

CORPORATE SOCIAL RESPONSIBILITY PROGRAM

Life Water Systems



CORPORATE SOCIAL RESPONSIBILITY

Aquafor is dedicated to “corporate social responsibility.” Corporate social responsibility (“CSR”) is a management concept whereby companies integrate social and environmental concerns into their business operations and interactions with their stakeholders and communities. In the international business environment, stakeholders include communities of all types and parameters, in all parts of the world, but particularly developing countries.

Aquafor, as many other corporations, has made a significant commitment to CSR. But by reason of Aquafor’s particular business plan, products and services, it is uniquely positioned to not only serve its CSR objectives, but to also assist other corporations to leverage their own CSR resources.

THE AQUAFOR CSR PROGRAM

Aquafor has developed a CSR program by which corporate donors are invited to make CSR contributions into “Valley Foundation,” an Oklahoma 501(c)(3) non-profit corporation. Valley will utilize contributed funds for the purchase of water systems from Aquafor, which will have been manufactured to meet the particular needs of underdeveloped countries.

FINANCING

Currently, each Borelite water system can be supplied to Valley at a turnkey, all-in price of \$65,000. Under the Program, each \$5,000 which is contributed will be applied towards the purchase of one water system. Thus, a total of 13 contributions at \$5,000 each will be aggregated for each \$65,000 system. The minimum corporate donor contribution will be \$100,000, resulting in each donor participating in the purchase of at least 20 systems. If a corporate donor contributes in excess of \$100,000,

each additional \$5,000 will fund 1/13th of an additional system. By aggregating donor contributions in this way, each donor can effectively leverage its contribution into a number of systems and make a dramatic CSR statement.

The Aquafor CSR Program is believed to be a novel approach to philanthropy. Understandably, private financing institutions will be cautious. In the event that conventional financing is difficult to obtain, Aquafor will turn to the bi-lateral and multilateral funding agencies. These agencies function to assist financing of worthy projects in developing countries. They may be regional, country-specific, industry-specific, etc. But typically their principal purpose is to finance worthwhile projects. Examples include the IDB, OPIC, the World Bank, the IFC, redevelopment banks, etc. For the right projects, these agencies provide an excellent financing avenue. The Aquafor CSR Program should not only meet the financing parameters of these types of agencies, but be embraced as a flagship concept. Aquafor is currently in substantive discussions with several of the agencies to present the program. It is optimistic that funding can be obtained, either in addition to or in place of conventional private lending institution financing.

WATER SYSTEMS

A word about water systems. Water is the essence of life. It is usually the first and most basic need for all living things. Many of the developing countries around the world face constant drought and water problems. So water systems are usually a very high priority in these countries.

Notably, the water technology is very simple and manageable. Host country workers can learn to construct and operate the equipment quickly, with very limited training time and expense. Significantly, the possibility exists for simple cottage industries to develop around the introduction of water systems. Wells must be drilled, equipment must be installed and repaired, and water must be managed and transported. Borelite water systems and technology may well spawn these types of business activities in the host country, resulting in an added infrastructure benefit. Instead of just providing a product or service, the Aquafor CSR Program will be providing business stimulation having much greater social and economic value. Clearly, the Program fosters core CSR values which makes it particularly appealing to CSR corporate candidates.

BORELITE MANUFACTURING

As indicated, Borelite Manufacturing, LLC, is an Aquafor affiliate. It has developed a proprietary mobile well-drilling system which has been specially designed for drilling operations in remote locations which are difficult to access with conventional large-scale drilling equipment. The primary target markets will be emerging and developing countries with limited resources and a critical need for water. In many such regions, the population is widespread in back-country towns and villages which face a constant challenge to secure adequate safe and clean potable water. Often, a whole village will have to constantly face the prospect of moving from location to location just in search of enough water to survive.

Sustaining life is the objective; the Borelite water system provides the solution.