule 2.1(a), the Customer acknowledges and agrees that access to the applications hosted on the CEC network shall be granted only to CEC Personnel.

5.2 With regard to the G&A Services, Customer shall compensate CEC in the following amounts:

G&A Services	Basis of Rate (per month/ per hour)	Fee (JPY)	Review Period
Procurement Services	Flat rate per month based on estimate	216,000	Every six (6) months
Logistics Services	Flat rate per month based on estimate	163,200	Every six (6) months
Risk/Compliance Services	Flat rate per month based on estimate	50,000	Every six (6) months
Information Technology Services	Rate per hour used	4,800/ hr	Annual

5.3 The Parties shall review the rates in Sections 5.1 and 5.2 following a period of six (6) months from the date hereof. All out of pocket business expenses incurred by CEC on behalf of Customer, such as travel expenses, shall be paid directly by Customer. The Parties acknowledge and agree that the rates in Sections 5.1 and 5.2 and any future adjustments thereto shall be based on CEC's current costs (which are generally labor costs) with an agreed-upon overhead allocation but no allocation for profit.

5.4 With regard to the Secondment Services, Customer shall reimburse CEC for its costs and expenses with respect to CEC Personnel. All out of pocket business expenses incurred by CEC Personnel on behalf of Customer, such as travel expenses, shall be paid directly by Customer. CEC Personnel costs and expenses will be determined and calculated in accordance with CEC's normal method of determining and calculating such expenses and shall include the actual costs of salaries; payroll taxes; incentive compensation; vacation benefits; training; pension benefits; medical, dental, life and disability benefits; dues; subscriptions; and the like. For the duration of the Secondment Services, Customer shall directly pay the workers' compensation costs of the CEC Personnel.

5.5 Office space, including any and all ancillary equipment, utilities and other items listed in Section 2.1(d) above, will be paid at the following rate:

Rate per square meter =	¥ 3,000 JPY per month
Square meters rented =	25 square meters
Total =	¥ 75,000 JPY per month

5.6 Warehouse space, including utilities, shall be paid on at the following rate, as and when it is requested by the Customer:

Rate per square meter =	¥ 2,100 JPY per month
-------------------------	-----------------------

ARTICLE 6 TERMS OF PAYMENT

6.1 The Services and office/warehouse space charges shall be billed by CEC to Customer monthly in arrears and include all supporting documentation. Within a period of thirty (30) days following the presentation of monthly invoices by CEC, Customer shall render payment.

6.2 The amounts reflected in CEC's records shall be binding on both Parties unless shown to be in error or to have been determined, calculated or allocated on a basis not consistent with this Agreement.

6.3 Customer shall have the right -- at its own costs and at reasonable business hours, without causing any disruption to the conduct of the normal business of CEC - upon written request to be given to CEC within a reasonable period in advance, to review and audit CEC's books and records related to costs and expenses for CEC Personnel, in order to verify amounts invoiced and/or amounts paid pursuant to this Agreement. Customer may object to any item in any invoice presented by CEC provided that such objection is made by written notice within fifteen (15) days after receipt or delivery of such invoice. Such notice shall specify the disputed amount of that invoice and the grounds for such objection. Customer and CEC shall endeavor to settle expeditiously any such dispute, being understood that no dispute regarding invoicing or payment shall prejudice the right of CEC to timely receive payment for the undisputed amounts of each invoice. On settlement of the dispute, an adjustment to the invoice shall be made, if appropriate. Payment or repayment of any balance shall be made as soon as practicable after, but in any event within fifteen (15) days of, the date of such settlement.

ARTICLE 7 TERM AND TERMINATION

7.1 The term of this Agreement (the "*Term*") shall commence on the Effective Date and shall expire (unless terminated earlier pursuant to the provisions of Section 7.2 below, or renewed pursuant to a writing duly executed by both Parties) on the fifth (5th) anniversary of the Effective Date.

7.2 This Agreement may be terminated by Customer at Customer's convenience upon ninety (90) days prior written notice to CEC. In addition, Customer may terminate the Transitional Services upon thirty (30) days notice at any time following the six (6) month anniversary of the Effective Date.

7.3 The failure of either Party to comply with the terms of this Agreement shall constitute a default hereunder. Upon default by one Party, the other Party may send a written notice of termination. Such notice shall clearly specify the nature of the default and provide the defaulting Party thirty (30) days to cure the default. If the default is not cured within said thirty (30) day period, this Agreement shall terminate at midnight of the thirtieth (30th) day following the defaulting Party's receipt of the notice of termination; provided however, that after any such termination, Customer shall remain liable for the payments set forth in Article 5 up to the date of the termination.

ARTICLE 8 INDEMNITY

8.1 From and after the Effective Date, each Party (the "*Indemnifying Party*") shall reimburse, indemnify and hold harmless the other Party, its directors, officers, shareholders and Affiliates (each such entity and its successors and assigns is referred to herein as an "*Indemnified*

Party"), against and in respect of any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses, including without limitation, reasonable attorney's fees suffered, sustained, incurred or required to be paid by any Indemnified Party because of, or that results from, relates to or arises out of (i) the failure to fulfill any agreement or covenant of the Indemnifying Party contained in this Agreement; and (ii) the negligence or willful misconduct of Indemnifying Party; and (b) any and all actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including, without limitation, reasonable legal fees and expenses) incident to any of the foregoing or the enforcement of this Section. To the extent that both the Indemnifying Party and any Indemnified Party are determined by a finder of fact to be negligent and the negligence of both is a proximate cause of the damages assessed by such finder of fact, then in such event, the Indemnifying Party and the Indemnified Party shall each be responsible for their respective portions of the damages assessed in direct proportion to their comparative shares of the total negligence.

8.2 Customer shall moreover indemnify and keep harmless CEC against any claim made by any CEC Personnel arising out or in connection with wrongful acts or omission made by or attributable to Customer during the performance of the Secondment Services.

ARTICLE 9 EXCLUSION OF CONSEQUENTIAL DAMAGES AND OTHER DAMAGES

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF INCOME, LOSS OF PROFIT OR BUSINESS INTERRUPTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR EXEMPLARY OR PUNITIVE DAMAGES. THE PARTIES AGREE THAT THIS STATEMENT CONSTITUTES A CONSPICUOUS LEGEND.

ARTICLE 10 GENERAL PROVISIONS

- 10.1 Entire Agreement. This Agreement constitutes the full understanding between the Parties hereto with reference to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the subject matter of this Agreement. No other statements, oral or written, shall vary or modify the written terms hereof, and neither Party shall claim any amendment, modification or release from any provision hereof by mutual agreement, acknowledgement or acceptance of purchase order forms, or otherwise, unless such agreement is in writing and signed by the other Party, and specifically states that it is an amendment to this Agreement.
- 10.2 Binding Nature and Restriction on Assignment. This Agreement shall be binding on the Parties hereto and their respective Affiliates, successors and permitted assigns. Neither

Party may, or shall have the power to, assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other.

- 10.3 Independent Contractor. CEC, in furnishing assistance and services to Customer hereunder, is acting as an independent contractor. CEC is not an agent of Customer and has no authority to represent or bind Customer as to any matters, except as expressly authorized in this Agreement. CEC shall comply with all applicable laws, regulation and orders, including without limitation, all social security taxes, tax withholding, workers' compensation and other employment laws applicable to personnel performing the Services.
- 10.4 Waiver. Failure of either Party to exercise any right under this Agreement shall not be deemed a waiver thereof.
- 10.5 Notices. Wherever under this Agreement one Party is required or permitted to give notice to the other Party, such notice shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by nationally recognized express courier or sent by certified, registered, first class mail, postage prepaid, but not by electronic mail. Any such notice shall be deemed given when actually received when so delivered personally, by facsimile transmission or by express courier, or if mailed, on the fifth (5th) day after its mailing, postage prepaid to the recipient Party addressed as follows:

If to Customer: Representative Director
 CEC Water Technologies Limited
 C/O Severn Trent DeNora
 1110 Industrial Boulevard
 Sugar Land, Texas 77478
 United States
 Attn: Alex Lloyd

If to CEC: Chief Executive Officer
 Chlorine Engineers Corp. Ltd.
 35F St. Luke's Tower
 8-1 Akashi-cho
 Chuo-ku, Tokyo, Japan

Either Party may change its address by a notice given to the other Party in the manner set forth above.

- 10.6 Governing Law. This Agreement and performance under it shall be governed by and construed in accordance with the laws of Japan. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be exclusively referred to and finally settled by

arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules"). The arbitral tribunal shall consist of three arbitrators, which shall be appointed in accordance with the Rules. The language to be used in the arbitral proceeding will be English and the place of the arbitration shall be in Singapore. The arbitral award thereof shall be final and binding on both Customer and CEC and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

- 10.7 Confidentiality. CEC and Customer acknowledge that, in the course of the dealings hereunder, either Party may acquire information about the other Party, its business activities, organizational and management structure, business policies and guidelines, business prospects and operations, its technical information and its trade secrets, its patented and un-patented inventions, its drawings, blueprints, flow sheets, designs, engineering information, construction information, financial information, operation criteria, customers, subcontractors, and other information of similar nature (whether or not same is reduced to a tangible medium), all of which are proprietary and highly confidential ("Confidential Information"). Each Party shall hold all Confidential Information in strict confidence and shall not reveal the same except for information (a) which may be disclosed pursuant to the terms of this Agreement; (b) generally known to the public other than as a direct or indirect result of any breach of this Agreement; (c) independently and lawfully acquired by either Party from third parties not under obligation of confidentiality; or (d) for which disclosure is required by any court of competent jurisdiction or any governmental, taxation or other regulatory authority or similar body or pursuant to the rules of any relevant stock exchange or any applicable law or regulation. The Confidential Information shall be safeguarded by each Party to the same extent that it safeguards its own most confidential materials or data relating to its own business. Neither Party shall use the other Party's Confidential Information for its own benefit or the benefit of a third party without the express written consent of the other Party. The provisions of this subparagraph shall survive the termination of this Agreement for a period of ten (10) years thereafter.
- 10.8 English as Official Language. The American English language shall be the official text of this Agreement. No modification of this Agreement (including changes in scope, specifications, price or delivery schedule) shall be of any force or effect unless made in writing, in English, signed by both Parties.
- 10.9 Severability. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any such provision is held invalid by a court with jurisdiction over the Parties, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remainder of this Agreement shall remain in full force and effect.

... termination or expiration of this Agreement shall not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly agreed shall survive any such termination or expiration or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.

- 10.11 Third Party Beneficiaries. This Agreement is entered into solely between, and may be enforced only by CEC and Customer; and this Agreement shall not be deemed to create any rights in third parties, including any rights in CEC Personnel, or any other employees, suppliers, or customers of a Party, or to create any obligations of a Party to any such third parties.
- 10.12 Headings. References. The article and section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof. Unless otherwise noted, references in this Agreement to Sections or Schedules are references to Sections in this Agreement or Schedules attached to this Agreement.
- 10.13 Counterparts. This Agreement may be executed in several counterparts, all of which taken together shall constitute one single agreement between the Parties hereto.

IN WITNESS WHEREOF, this Administrative Support and Services Agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: Alex Lloyd
Name: Alex Lloyd
Title: Representative Director

CHLORINE ENGINEERS CORP. LTD.

By: _____
Name: Danilo Parini
Title: Chief Executive Officer

- 10.10 Survival. Termination or expiration of this Agreement shall not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly agreed shall survive any such termination or expiration or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.
- 10.11 Third Party Beneficiaries. This Agreement is entered into solely between, and may be enforced only by CEC and Customer, and this Agreement shall not be deemed to create any rights in third parties, including any rights in CEC Personnel, or any other employees, suppliers, or customers of a Party, or to create any obligations of a Party to any such third parties.
- 10.12 Headings, References. The article and section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof. Unless otherwise noted, references in this Agreement to Sections or Schedules are references to Sections in this Agreement or Schedules attached to this Agreement.
- 10.13 Counterparts. This Agreement may be executed in several counterparts, all of which taken together shall constitute one single agreement between the Parties hereto.

IN WITNESS WHEREOF, this Administrative Support and Services Agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

CEC WATER TECHNOLOGIES LIMITED

By: _____
Name: Alex Lloyd
Title: Representative Director

CHLORINE ENGINEERS CORP. LTD.

By: Danilo Parini
Name: Danilo Parini
Title: Chief Executive Officer

SCHEDULE 2.1(a)
TRANSITIONAL SERVICES

A. FINANCIAL SERVICES

- Bookkeeping activities in Japanese GAAP, including:
 - Recording payroll as billed by CEC to projects
 - Recording material costs to projects
 - Recording subcontractor costs to projects
 - Recording payments/receipts (if necessary)
- Assistance in handling Japanese consumption (VAT) and other taxes in terms of assistance to compile necessary filings (which would then be submitted by Customer directly)
- Assistance with coding of invoices in preparation for payment (wire transfer)
- Assistance with monthly close process, including:
 - Recording accruals for costs incurred but not recorded/paid
 - Recording accruals for percent complete revenue
 - Recording revenue associated with shipments made
- Assistance with invoice preparation to customers and collection activities
- Assistance in follow-ups associated with:
 - Bank reconciliations
 - Account reconciliations
 - Payroll issues (liaising with CEC HR)
- Assistance with preparation of tax filings including:
 - Consumption tax (quarterly)
 - Corporate income tax (national/local)
 - Any other required tax
- Assistance with annual statutory reporting and audit of same
- Interface with CEC on information needed to process invoices from CEC
- Assist with contract requirements

B. INFORMATION TECHNOLOGY SERVICES

- Provision of two lines of desktop access (one dedicated to Kan Yoshida (Technical Manager) and one for general use by CEC Personnel to the relevant Customer project, timesheet and finance data via the following applications hosted on the CEC network:
 - o MC Frame (ERP system)
 - o FMIS (Order Entry, Sales, Payments, Timesheets)
 - o SCAW (Accounts Payable, Accounts Receivable, Assets, General)

SCHEDULE 2.1(b)
G&A SERVICES

A. Procurement services to include:

- Source/qualify new suppliers for Customer providing information to the General Manager and WPS Director of Global Sourcing
- Establish direct relationship on behalf of Customer with subcontractor/material suppliers, ensuring that they adhere to the Customer supplier code of conduct
- Support bid process by obtaining material and other cost estimates, as requested
- Upon approval to begin a project, obtain material and other cost pricing (from multiple vendors) based upon project specifications provided and place orders after receiving approval from General Manager
- Raise Purchase Orders on behalf of and in the name of the Customer using appropriate systems and processes
- Interface with suppliers/subcontractors on behalf of Customer regarding project specifications/delivery/quality/payment and other issues
- Provide monthly management information on year-on-year supplier cost reduction in line with Customer group policy requirements

B. Logistics services to include:

- Coordinate import/export of all international shipments including packaging, freight forwarding and corresponding documentation
- Arrange for packaging/transportation of all domestic Japan shipments
- Coordinate "in-transit" insurance issues
- Source logistic support companies including but not limited to freight forwarders, trucking companies and packaging companies
- Resolve claims for freight damage and loss with support companies/customers

C. Risk/ Compliance services to include

- Ensuring compliance (including preparation of government-required documentation) with all applicable laws regarding shipments – domestic and international

D. Information Technology services to include

- a. On-site support to be provided on an as requested basis where the Customer IT team cannot resolve issues remotely:
 - Software installation
 - Software upgrades
 - Basic trouble-shooting
 - Hardware replacement/ expansion

SCHEDULE 2.1 (c)
SECONDMENT SERVICES

As used in this Schedule, references to “STDN” shall refer to Severn Trent DeNora LLC and references to “STWP” shall refer to Severn Trent Water Purification, Inc.

CEC Personnel shall report and take instructions directly from Customer’s designated representatives.

A. Tadatsu Kimitoshi (General Manager and Representative Director)

- Responsible for all business activities of the Customer and its current and future business lines, including business development, sales, proposal development, project management, engineering, procurement, production, quality assurance and field service
- Produces the monthly and on occasion exceptional business reports to fully inform the Customer about key day to day business and key strategic operational and sales matters
- Follows the direction of the Customer’s board with respect to delegated powers
- Formulates strategies, and operating policies and procedures to deliver the agreed budget and five (5) year plan for the Customer and undertakes monthly reporting of business and financial performance against plans
- Manage available resources and service providers for Customer to deliver desired business outcomes (including the management of resources seconded from CEC), ensuring that productivity levels are maintained through effective monitoring of staffing levels, financial requirements, and customer requirements
- Develop and implement plans to increase market share of Customer product(s) or markets through establishing and maintaining strong relationships with customers, end-users, agents, distributors and other stakeholders/ key purchasing influencers
- Seeks out and track prospective projects and opportunities for Customer directly or via established sales channels; and when necessary recommend the development of additional and alternate sales channels, ensuring compliance with defined Severn Trent Group procedures
- Manage the development of written materials, proposals and bid/ price quotations providing commercial and technical direction (drawing on available resources within Customer and elsewhere in STDN), present to prospective customers and follow-up to secure orders in accordance to company’s guidelines (evaluating lost projects in order to increase contract wins over the longer term)
- Coordinate and cooperate on certain sales activities/projects with other STDN and STWP regional sales managers where required

- Representation of Customer/ STDN via attendance at exhibitions or company sponsored events around the world when needed or required.
- Direct and coordinate project kick off, design, engineering and project execution for orders won as well as supply chain activities to obtain the optimal level of economy operations and profit maximization
- Understand and adhere to all company health and safety procedures as they relate to essential job functions Responsibility for health and safety performance of Customer
- Liaise with Severn Trent Group functions to lead training and awareness of Customer in corporate governance program
- Work with STDN/ STWP functional departments (including Marketing, Global Sourcing, R&D, HR, Finance, H&S, IT, Commercial/ Risk) to effectively manage the Customer business on a day-to-day basis, plan future growth and development and ensure compliance with/ implement Severn Trent Group policy where required
- Act as principal contract/ relationship manager for the Administrative Support and Services Agreement, the Project Services and Equipment Production Agreement and the License Agreement, interfacing with representatives of CEC on a regular basis to review performance, proactively resolve issues and set out forecasts of future requirements
- Global product management responsibility for the license granted Customer under the License Agreement which includes external leadership for the product via active internal promotion within other STDN/ STWP business units, leading on sales and project execution, as well as participation in trade shows, equipment seminars and training activities
- Management of identified key channel relationships for other STDN products including specifically Nisso-Taiko of Japan (appointed distributors for BALPURE® ballast water management) to maximize sales, margins and Japan market penetration
- Proactively make recommendations to senior management about potential and business case for adding additional STDN (or STWP) products to the Customer portfolio to increase sales and profits
- In addition to Customer General Management responsibilities, act as one of the three appointed Directors of the Customer, undertaking associated responsibilities, including ensuring compliance with Severn Trent Group Corporate Governance guidelines

B. Takai Naofumi (Sales Manager)

- Develop and implement plans to increase market share of the Customer's Japan market product(s) or markets through establishing and maintaining strong relationships with customers, end-users, agents and distributors (including both

Japanese domestic and Japanese International EPCs) and other stakeholders/ key purchasing influencers

- Seek out and track prospective projects and opportunities for the Japan market either directly or via established sales channels; and when necessary recommend the development of additional and alternate sales channels, ensuring compliance with defined Customer's procedures
- Manage the development of written materials, proposals and bid/ price quotations providing commercial and technical direction (drawing on available resources within the Customer and its Affiliates), present to prospective customers and follows-up to secure orders in accordance to Customer guidelines (evaluating lost projects in order to increase contract wins over the longer term)
- Coordinate and cooperate on certain sales activities/projects with other Customer Affiliate regional sales managers where required
- Representation of the Customer where required via attendance at exhibitions or company sponsored events around the world when needed or required.

C. Kan Yoshida (Technical Manager)

- The Technical Manager is responsible for coordinating the activities of the Customer Project Management Department as well as performing the functions of a Project Manager.
- Perform the duties of a Project Manager on key projects
- Consult with other Project Managers as necessary to assist with the successful completion of their projects
- Resolve conflicts caused by shared CEC common resources
- Interface with the General Manager to coordinate the work and resolve bottlenecks
- Provide technical expertise to Sales and Marketing as primary interface between Engineering and Sales and Marketing
- Manage work being performed by internal groups and external engineering or manufacturing companies
- Direct and coordinate project kick off, design, engineering and project execution for orders won as well as supply chain activities to obtain the optimal level of economy operations and profit maximization
- Provision of Technical Sales support
- Co-ordination of installation, maintenance and commissioning services
- Adherence to all company health and safety procedures as they relate to essential job functions
- Responsibility for health and safety performance of the Customer

SCHEDULE 2.1(d)
OFFICE AND WAREHOUSE LOCATIONS

Office Location:

Okayama Works
24-6, Higashi-Takasaki
Tamano City, Okayama 706-0134, Japan
Phone: 81 86 371 3111 (main reception)

Warehouse Location:

To be provided upon Customer request at the same office location in Okayama as specified above.

APPENDIX 1
EXECUTED SECONDMENT AGREEMENTS

SECONDMENT AGREEMENTS

**Mr. Kimitoshi Tadatsu
Mr. Naofumi Takai
Mr. Kan Yoshida**

PATENT

REEL: 035764 FRAME: 0129

出向契約書
Secondment Agreement

クロリンエンジニアズ株式会社(以下「甲」という)と〇〇〇〇株式会社(以下「乙」という)は、甲の社員(以下「出向者」という)を乙へ出向させる際の労働条件及び出向者の経費負担等に関し、次のとおり契約を締結する。

Chlorine Engineers Corp., Ltd. (hereinafter referred to as "CEC") and CEC Water Technologies Ltd. (hereinafter referred to as "NEWCO") have entered into this Agreement in relation to, among others, employment conditions in respect of secondment of employee of CEC (hereinafter referred to as "Secondee") to NEWCO, and cost allocation as follows:

第1条(出向者)

甲は乙に対し次の者を出向させる。

出向社員の氏名 忠津 公俊

Article 1 (Secondee)

CEC shall second the following employee to NEWCO.

Name of Secondee: Mr Kimitoshi Tadatsu

第2条(出向期間)

出向者の甲から乙への出向期間は、2012年7月1日から2012年12月31日までとする。本契約終了より30日前までに、忠津公俊氏の転籍について、甲乙は協議をおこなう。

2 業務の必要性等により、前項の出向期間を延長または短縮する必要がある場合には、甲乙協議の上、延長または短縮することができる。

Article 2 (Term of Secondment)

The term of secondment for Secondee shall be from July 1, 2012 to 31 December 2012. Not later than 30 calendar days prior to the expiry of the secondment, CEC and NEWCO shall discuss the transfer of Mr Tadatsu to NEWCO on a permanent basis.

2 In case it is necessary to extend or shorten the foregoing secondment term due to the necessity of operation, the said term may be extended or shortened based on the negotiation between CEC and NEWCO.

第3条(勤続年数)

出向期間は、甲の勤続年数に通算する。

Article 3 (Term of Employment)

The term of secondment shall be counted in to the term of employment with CEC.

第4条(出向先会社名及び所在地)

出向先会社名及び所在地は、次のとおりとする。

会社名 CEC ウォーターテクノロジー株式会社

所在地 東京都中央区明石町 8-1 聖路加タワー35 階

勤務地 岡山県玉野市京高崎 24-6

Article 4 (Company Name receiving Secondee and Its Location)

The company name receiving Secondee and its location shall be as follows:

Company Name: CEC Water Technologies Ltd.

Registered Office address : 35th Floor St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo Japan

Secondee working location address: 24-6, Higashi-Takasaki, Tamano City, Okayama 706-0134, Japan

第 5 条 (身分)

甲は、出向者を休職 (社命休職) させ、乙の代表取締役として出向させる。

Article 5 (Status)

CEC shall grant the Secondee a leave of absence (as CEC shall instruct) and have the Secondee seconded to NEWCO as a representative director of NEWCO.

第 6 条 (善管注意義務)

出向者は、乙の代表取締役として、法令及び乙の規定に従い、善良なる管理者の注意をもってその職務に従事する。

Article 6 (Duty of Care)

Secondee shall, as a representative director of NEWCO, conduct NEWCO's business in accordance with laws and regulations and the rules of NEWCO with due care of good manager.

第 7 条 (時間外勤務)

乙は、業務上必要なときは、出向社員に対して時間外勤務を命令できる

2 出向社員の時間外勤務 (甲の規定における時間外勤務時間をいう。以下同じ。) の上限時間は、1 か月 45 時間とする。

3 出向社員が 1 か月 45 時間を超えて時間外労働をするときは、あらかじめ甲に申し出て、その許可を受けなければならない。

Article 7 (Overtime Work)

1 NEWCO may instruct Secondee to work overtime, when necessary in its operation.

2 The maximum hours for overtime work of Secondee (within the meaning of overtime work for the purpose of the rules of CEC, hereinafter the same) shall be up to forty-five (45) hours per month.

3 When Secondee conducts overtime work which shall result in more than forty-five (45) hours per month, NEWCO shall notify CEC in advance and obtain the permission from CEC.

第 8 条 (時間外勤務手当等の負担)

時間外勤務手当および休日勤務手当については、甲の規定に基づいて算出し、その全額を甲が負担する。なお、第 10 条第 2 項に準じ乙がその全額を甲に支払う。

Article 8 (Responsibility for Overtime Work Allowance and the like)

Allowance for overtime work and holiday work shall be calculated in accordance with the rules of CEC and CEC shall bear all of such allowance which shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第9条 (年次有給休暇)

出向者の年次有給休暇は、甲の規定を適用する。

Article 9 (Annual Paid Leave)

With respect to annual paid leave, the rules of CEC shall apply.

第10条 (報酬及び賞与)

1 出向者の報酬及び賞与は、甲の規定により、甲が出向者に対し直接支給するものとする。ただし賞与については、その額について乙の確認を得た後、支給する。

2 乙は出向者の報酬負担金として月額 719,911 円を甲に毎月末日に支払うものとし、出向者に付与される賞与その他合意した補償金、手当及び給付金については別途部度、支払うものとする。

Article 10 (Remuneration and Bonus)

1 Secondee's remuneration and bonus shall be paid directly from CEC to Secondee in accordance with the rules of CEC with bonus to be paid upon confirmation from NEWCO of the bonus amounts.

2 NEWCO shall pay to CEC JP 719,911_ per month on the last day of each month as remuneration contribution and separately any variable bonus and other agreed total compensation, benefits and entitlements due to the Secondee.

第11条 (社会保険の付保等)

出向者の健康保険、介護保険、厚生年金保険、厚生年金基金、雇用保険は、甲において継続加入の上、これらにかかる事業主負担保険料は前条第2項に準じ乙が甲に支払うものとする。

2 出向者の労働者災害補償保険は、乙において付保することとし、これにかかる保険料は乙が負担する。

Article 11 (Social Insurance and the like)

CEC shall continuously provide Secondee with health insurance, nursing-care insurance, employee's pension insurance, employee's pension fund and unemployment insurance. Employer's contributions in respect of premiums for these social insurances shall be paid from NEWCO to CEC in a manner set out in Paragraph 2 of the preceding Article.

2 NEWCO shall hold statutory worker's accident compensation insurance covering the Secondee and its premium shall be borne by NEWCO.

第12条 (内規に基づく災害補償)

出向者に対する災害補償については、甲の内規の基準により甲が支給し、10条第2項に準じ乙が甲に支払うものとする。

Article 12 (Accident Compensation Additional Benefits under CEC policy)

Accident compensations for Secondee payable in accordance with the policies of CEC shall be paid by CEC and reimbursed by NEWCO in a manner set out in Paragraph 2 of the Article 10...

第13条 (出向期間中の費用)

1 乙の業務命令に伴って発生する出張旅費等の諸費用は、乙の規定に基づき乙が出向者に対し直接支給する。

2 通勤に必要な費用は、甲の規定に基づき甲が出向者に対し直接支給する。ただし、乙は第10

条第 2 項に準じ甲にその全額を支払う。

Article 13 (Costs and Expenses during the Term of Secondment)

1 Costs and expenses such as travel expenses incurred in connection with NEWCO's business instructions shall be paid directly from NEWCO to Secondee in accordance with the rules of NEWCO.

2 Commutation costs shall be paid directly from CEC to Secondee in accordance with the rules of CEC at the time of Secondment and shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第 14 条 (出向及び復帰に係る旅費)

出向者の出向に伴う配置先までの旅費及び復帰に伴う甲までの旅費は、甲が甲の定める規定により負担し、出向者に支給する。

Article 14 (Travel Expenses for Secondment and Reinstatement)

Travel expenses to NEWCO's location incurred by Secondee in relation to secondment and those to CEC's location incurred by Secondee in relation to reinstatement shall be borne by CEC in accordance with the rules of CEC and paid to Secondee from CEC.

第 15 条 (福利厚生)

出向者の福利厚生については、甲の規定を適用する。

Article 15 (Benefit Plan)

With respect to Secondee's benefit package, the rules of CEC shall apply.

第 16 条 (退職金)

出向者に対する出向期間に対応する退職金(退職一時金・年金)は、出向者が甲を退職する際、甲の規定に基づき、甲が出向期間を通算して支給する。

2 甲の企業年金基金・企業年金に係る出向者の会社負担掛金は、乙が甲に支払うものとする。

Article 16 (Retirement Allowance)

When Secondee retires from CEC, Secondee's retirement allowances (retirement lump sum allowance and pension) corresponding to the term of secondment shall be paid from CEC to Secondee in accordance with the rules of CEC taking into account the term of secondment in the calculation of the overall years of service by Secondee.

2. Employer's contributions to CEC's company pension fund and pension plan for Secondee shall be paid from NEWCO to CEC.

第 17 条 (復帰)

乙は、次の各号のいずれかに該当する場合は、甲乙 パートナーシップボードにおいて協議を行い さらに (2)、(4)においては、甲の合意をもって、甲へ出向者を復帰させることができる。

(1) 出向者が、会社法又は乙の定款により乙の取締役を解任されるとき、または、乙の定める就業規則第 63 条に規定する解雇又は退職の事由に該当するとき。

(2) 出向者が、特別な理由により復帰を希望し、その理由が妥当であると認められるとき。

(3) 甲が、特別な理由により出向者の復帰を希望し、その理由が妥当であると認められるとき。

(4) 乙が、出向者の低い業績成果又は通常業務の実行ができないことを理由に出向者の復帰を希望し、その理由が妥当であると認められるとき。

(5) 出向者の受入れ目的が達成又は消滅したと認められるとき。

Article 17 (Reinstatement)

If any of the following events occurs, NEWCO may reinstate Secondee to CEC:

(1) Secondee is removed as a Representative Director of NEWCO in accordance with the Companies Act or NEWCO's articles of incorporation or Secondee falls under any of causes for dismissal or termination set out in Article 63 of CEC's Employee Handbook (Shuugyou Kisoku);

(2) Secondee desires to be reinstated for a special reason and such reason is considered reasonable;

(3) CEC desires to reinstate Secondee for a special reason and such reason is considered reasonable;
or

(4) NEWCO desires to reinstate Secondee for reasons of poor performance or inability to perform defined work duties to a reasonable standard; or

(5) It is recognized that the purpose of secondment has been accomplished or diminished.

Any such proposed reinstatement listed in items (1) to (5) shall first be discussed at the CEC-NEWCO Partnership Board and agreed by CEC as respect to items (2) and (4).

第18条 (パートナーシップボード)

パートナーシップボードは、甲より3名(本契約締結後6ヶ月経過後は2名)、乙より2名の参加者により構成され、本契約19条に記されている項目に準し、甲・乙間のコミュニケーション、意識決定を図る場とする。

Article 18 CEC-NEWCO Partnership Board

The CEC-NEWCO Partnership Board consists of two persons from NEWCO and three persons from CEC (two persons after six months from the effective date) whose role is to provide a forum for communication, discussion and decision-making in relation to the secondment services as better specified in Article 19.

第19条 (連絡調整)

甲及び乙は、出向者の次の事項に関し、CEC-NEWCO パートナーシップボードを通じて相互に連絡調整を図る。

(1) 甲から乙への連絡調整事項

イ 出向者の履歴に関する事項

ロ その他乙から求められた事項

(2) 乙から甲への連絡調整事項

イ 出向者の乙における業務内容

ロ 出向者の労働時間、休日及び休暇

ハ 出向者の勤務状況

ニ その他甲から求められた事項

Article 19 (Liaison and Coordination)

CEC and NEWCO shall mutually carry out liaison and coordination with respect to the following matters via the forum of the CEC-NEWCO Partnership Board:

(1) Liaison and coordination matters from CEC to NEWCO:

(i) Matters concerning Secondee's career; and

- (ii) Other matters requested by NEWCO.
- (2) Liaison and coordination matters from NEWCO to CEC
 - (i) Seconded's business operation at NEWCO;
 - (ii) Seconded's working hours, holiday and leave;
 - (iii) Seconded's working conditions; and
 - (iv) Other matters requested by CEC.

第 20 条 (二重出向の禁止)

乙は、出向社員を乙の関連会社等へ二重出向させてはならない。

Article 20 (Prohibition of Double Secondment)

NEWCO shall not further second Seconded to NEWCO's affiliates.

第 21 条 (疑義の解決)

本契約に関し疑義が生じたとき、また、本契約に定めのない事項については、甲乙協議の上、解決する。

Article 21 (Solution of Questions)

If questions arise in relation to this agreement, or with respect to matters not provided in this agreement, CEC and NEWCO shall consult with each other and solve such questions or matters.

第 22 条 (有効期間)

本契約の有効期間は、契約書の締結の日から第 2 条の出向期間までとする。

Article 22 (Effective Term)

The effective term of this agreement shall be from the execution day of this agreement to the expiration day of the term of secondment provided in Article 2.

第 23 条 (契約の解除)

本契約の有効期間中であっても、乙は、解約を希望する日の 1 カ月前までに書面により甲に通告したときは、本契約を解除することができる。または、甲もしくは乙による本契約の不履行の際は、もう一方側は 書面による解除の通知を行うことができる。どちらの場合においても、解除通知は、CEC-NEWCO パートナーシップボードでの協議を経てのち行うものとする。

Article 23 (Termination)

NEWCO may terminate this agreement with one (1) months prior written notice to CEC. In circumstances of failure of either CEC or NEWCO to comply with the terms of this agreement, the other party may send a written notice of termination. In any event of termination (both for convenience and default) the intention of the parties to terminate the agreement shall be previously discussed at the CEC-NEWCO Partnership Board.

2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.

By: _____

Name: ダニーロ・パリーニ Danilo Parini

Title: 代表取締役 CEO Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By: 

Name: アレックス ロイド Alex Lloyd

Title: 代表取締役 Representative Director

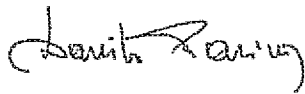
2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.



By: _____

Name: ダニエロ・パリーニ Danilo Parini

Title: 代表取締役 CEO Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By: _____

Name: アレックス ロイド Alex Lloyd

Title: 代表取締役 Representative Director

出向契約書
Secondment Agreement

クロリンエンジニアズ株式会社(以下「甲」という)と CEC ウォーターテクノロジーズ株式会社(以下「乙」という)は、甲の社員(以下「出向者」という)を乙へ出向させる際の労働条件及び出向者の経費負担等に関し、次のとおり契約を締結する。

Chlorine Engineers Corp., Ltd. (hereinafter referred to as "CEC") and CEC Water Technologies, Ltd. (hereinafter referred to as "NEWCO") have entered into this Agreement in relation to, among others, employment conditions in respect of secondment of employee of CEC (hereinafter referred to as "Secondee") to NEWCO, and cost allocation as follows:

第1条(出向者)

甲は乙に対し次の者を出向させる。

出向社員の氏名 高井 直文

Article 1 (Secondee)

CEC shall second the following employee to NEWCO.

Name of Secondee: Mr Naofumi Takai

第2条(出向期間)

出向者の甲から乙への出向期間は、2012年7月1日から2015年6月30日までとする。

2 業務の必要性等により、前項の出向期間を延長または短縮する必要がある場合には、甲乙協議の上、延長または短縮することができる。

Article 2 (Term of Secondment)

The term of secondment for Secondee shall be from July 1, 2012 to June 30, 2015.

2 In case it is necessary to extend or shorten the foregoing secondment term due to the necessity of operation, the said term may be extended or shortened based on the negotiation between CEC and NEWCO.

第3条(勤続年数)

出向期間は、甲の勤続年数に通算する。

Article 3 (Term of Employment)

The term of secondment shall be counted in to the term of employment with CEC.

第4条(出向先会社名及び所在地)

出向先会社名及び所在地は、次のとおりとする。

会社名 CEC ウォーターテクノロジー株式会社
所在地 東京都中央区明石町 8-1 聖路加タワー35 階
勤務地 岡山県玉野市東高崎 24-6

Article 4 (Company Name receiving Secondee and Its Location)

The company name receiving Secondee and its location shall be as follows:

Company Name: CEC Water Technologies Ltd.

Registered Office address : 35th Floor St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo Japan

Secondee working location address: 24-6, Higashi-Takasaki, Tamano City, Okayama 706-0134, Japan

第 5 条 (身分)

甲は、出向者を休職 (社命休職) させ、乙の社員として出向させる。

Article 5 (Status)

CEC shall grant the Secondee a leave of absence (as CEC shall instruct) and have the Secondee seconded to NEWCO as an employee of NEWCO.

第 6 条 (勤務等)

出向者の就業時間、休憩時間、休日、休暇等の勤務に関する事項 (ただし、年次有給休暇を除く) は、乙の規定を適用する。

Article 6 (Duties and the like)

During the period of the secondment, Secondee shall take all work instructions from NEWCO including compliance with NEWCO defined work rules and policies. With respect to matters regarding Secondee's duties including working hour, time for recess, holiday, leave and the like (but excluding annual paid leave), the rules of NEWCO shall apply.

第 7 条 (時間外勤務)

乙は、業務上必要なときは、出向社員に対して時間外勤務を命令できる。

2 出向社員の時間外勤務(甲の規定における時間外勤務時間をいう。以下同じ。)の上限時間は、1 か月 45 時間とする。

3 出向社員が 1 か月 45 時間を超えて時間外勤務をするときは、あらかじめ甲に申し出て、その許可を受けなければならない。

Article 7 (Overtime Work)

NEWCO may instruct Secondee to work overtime, when necessary in its operation.

2 The maximum hours for overtime work of Secondee (within the meaning of overtime work for the purpose of the rules of CEC, hereinafter the same) shall be up to forty-five (45) hours per month.

3 When Secondee conducts overtime work which shall result in more than forty-five (45) hours per month, NEWCO shall notify CEC in advance and obtain the permission from CEC.

第 8 条 (時間外勤務手当等の負担)

時間外勤務手当および休日勤務手当については、甲の規定に基づいて算出し、その全額を甲が負担する。なお、第 10 条第 2 項に準じ乙がその全額を甲に支払う。

Article 8 (Responsibility for Overtime Work Allowance and the like)

Allowance for overtime work and holiday work shall be calculated in accordance with the rules of CEC and CEC shall bear all of such allowance which shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第 9 条 (年次有給休暇)

出向者の年次有給休暇は、甲の規定を適用する。

Article 9 (Annual Paid Leave)

With respect to annual paid leave, the rules of CEC shall apply.

第 10 条 (賃金及び賞与)

- 1 出向者の賃金及び賞与は、甲の規定により、甲が出向者に対し直接支給するものとする。ただし賞与については、その額について乙の確認を得た後、支給する。
- 2 乙は出向者の給与負担金として月額 520,864 円を甲に毎月末日に支払うものとし、出向者に付与される賞与その他合意した補償金、手当及び給付金については別途部度、支払うものとする。

Article 10 (Salary and Bonus)

- 1 Secondee's salary and bonus shall be paid directly from CEC to Secondee in accordance with the rules of CEC with bonus to be paid upon confirmation from NEWCO of the bonus amounts.
- 2 NEWCO shall pay to CEC JPY 520,864 per month on the last day of each month as basic salary contribution and separately any variable bonus and other agreed total compensation, benefits and entitlements due to the Secondee.

第 11 条 (社会保険の付保等)

- 1 出向者の健康保険、介護保険、厚生年金保険、厚生年金基金、雇用保険は、甲において継続加入の上、これらにかかる事業主負担保険料は前条第 2 項に準じ乙が甲に支払うものとする。
- 2 出向者の労働者災害補償保険は、乙において付保することとし、これにかかる保険料は乙が負担する。

Article 11 (Social Insurance and the like)

- 1 CEC shall continuously provide Secondee with health insurance, nursing-care insurance, employee's pension insurance, employee's pension fund and unemployment insurance. Employer's contributions in respect of premiums for these social insurances shall be paid from NEWCO to CEC in a manner set out in Paragraph 2 of the preceding Article.
- 2 NEWCO shall hold statutory worker's accident compensation insurance covering the Secondee and its premium shall be borne by NEWCO.

第 12 条 (内規に基づく災害補償)

出向者に対する災害補償については、甲の内規の基準により甲が支給し、10 条第 2 項に準じ乙が甲に支払うものとする。

Article 12 (Accident Compensation Additional Benefits under CEC policy)

Accident compensations for Secondee payable in accordance with the policies of CEC shall be paid by CEC and shall be reimbursed by NEWCO in a manner set out in Paragraph 2 of the Article 10...

第 13 条 (出向期間中の費用)

- 1 乙の業務命令に伴って発生する出張旅費等の諸費用は、乙の規定に基づき乙が出向者に対し直接支給する。
- 2 通勤に必要な費用は、甲の規定に基づき甲が出向者に対し直接支給する。ただし、乙は第 10 条第 2 項に準じ甲にその全額を支払う。

Article 13 (Costs and Expenses during the Term of Secondment)

Costs and expenses such as travel expenses incurred in connection with NEWCO's business instructions shall be paid directly from NEWCO to Secondee in accordance with the rules of NEWCO.

2 Commutation costs shall be paid directly from CEC to Secondee in accordance with the rules of CEC at the time of Secondment and shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第 14 条 (出向及び復帰に係る旅費)

出向者の出向に伴う配置先までの旅費及び復帰に伴う甲までの旅費は、甲が甲の定める規定により負担し、出向者に支給する。

Article 14 (Travel Expenses for Secondment and Reinstatement)

Travel expenses to NEWCO's location incurred by Secondee in relation to secondment and those to CEC's location incurred by Secondee in relation to reinstatement shall be borne by CEC in accordance with the rules of CEC and paid to Secondee from CEC.

第 15 条 (福利厚生)

出向者の福利厚生については、甲の規定を適用する。

Article 15 (Benefit Plan)

With respect to Secondee's benefit package, the rules of CEC shall apply.

第 16 条 (退職金)

出向者に対する出向期間に対応する退職金 (退職一時金・年金) は、出向者が甲を退職する際、甲の規定に基づき、甲が出向期間を通算して支給する。

2 甲の企業年金基金・企業年金に係る出向者の会社負担掛金は、乙が甲に支払うものとする。

Article 16 (Retirement Allowance)

When Secondee retires from CEC, Secondee's retirement allowances (retirement lump sum allowance and pension) corresponding to the term of secondment shall be paid from CEC to Secondee in accordance with the rules of CEC taking into account the term of secondment in the calculation of the overall years of service by Secondee.

2. Employer's contributions to CEC's company pension fund and pension plan for Secondee shall be paid from NEWCO to CEC.

第 17 条 (復帰)

乙は、次の各号のいずれかに該当する場合は、甲・乙パートナーシップポードにおいてあらかじめ甲乙協議を行い、さらに (2)、(4)においては、甲の合意をもって、甲へ出向者を復帰させることができる。

- (1) 出向者が、乙の定める就業規則第 63 条に規定する解雇又は退職の事由に該当するとき。
- (2) 出向者が、特別な理由により復帰を希望し、その理由が妥当であるとみとめられるとき。
- (3) 甲が、特別な理由により出向者の復帰を希望し、その理由が妥当であると認められるとき。
- (4) 乙が、出向者の低い業績成果又は通常業務の実行ができないことを理由に出向者の復帰を希望し、その理由が妥当であると認められるとき。
- (5) 出向者の受入れ目的が達成又は消滅したと認められるとき。

Article 17 (Reinstatement)

If any of the following events occurs, NEWCO may reinstate Secondee to CEC:

- (1) Secondee falls under any of causes for dismissal or termination set out in Article 63 of CEC's Employee Handbook (Shuugyou Kisoku);
- (2) Secondee desires to be reinstated for a special reason and such reason is considered reasonable by NEWCO;
- (3) CEC desires to reinstate Secondee for a special reason and such reason is considered reasonable by NEWCO;
- (4) NEWCO desires to reinstate Secondee for reasons of poor performance or inability to perform defined work duties to a reasonable standard; or
- (5) It is recognized that the purpose of secondment has been accomplished or diminished.

Any such proposed reinstatement listed in items (1) to (5) shall first be discussed at the CEC-NEWCO Partnership Board and agreed by CEC as respect to items (2) and (4).

第18条 (パートナーシップボード)

パートナーシップボードは、甲より3名(本契約締結後6ヶ月経過後は2名)、乙より2名の参加者により構成され、本契約19条に記されている項目に準じ、甲・乙間のコミュニケーション、意識決定を図る場とする。

Article 18 CEC-NEWCO Partnership Board

The CEC-NEWCO Partnership Board consists of two persons from NEWCO and three persons from CEC (two persons after six months from the effective date) whose role is to provide a forum for communication, discussion and decision-making in relation to the secondment services as better specified in Article 19.

第19条 (連絡調整)

甲及び乙は、出向者の次の事項に関し、CEC-NEWCO パートナーシップボードを通じて相互に連絡調整を図る。

(1) 甲から乙への連絡調整事項

- イ 出向者の履歴に関する事項
- ロ その他乙から求められた事項

(2) 乙から甲への連絡調整事項

- イ 出向者の乙における業務内容
- ロ 出向者の労働時間、休日及び休暇
- ハ 出向者の勤務状況
- ニ その他甲から求められた事項

Article 19 (Liaison and Coordination)

CEC and NEWCO shall mutually carry out liaison and coordination with respect to the following matters via the forum of the CEC-NEWCO Partnership Board:

- (1) Liaison and coordination matters from CEC to NEWCO:
 - (i) Matters concerning Secondee's career; and
 - (ii) Other matters requested by NEWCO.
- (2) Liaison and coordination matters from NEWCO to CEC
 - (i) Secondee's business operation at NEWCO;
 - (ii) Secondee's working hours, holiday and leave;
 - (iii) Secondee's working conditions; and

(iv) Other matters requested by CEC.

第 20 条 (二重出向の禁止)

乙は、出向社員を乙の関連会社等へ二重出向させてはならない。

Article 20 (Prohibition of Double Secondment)

NEWCO shall not further second Secondee to NEWCO's affiliates.

第 21 条 (疑義の解決)

本契約に関し疑義が生じたとき、また、本契約に定めのない事項については、CEC-NEWCO パートナーシップボードを通じて、甲乙各協議の上、解決する。

Article 21 (Solution of Questions)

If questions arise in relation to this agreement, or with respect to matters not provided in this agreement, CEC and NEWCO shall consult with each other and solve such questions or matters. via the forum of the CEC-NEWCO Partnership Board

第 22 条 (有効期間)

本契約の有効期間は、契約書の締結の日から第 2 条の出向期間までとする。

Article 22 (Effective Term)

The effective term of this agreement shall be from the execution day of this agreement to the expiration day of the term of secondment provided in Article 2.

第 23 条 (契約の解除)

本契約の有効期間中であっても、甲乙協議のうえ、甲又は乙が解約を希望する日の 6 カ月前までに書面により相手方に通告したときは、本契約を解除することができる。または、甲もしくは乙による本契約の不履行の際は、もう一方側は 書面による解除の通知を行うことができる。どちらの場合においても、解除通知は、CEC-NEWCO パートナーシップボードでの協議を経てのち行うものとする。

Article 23 (Termination)

NEWCO may terminate this agreement with six (6) months prior written notice. In circumstances of failure of either CEC or NEWCO to comply with the terms of this agreement, the other party may send a written notice of termination. In any event of termination (both for convenience and default) the intention of the parties to terminate the agreement shall be previously discussed at the CEC-NEWCO Partnership Board.

2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.

By: _____

Name: ダニーロ・パリーニ Danilo Parini

Title: 代表取締役 CEO Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By:  _____

Name: アレックス ロイド Alex Lloyd

Title: 代表取締役 Representative Director

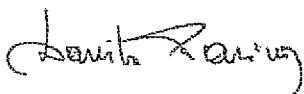
2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.



By: _____

Name: ダニエロ・パリーニ

Danilo Parini

Title: 代表取締役 CEO

Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By: _____

Name: アレックス ロイド

Alex Lloyd

Title: 代表取締役

Representative Director

出向契約書
Secondment Agreement

クロリンエンジニアズ株式会社(以下「甲」という)と CEC ウォーターテクノロジーズ株式会社(以下「乙」という)は、甲の社員(以下「出向者」という)を乙へ出向させる際の労働条件及び出向者の経費負担等に関し、次のとおり契約を締結する。

Chlorine Engineers Corp., Ltd. (hereinafter referred to as "CEC") and CEC Water Technologies, Ltd. (hereinafter referred to as "NEWCO") have entered into this Agreement in relation to, among others, employment conditions in respect of secondment of employee of CEC (hereinafter referred to as "Secondee") to NEWCO, and cost allocation as follows:

第1条(出向者)

甲は乙に対し次の者を出向させる。

出向社員の氏名 吉田 寛

Article 1 (Secondee)

CEC shall second the following employee to NEWCO.

Name of Secondee: Mr. Kan Yoshida

第2条(出向期間)

出向者の甲から乙への出向期間は、2012年7月1日から2015年6月30日までとする。

2 業務の必要性等により、前項の出向期間を延長または短縮する必要がある場合には、甲乙協議の上、延長または短縮することができる。

Article 2 (Term of Secondment)

The term of secondment for Secondee shall be from July 1, 2012 to June 30, 2015.

2 In case it is necessary to extend or shorten the foregoing secondment term due to the necessity of operation, the said term may be extended or shortened based on the negotiation between CEC and NEWCO.

第3条(勤続年数)

出向期間は、甲の勤続年数に通算する。

Article 3 (Term of Employment)

The term of secondment shall be counted in to the term of employment with CEC.

第4条(出向先会社名及び所在地)

出向先会社名及び所在地は、次のとおりとする。

会社名 CEC ウォーターテクノロジー株式会社
所在地 東京都中央区明石町 8-1 聖路加タワー35 階
勤務地 岡山県玉野市東高崎 24-6

Article 4 (Company Name receiving Secondee and Its Location)

The company name receiving Secondee and its location shall be as follows:

Company Name: CEC Water Technologies Ltd.

Registered Office address : 35th Floor St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo Japan

Secondee working location address: 24-6, Higashi-Takasaki, Tamano City, Okayama 706-0134, Japan

第 5 条 (身分)

甲は、出向者を休職 (社命休職) させ、乙の社員として出向させる。

Article 5 (Status)

CEC shall grant the Secondee a leave of absence (as CEC shall instruct) and have the Secondee seconded to NEWCO as an employee of NEWCO.

第 6 条 (勤務等)

出向者の就業時間、休憩時間、休日、休暇等の勤務に関する事項 (ただし、年次有給休暇を除く) は、乙の規定を適用する。

Article 6 (Duties and the like)

During the period of the secondment, Secondee shall take all work instructions from NEWCO including compliance with NEWCO defined work rules and policies. With respect to matters regarding Secondee's duties including working hour, time for recess, holiday, leave and the like (but excluding annual paid leave), the rules of NEWCO shall apply.

第 7 条 (時間外勤務)

乙は、業務上必要なときは、出向社員に対して時間外勤務を命令できる。

2 出向社員の時間外勤務(甲の規定における時間外勤務時間をいう。以下同じ。) の上限時間は、1 か月 45 時間とする。

3 出向社員が 1 か月 45 時間を超えて時間外勤務をするときは、あらかじめ甲に申し出て、その許可を受けなければならない。

Article 7 (Overtime Work)

NEWCO may instruct Secondee to work overtime, when necessary in its operation.

2 The maximum hours for overtime work of Secondee (within the meaning of overtime work for the purpose of the rules of CEC, hereinafter the same) shall be up to forty-five (45) hours per month.

3 When Secondee conducts overtime work which shall result in more than forty-five (45) hours per month, NEWCO shall notify CEC in advance and obtain the permission from CEC.

第 8 条 (時間外勤務手当等の負担)

時間外勤務手当および休日勤務手当については、甲の規定に基づいて算出し、その全額を甲が負担する。なお、第 10 条第 2 項に準じ乙がその全額を甲に支払う。

Article 8 (Responsibility for Overtime Work Allowance and the like)

Allowance for overtime work and holiday work shall be calculated in accordance with the rules of CEC and CEC shall bear all of such allowance which shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第 9 条 (年次有給休暇)

出向者の年次有給休暇は、甲の規定を適用する。

Article 9 (Annual Paid Leave)

With respect to annual paid leave, the rules of CEC shall apply.

第 10 条 (賃金及び賞与)

1 出向者の賃金及び賞与は、甲の規定により、甲が出向者に対し直接支給するものとする。ただし賞与については、その額について乙の確認を得た後、支給する。

2 乙は出向者の給与負担金として月額 631,898 円を甲に毎月末日に支払うものとし、出向者に付与される賞与その他合意した補償金、手当及び給付金については別途部度 支払うものとする。

Article 10 (Salary and Bonus)

1 Seconded's salary and bonus shall be paid directly from CEC to Seconded in accordance with the rules of CEC with bonus to be paid upon confirmation from NEWCO of the bonus amounts.

2 NEWCO shall pay to CEC JPY 631,898 per month on the last day of each month as basic salary contribution and separately any variable bonus and other agreed total compensation, benefits and entitlements due to the Seconded.

第 11 条 (社会保険の付保等)

出向者の健康保険、介護保険、厚生年金保険、厚生年金基金、雇用保険は、甲において継続加入の上、これらにかかる事業主負担保険料は前条第 2 項に準じ乙が甲に支払うものとする。

2 出向者の労働者災害補償保険は、乙において付保することとし、これにかかる保険料は乙が負担する。

Article 11 (Social Insurance and the like)

CEC shall continuously provide Seconded with health insurance, nursing-care insurance, employee's pension insurance, employee's pension fund and unemployment insurance. Employer's contributions in respect of premiums for these social insurances shall be paid from NEWCO to CEC in a manner set out in Paragraph 2 of the preceding Article.

2 NEWCO shall hold statutory worker's accident compensation insurance covering the Seconded and its premium shall be borne by NEWCO.

第 12 条 (内規に基づく災害補償)

出向者に対する災害補償については、甲の内規の基準により甲が支給し、10 条第 2 項に準じ乙が甲に支払うものとする。

Article 12 (Accident Compensation Additional Benefits under CEC policy)

Accident compensations for Seconded payable in accordance with the policies of CEC shall be paid by CEC and shall be reimbursed by NEWCO in a manner set out in Paragraph 2 of the Article 10...

第 13 条 (出向期間中の費用)

乙の業務命令に伴って発生する出張旅費等の諸費用は、乙の規定に基づき乙が出向者に対し直接支給する。

2 通勤に必要な費用は、甲の規定に基づき甲が出向者に対し直接支給する。ただし、乙は第 10 条第 2 項に準じ甲にその金額を支払う。

Article 13 (Costs and Expenses during the Term of Secondment)

Costs and expenses such as travel expenses incurred in connection with NEWCO's business instructions shall be paid directly from NEWCO to Seconded in accordance with the rules of NEWCO.

2 Commutation costs shall be paid directly from CEC to Secondee in accordance with the rules of CEC at the time of Secondment and shall be reimbursed by NEWCO to CEC in a manner set out in Paragraph 2 of the Article 10.

第 14 条 (出向及び復帰に係る旅費)

出向者の出向に伴う配置先までの旅費及び復帰に伴う甲までの旅費は、甲が甲の定める規定により負担し、出向者に支給する。

Article 14 (Travel Expenses for Secondment and Reinstatement)

Travel expenses to NEWCO's location incurred by Secondee in relation to secondment and those to CEC's location incurred by Secondee in relation to reinstatement shall be borne by CEC in accordance with the rules of CEC and paid to Secondee from CEC.

第 15 条 (福利厚生)

出向者の福利厚生については、甲の規定を適用する。

Article 15 (Benefit Plan)

With respect to Secondee's benefit package, the rules of CEC shall apply.

第 16 条 (退職金)

出向者に対する出向期間に対応する退職金(退職一時金・年金)は、出向者が甲を退職する際、甲の規定に基づき、甲が出向期間を遡算して支給する。

2 甲の企業年金基金・企業年金に係る出向者の会社負担掛金は、乙が甲に支払うものとする。

Article 16 (Retirement Allowance)

When Secondee retires from CEC, Secondee's retirement allowances (retirement lump sum allowance and pension) corresponding to the term of secondment shall be paid from CEC to Secondee in accordance with the rules of CEC taking into account the term of secondment in the calculation of the overall years of service by Secondee.

2. Employer's contributions to CEC's company pension fund and pension plan for Secondee shall be paid from NEWCO to CEC.

第 17 条 (復帰)

乙は、次の各号のいずれかに該当する場合は、甲乙パートナーシップポードにおいてあらかじめ甲乙協議を行い、さらに (2)、(4)においては、甲の合意をもって、甲へ出向者を復帰させることができる。

- (1) 出向者が、乙の定める就業規則第 63 条に規定する解雇又は退職の事由に該当するとき。
- (2) 出向者が、特別な理由により復帰を希望し、その理由が妥当であると認められるとき。
- (3) 甲が、特別な理由により出向者の復帰を希望し、その理由が妥当であると認められるとき。
- (4) 乙が、出向者の低い業績成果又は通常業務の実行ができないことを理由に出向者の復帰を希望し、その理由が妥当であると認められるとき。
- (5) 出向者の受入れ目的が達成又は消滅したと認められるとき。

Article 17 (Reinstatement)

If any of the following events occurs, NEWCO may reinstate Secondee to CEC:

- (1) Secondee falls under any of causes for dismissal or termination set out in Article 63 of CEC's Employee Handbook (Shuugyou Kisoku);
- (2) Secondee desires to be reinstated for a special reason and such reason is considered reasonable by NEWCO;
- (3) CEC desires to reinstate Secondee for a special reason and such reason is considered reasonable by NEWCO;
- (4) NEWCO desires to reinstate Secondee for reasons of poor performance or inability to perform defined work duties to a reasonable standard; or
- (5) It is recognized that the purpose of secondment has been accomplished or diminished.

Any such proposed reinstatement listed in items (1) to (5) shall first be discussed at the CEC-NEWCO Partnership Board and agreed by CEC as respect to items (2) and (4).

第18条 (パートナーシップボード)

パートナーシップボードは、甲より3名(本契約締結後6ヶ月経過後は2名)、乙より2名の参加者により構成され、本契約19条に記されている項目に準じ、甲・乙間のコミュニケーション、意識決定を図る場とする。

Article 18 CEC-NEWCO Partnership Board

The CEC-NEWCO Partnership Board consists of two persons from NEWCO and three persons from CEC (two persons after six months from the effective date) whose role is to provide a forum for communication, discussion and decision-making in relation to the secondment services as better specified in Article 19.

第19条 (連絡調整)

甲及び乙は、出向者の次の事項に関し、CEC-NEWCO パートナーシップボードを通じて相互に連絡調整を図る。

- (1) 甲から乙への連絡調整事項
 - イ 出向者の履歴に関する事項
 - ロ その他乙から求められた事項
- (2) 乙から甲への連絡調整事項
 - イ 出向者の乙における業務内容
 - ロ 出向者の労働時間、休日及び休暇
 - ハ 出向者の勤務状況
 - ニ その他甲から求められた事項

Article 19 (Liaison and Coordination)

CEC and NEWCO shall mutually carry out liaison and coordination with respect to the following matters via the forum of the CEC-NEWCO Partnership Board:

- (1) Liaison and coordination matters from CEC to NEWCO:
 - (i) Matters concerning Secondee's career; and
 - (ii) Other matters requested by NEWCO.
- (2) Liaison and coordination matters from NEWCO to CEC
 - (i) Secondee's business operation at NEWCO;
 - (ii) Secondee's working hours, holiday and leave;
 - (iii) Secondee's working conditions; and

(iv) Other matters requested by CEC.

第 20 条 (二重出向の禁止)

乙は、出向社員を乙の関連会社等へ二重出向させてはならない。

Article 20 (Prohibition of Double Secondment)

NEWCO shall not further second Secondee to NEWCO's affiliates.

第 21 条 (疑義の解決)

本契約に関し疑義が生じたとき、また、本契約に定めのない事項については、CEC-NEWCO パートナーシップボードを通じて、甲乙各協議の上、解決する。

Article 21 (Solution of Questions)

If questions arise in relation to this agreement, or with respect to matters not provided in this agreement, CEC and NEWCO shall consult with each other and solve such questions or matters, via the forum of the CEC-NEWCO Partnership Board

第 22 条 (有効期間)

本契約の有効期間は、契約書の締結の日から第 2 条の出向期間までとする。

Article 22 (Effective Term)

The effective term of this agreement shall be from the execution day of this agreement to the expiration day of the term of secondment provided in Article 2.

第 23 条 (契約の解除)

本契約の有効期間中であっても、甲乙協議のうえ、甲又は乙が解約を希望する日の 6 カ月前までに書面により相手方に通告したときは、本契約を解除することができる。または、甲もしくは乙による本契約の不履行の際は、もう一方側は 書面による解除の通知を行うことができる。どちらの場合においても、解除通知は、CEC-NEWCO パートナーシップボードでの協議を経てのち行うものとする。

Article 23 (Termination)

NEWCO may terminate this agreement with six (6) months prior written notice. In circumstances of failure of either CEC or NEWCO to comply with the terms of this agreement, the other party may send a written notice of termination. In any event of termination (both for convenience and default) the intention of the parties to terminate the agreement shall be previously discussed at the CEC-NEWCO Partnership Board.

2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.


クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.

By: _____

Name: ダニーロ・ パリーニ Danilo Parini

Title: 代表取締役 CEO Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By: 

Name: アレックス ロイド Alex Lloyd

Title: 代表取締役 Representative Director

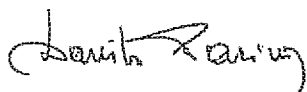
2012年6月30日

本契約締結の証として本書2通を作成し、甲乙記名・署名のうえ各1通を保有する。

June 30th, 2012

IN WITNESS WHEREOF, this secondment agreement has been duly executed on behalf of the Parties by their authorized representatives as of the date first above written.

クロリンエンジニアズ 株式会社
CHLORINE ENGINEERS CORP. LTD.



By: _____

Name: ダニエロ・パリーニ

Danilo Parini

Title: 代表取締役 CEO

Chief Executive Officer

CEC ウォーターテクノロジーズ 株式会社
CEC WATER TECHNOLOGIES LIMITED

By: _____

Name: アレックス ロイド

Alex Lloyd

Title: 代表取締役

Representative Director

SETTLEMENT LETTER



June 30, 2012

VIA ELECTRONIC MAIL

Mr. Stephane Bouvier
Director
Severn Trent Water Purifications, Inc.
580 Virginia Drive, Suite 300
Ft. Washington, PA 19034 (US)

Manager
Severn Trent De Nora, LLC
1110 Industrial Boulevard
Sugar Land, TX 77478 (US)

RE: *Industrie De Nora S.p.a. acquisition (the "Acquisition") of an interest in Chlorine Engineers Corp. Ltd. Of Tokyo, Japan ("CEC")*

Dear Mr. Bouvier,

Reference is made to the past correspondence on this subject matter in order to affirm our mutual understanding and agreement to fully, finally and completely, dispose of all matters in controversy and resolve any and all disputes, claims or potential claims between our respective companies which were or could have been raised therein. In the interest of continuing amicable and rewarding relationships, and in exchange for the consideration and promises set forth herein, we confirm our settlement agreement ("Agreement") by hereby mutually discharging and releasing one another as follows:

1. Severn Trent Water Purifications, Inc., on behalf of itself and its present and former parents, subsidiaries, officers, directors, shareholders, employees, agents, attorneys, representatives, insurers, predecessors, successors and assigns, (collectively "STWP") hereby releases and forever discharges Industrie De Nora S.p.a. ("IDN"), CEC and De Nora Tech, Inc. ("DNT"), as the case may be, from any and all claims and liabilities of any nature whatsoever that STWP had, has or may have against IDN and/or CEC and/or DNT arising from or in any way connected with each and every allegation, claim and liability (collectively the "Claims") that the Acquisition constitutes a material breach of Section 6.11(a) of the Amended and Restated Limited Liability Company Operating Agreement of Severn Trent De Nora, LLC dated as of March 31, 2002 (the "LLC Agreement") and any related breach of any implied duties of loyalty and good faith by IDN and/or DNT.
2. STWP hereby finally and unconditionally waives any right, action or remedy against IDN, CEC or DNT, as the case may be, in connection with the Claims including without limitation any buyout remedy of STWP to acquire DNT's entire 30% membership interest in Severn Trent De Nora, LLC under Section 3.05(a) of the LLC Agreement.

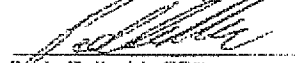
De Nora Tech, Inc. - 7590 Discovery Lane, Concord, OH 44077
ph +1 440 710 5300 - fax +1 440 710 5301 - web www.denoratech.com

Mr. Stephane Bouvier
June 30, 2012
Page 2

3. It is agreed that the terms, as specified in items 1 and 2 herein, reflects our understanding and agreement only and specifically with respect to the Claims. Unless specifically stated otherwise above, nothing contained herein or through our course of dealings in connection with the Claims shall be deemed to modify the respective rights and obligations of STWP and DNT under the LLC Agreement.
4. In executing this Agreement, it is our mutual and respective intent that except as expressly provided elsewhere herein, it shall be effective as a full and final accord and satisfaction and release by all our companies of the past correspondence in respect to the subject matter contained herein.
5. Nothing in this Agreement shall constitute or be construed as an admission on behalf of any of our companies as to the validity of any claim, defenses, or allegations made with respect to the obligations, responsibilities, warranties or promises contained in this Agreement.

If this letter accurately reflects the understanding and settlement agreement of our respective companies to be bound by the terms specified herein, please sign below and return an executed copy of this letter to me.

Industrie De Nora S.p.A.



Fabio Dellacchi, CEO
Director - De Nora Tech, Inc.

AGREED TO AND ACCEPTED BY:

SEVERN TRENT WATER PURIFICATIONS, INC.

By: _____
Stephane Bouvier, Director
Dated: June 30, 2012

SEVERN TRENT DE NORA LLC

By: _____
Stephane Bouvier, Manager
Dated: June 30, 2012

3. It is agreed that the terms, as specified in items 1 and 2 herein, reflects our understanding and agreement only and specifically with respect to the Claims. Unless specifically stated otherwise above, nothing contained herein or through our course of dealings in connection with the Claims shall be deemed to modify the respective rights and obligations of STWP and DNT under the LLC Agreement.
4. In executing this Agreement, it is our mutual and respective intent that except as expressly provided elsewhere herein, it shall be effective as a full and final accord and satisfaction and release by all our companies of the past correspondence in respect to the subject matter contained herein.
5. Nothing in this Agreement shall constitute or be construed as an admission on behalf of any of our companies as to the validity of any claim, defenses, or allegations made with respect to the obligations, responsibilities, warranties or promises contained in this Agreement.


If this letter accurately reflects the understanding and settlement agreement of our respective companies to be bound by the terms specified herein, please sign below and return an executed copy of this letter to me.

Industrie De Nora S.p.A.

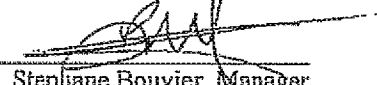
Paolo Dellachà, CEO
Director - De Nora Tech, Inc.

AGREED TO AND ACCEPTED BY:

SEVERN TRENT WATER PURIFICATIONS, INC.

By: 
Stephane Bouvier, Director
Dated: June 30, 2012

SEVERN TRENT DE NORA LLC

By: 
Stephane Bouvier, Manager
Dated: June 30, 2012