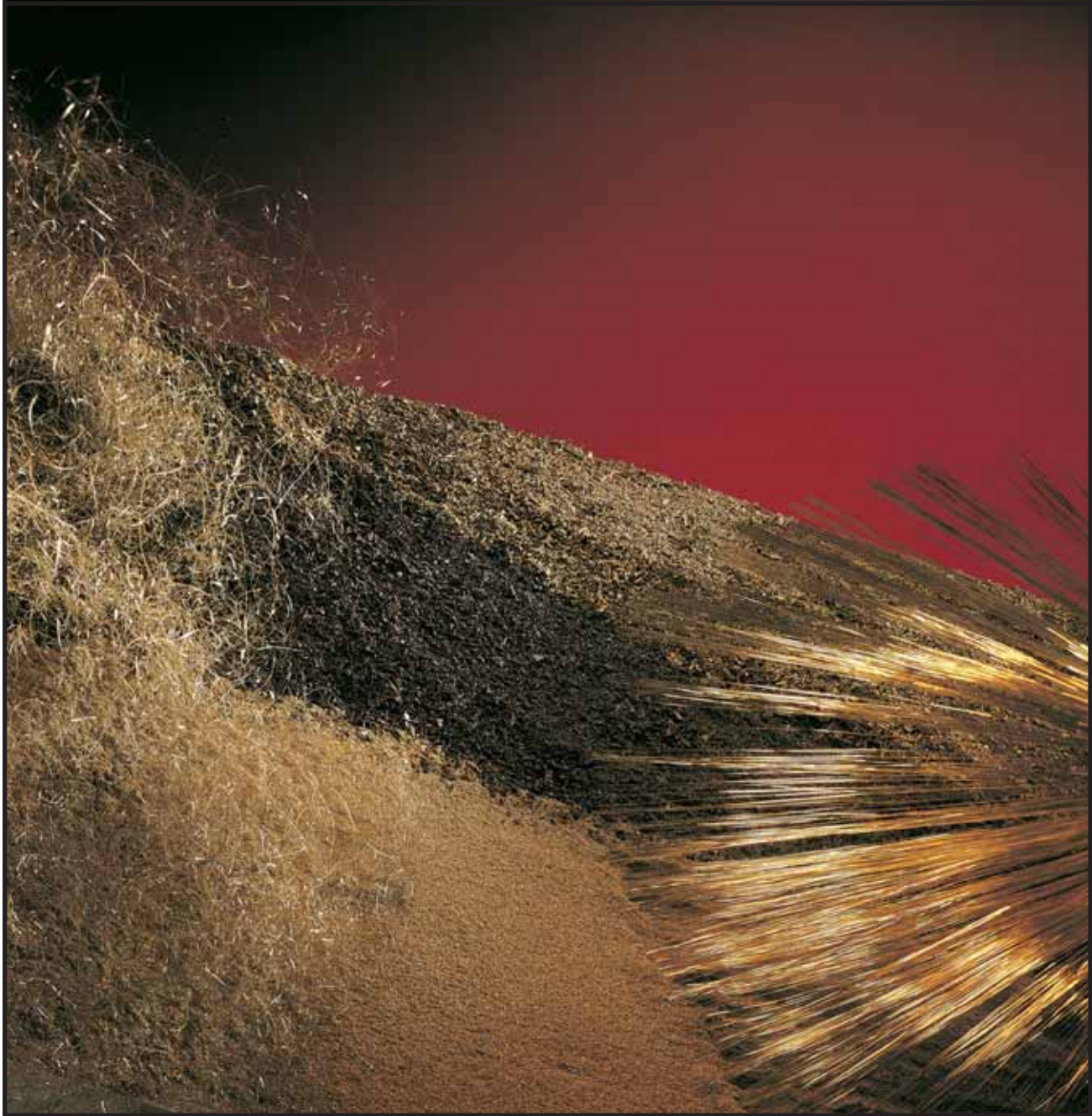


KDF® Process Media

Co-op Advertising Policy



FLUID TREATMENT, INC.
Solutions for economical clean water™



Co-op Advertising Policy

KDF Fluid Treatment, Inc. ("KDF") offers to provide financial assistance, in the form of credits issued on a customer's account, for sales promotions performed by its customers under the following terms and conditions:

1. Prior written approval

Prior written approval is required before the promotion and KDF will be the sole judge as to the suitability of any promotion to qualify for assistance. KDF will attempt to confirm requests for pre-approval within 3 to 5 business days.

Any customer seeking to receive assistance for a promotion must submit a proposal containing a complete description of the promotion including such details as participants media, layout, artwork, copy, frequency and durations, rates, total costs, etc.

2. Basis for approval

KDF approval and participation will be evaluated from the standpoint of the proposed promotion's effectiveness in selling KDF® media. KDF will not participate in any promotions for which the customer has failed to obtain prior written approval. Advertising must be clearly focused on the promotion of KDF products for resale use and not to promote any particular product for which the distributor is the original equipment manufacturer.

3. Allowance

The amount of financial assistance that KDF will provide is based upon a customer's allowance. An allowance will be calculated on

the net invoice value of all KDF media shipped to a customer between May 1 and the following April 30 and will be available for local sales promotions during the following year provided such promotions are approved in advance by KDF. The amount of the allowance will be determined on the following basis:

2% of the net invoice value of all KDF media shipped to customer, provided the customer has paid all invoices.

The maximum amount of KDF's participation under the Co-op Advertising Policy is limited to twenty-five (25%) of the cost of the promotion.

In multi-product promotions, KDF's participation will be limited to the portion of the promotion featuring KDF process media.

Example: After receiving written prior approval, ABC Company places an ad in a publication. One half of the ad features KDF media. The publication billing along with a copy of the ad is forwarded to KDF. KDF's participation would be 50% of one-quarter of the cost of the ad insertion.

Allowances will be in the form of credits issued and will not be made in excess of the accrued allowance for the previous 12 month period. Allowances are not transferable from one company to another. Allowances will not be cumulative from year to year.

A minimum of 60 days should be allowed for the processing of any individual claim for a credit under this policy.



4. Coverage

While adequate funds are available in the customers' allowance, Co-op Advertising will be extended to:

A) Any promotion which has received KDF's prior written approval and been carried out in accordance with the terms of that approval, and

B) Advertising and promotional preparation, i.e. artwork, mechanical preparation, etc.

Note: The following list of promotions and related promotional expenses ARE NOT included in the Co-op Advertising Policy; taxes, postage for direct mail promotions, prizes and awards for incentive programs and sales contests (printing and production costs can qualify if KDF is featured in the prepared materials, depending upon % of KDF space), "goodwill," congratulatory or complimentary advertising.

5. Pricing

KDF does not have suggested resale prices for its products. Any prices specified in promotions are discretionary with and the sole responsibility of the local sponsor. Approval of any promotion by KDF is entirely without regard to prices, and KDF expressly disclaims approval of or responsibility for any such prices.

6. Credit Procedure

Requests for credits are to be submitted to:

D. K. Heskett-Al-Kharusy
V. P. Director of Marketing
Co-op Dept.
KDF Fluid Treatment, Inc.
1500 KDF Drive
Three Rivers, MI 49093-9287
dalkharusy@kdfft.com

Requests for credits must contain the information required in paragraph 1. Customers are responsible for orderly and proper submission of all advertising materials pertaining to claims.

The claim must include all receipted media invoices. In addition, the claims must provide proof of performance such as tear sheets, photographs of exhibits or displays with affidavits of performance.

Itemized invoices must be furnished to KDF.

Requests for credits must be submitted not later than sixty (60) days after completion of a promotion.

7. Termination

Any abuse of this program may disqualify an account from participation. KDF may terminate or change this program anytime. KDF reserves the right to refuse to provide, or terminate immediately, assistance for any promotion at any time.



Writing Successful Ads or Brochures

The following guidelines for high-performing advertisements and brochures were adapted from a column in *Business Marketing* magazine, called the Copy Chasers. While the list was specifically written about advertisements, you can apply these guidelines to improve any type of marketing communications.

1. The successful ad is visually appealing

Only a small number of ads in an issue of a magazine will capture the attention of any one reader. Some ads will be passed by because the subject matter isn't relevant to the reader. But others, even though they may have something to offer, fail the very first test of stopping the reader as he scans the pages. And a prospect has to notice your ad before he will read it and learn about your product and your company.

Ads perish right at the start because, at one extreme, they just lie there on the page, flat and gray, and at the other extreme, they are cluttered and noisy and hard to read. The more pertinent the picture, the more arresting the headline, the more informative and relevant to your audience the copy appears to be, the better.

2. The successful ad selects the right audience

Often, an ad is the first meeting place of two parties looking for each other. So there should be something in the ad that will quickly identify it as a source of information relating to *the reader's* job interest—a problem he has or an opportunity he will welcome. The picture and headline should say to him, right away, "Hey, this is for you."

3. The successful ad promises a reward and backs it up

Even after you've attracted your reader's attention, your work isn't done. An ad does its job only if the reader is given good reason to expect that if he continues, he will learn something of value. A brag-and-boast headline, an unsupported generalization, or an advertising platitude will turn him off before he gets into the message.

The reward that the ad offers can be explicit or implicit, and can even be stated negatively, as a warning of a possible loss. Sometimes, a description of the product's design or operating characteristics will be enough to support the claim. Comparisons with competition can be convincing.

Case histories make the reward appear attainable. Best of all are testimonials; "They say" advertising carries more weight than "We say" advertising. The promise should be specific. The headline "Less maintenance cost" is not as effective as "Cut maintenance costs 25%."



4. The successful ad presents the selling proposition in logical sequence

Organize the ad or brochure so that there is an unmistakable entry point and then guide the reader through the material in a sequence consistent with the logical development of the selling proposition.

5. The successful ad talks “person-to-person”

Much industrial advertising, unlike the advertising of consumer goods, is one company talking to another company—or even to an entire industry. But copy is more persuasive when it speaks to the reader as an individual—as if it were one friend telling another friend about a good thing.

First, of course, the terms should be the terms of the reader’s business, not the advertiser’s business. But more than that, the writing style should be simple: short words, short sentences, short paragraphs, active rather than passive voice, no advertising clichés. Frequent use of the personal pronoun you.

6. Successful ads emphasize the service, not the source

Many industrial advertisers insist that the company name or logo be the biggest thing in the ad, that the company name appear in the headline, that it be set in boldface wherever it appears in the copy. An ad should make the reader want to buy—or at least consider buying—before telling him *where* to buy it.

7. Successful ads reflect the company’s character

A company’s advertising represents the best opportunity it has—better than the sales force—to portray the company’s personality. A messy ad implies a messy company. A brag-and-boast ad suggests the company is *maker-oriented*, not *user-oriented*. A dull-looking ad raises the possibility that the company has nothing to get excited about, is behind the times, is slowing down.



Trademark Use Guidelines

A trademark is a symbol that represents the quality, performance, and reputation of the company that owns and uses it. A trademark identifies a product as coming from one particular source. A trademark also assures consistency of quality. Consumers know that every product sold under a trademark is of like quality, whether the quality is low or high.

Each advertisement, press release, magazine article, label, brochure, or technical paper can strengthen the value of our trademark or weaken it. Improper use, even if it is innocent or seems minor, can eventually erode the value of our trademarks. In the worst case, the cumulative effect of improper trademark use is the loss of the trademark's protected status.

As an important part of our communications, our trademark must be used correctly to protect its value.

A trade name is any individual name, surname or firm name used to identify a business, vocation, or occupation. The terms trade name and trademark are not interchangeable, although a word can often be both. In fact, "KDF" is used as both a trade name when it's part of KDF Fluid Treatment, Inc. and as a trademark when it's used as KDF[®] 55 medium.

Patents provide a limited-life monopoly in the exclusive right to use or practice the protected technology. A trademark, however, can last forever, as long as it meets the legal requirements established by trademark law. The guidelines that follow will help you protect our trade name and trademark with correct use. Please follow these rules in any materials you publish that refer to our company or products.

Rules of proper trademark use

Use the mark distinctively in type: KDF should always be in all capital letters.

Use the mark as a proper adjective: Using a trademark as a common noun is the most common error of use. "Please hand me a Kleenex." "Would you like some Jell-O?" being classic examples. Instead, use the mark as an adjective. That is, associate the mark with the appropriate generic, descriptive, or chemical name of the product. (As in KDF[®] 55 redox alloy medium.) Do this at least once per major sub-topic heading in advertisements, brochures, feature or technical articles, published reports, and news releases. Photo or illustration captions should also use the trademark in its complete form because that may be all that some members of the audience read.

Do not use a trademark as a verb: You should never "KDF that water."

Do not change a trademark's form: Don't hyphenate or add periods, such as K.D.F..

Do not use a trademark in possessive form: Don't say "KDF's properties." Rather, refer to the properties of KDF media.

Do not use a trademark to modify or describe any words other than the appropriate generic, descriptive, or chemical name: It would be correct to refer to a tank of KDF medium, not to a KDF tank.



Use the ® for the first reference per page in any headline and the first reference in body copy: KDF medium is a federally registered trademark and therefore correctly carries the "circle R." There is no need to include the symbol in every text reference, but it should be included in every use of the logo. Also use the ® for the first reference in any section of a printed piece that may be photocopied and used separately from the original document, such as a system diagram or a performance table.

While we're on the subject of proper use...

Let's take a moment to discuss the use of the word "medium." "Medium" is singular. Use it to refer to just one type of filtering material, such as KDF® 85 redox alloy medium. "Media" is plural. Use it to refer to more than one type of filtering material, such as the complete line of KDF redox alloy media. And, since media is already plural, the term "medias" is incorrect.

We appreciate your cooperation

Keeping KDF Fluid Treatment's trademark distinctive and strong will help all of us emphasize the unique features and benefits of our products and their applications, so we appreciate your careful adherence to the above guidelines.

Selling KDF® Process Media

Points to Emphasize:

There are a number of important facts you can explain to customers.

- KDF® media are very cost effective
- KDF media reduce maintenance costs
- KDF media dramatically extend the life of complimentary media, including granular activated carbon and resins
- KDF media are 100% recyclable — very important in industrial applications and lowers the total cost of the application
- KDF media contain no chemical additives — an ever-growing positive
- Fast delivery — product will be rolling within 48 hours
- Technical support — our 1-800 number gives the customer immediate access to our lab technicians
- KDF media effectively remove chlorine and soluble heavy metals from water, as well as control microorganisms
- KDF media require no EPA registration — unlike silver-impregnated GAC

KDF® Process Media Government/Agency Approvals

- U.S. Patents 4,642,192; 5,122,274; 5,135,654; 5,269,932; 5,198,118; 5,275,737; 5,314,623; 5,415,770; 5,433,856; 5,510,034; 5,599,454; 5,833,859; 5,837,134; 5,951,869 and 6,197,204 and foreign counterparts.
Other U.S. and foreign patents pending.
 - NSF Certification — and ANSI/NSF Standard 61 — Standard 42 — Drinking Water Treatment Units — Aesthetic Effects — Drinking Water System Components — Health Effects 3/6/92 and 6/16/92
 - U.S. E.P.A. ruling as a “Pesticidal Device” — 8/21/92
 - “U.K. WFBS Listed” by the WRAS. Listed for “Items which have passed full test of effect on water quality.” Listing number 5172 — 11/5/91
 - D.W.I. Approval
KDF media have been approved for use in the treatment of water for public supply under the “Water Act 1989; Section 53 Water Supply (Water Quality) Regulations 1989; 25 (1) a” — 8/12/91
 - The Scottish Office; Environmental Department
KDF media have been approved for use in the treatment of water for public supply under the “Water (Scotland) Act, 1980 Part VI.A” and “Water Supply (Water Quality), (Scotland) Regulations 1990; 25 (1) a” — 8/23/91
 - State of New Jersey Department of Environmental Protection & Energy (Div. of publicly funded site remediation) tested and the only medium approved for removal of mercury from well water — 9/92
 - RvC, Dutch Council for Certification
- Note: Copies available upon request.



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Fax: 1-800-533-3584 • 269-273-4400
E-mail: info@kdfft.com
Web address: www.kdfft.com



This Reduction Oxidation Media is Tested and Certified by NSF International against NSF/ANSI Standard 42 for material requirements only.



This Reduction Oxidation Media is Tested and Certified by NSF International against NSF/ANSI Standard 61 for material requirements only.



NOTICE: As of February 2004, KDF Fluid Treatment believes the data herein are reliable and accurate. The data are based on outside and internal laboratory tests. Due to varying water chemistry, it is recommended that users test performance on their own equipment. As technical assistance is furnished by KDF Fluid Treatment at no charge to the user and since KDF Fluid Treatment has no control over engineering of hardware incorporating the KDF® media, KDF Fluid Treatment assumes no liability or responsibility for such assistance. Due to synthetic procedures used by outside laboratories, KDF Fluid Treatment is not responsible for differing results in the field. KDF Fluid Treatment assumes no responsibility for user claims on the pesticidal abilities of KDF media because of varying water chemistry and users' applications. Since governmental regulations may differ from one location to another and may change from time to time, KDF Fluid Treatment is not responsible for users' manufacturing procedures, disposal practices, selection of media, or claims or advertising by the user. No warranty, express or implied is given nor is freedom from any patent owned by KDF Fluid Treatment or others to be inferred.