

**Standard Terms and Conditions
Procurement of Services**

1. **ACCEPTANCE AND COMPLETE AGREEMENT.** The parties agree that these Standard Terms and Conditions are the exclusive and complete terms and conditions accompanying any accepted purchase order issued by H₂O Innovation Inc. and/or any of its affiliates (“**PO**”). No other terms and conditions will be deemed relevant to explain or supplement these Standard Terms and Conditions whether oral, written, based on usage of trade, or course of dealing or performance. In case of contradiction between the terms and conditions stated on the PO and these Standard Terms and Conditions, the terms and conditions stated on the PO shall prevail. For the purposes of these Standard Terms and Conditions, “affiliates” include, without limitation, H₂O Innovation USA, Inc., Piedmont Pacific Corporation, Piedmont Pacific Inc., Utility Partners, LLC, Professional Water Technologies, LLC, H₂O Operation and Maintenance Inc. and Hays Utility South Corporation.

2. **SCOPE.** These Standard Terms and Conditions shall apply to all transactions between the parties for the performance of the services detailed in the PO. The provider of the services (“**Provider**”) agrees to provide to H₂O Innovation Inc. and/or any of its affiliates (“**Buyer**”) services detailed in the PO (“**Work**”). Provider shall not deviate from the specifications or requirements of the Work, as such have been provided by Buyer. Once the Work is completed, Provider shall furnish to Buyer a written report on the Work done and shall not communicate directly with Buyer’s customer or end-user unless Buyer provides its prior written consent.

3. **COMPENSATION AND PAYMENT.** Buyer shall pay the Provider for the Work in accordance with the fees and the payment terms detailed in the PO. Unless otherwise determined in the PO, payment terms are net sixty (60) days from receipt by Buyer of Provider’s invoice.

4. **PERFORMANCE OF WORK.** The Provider will perform the Work to the full satisfaction of Buyer, and/or its customer or end-user as the case may be, in a professional manner, in accordance with good engineering, safety and industry practices and with that degree of care, skill and diligence normal in performing services or work of a similar nature. Provider shall perform, complete and deliver the Work in accordance with the date specified in the PO. Provider is responsible for and has control over the methods and means of performing the Work. Except with the prior written consent of Buyer, Provider is not authorized to employ any third party to perform the Work (“**Subcontractors**”). Performance of the Work by a Subcontractor shall remain under the Provider’s supervision and responsibility.

5. **INSPECTION AND LABOUR.** BUYER reserves the right to inspect the Work at any time during its performance, wherever the Work is performed. Foreign workers, including expatriate staff employed by Provider and/or any of its Subcontractors, must be in possession of valid work permits, appropriate medical clearance, immigration and tax clearance, and any permission that may be required for them to work on the site where the Work is required. Provider shall require that all such workers comply with this requirement at all times during the performance of the Work.

6. **PROVIDER’S RESPONSIBILITIES.** Provider shall (i) designate a person to act with authority on the Provider’s behalf with respect to all aspects of the PO, and (ii) furnish to Buyer all relevant information or data regarding the Work. Except as otherwise clearly mentioned by Provider in a written notice, Buyer shall be entitled to rely upon the accuracy and completeness of any and all information, data, services and facilities furnished by the Provider with respect to the Work.

7. **COMPLIANCE WITH LAWS.** Provider warrants that Work complies with all applicable laws, regulations and industrial practices. Provider’s liability through any noncompliance shall be limited to the cost of re-perform the Work after receipt of a written notice of noncompliance from Buyer. Each of the parties shall comply with anti-corruption laws pertaining to bribery, extortion, kickbacks or other unlawful or improper means of obtaining business whether directly or indirectly.

8. **WARRANTY.** The Work is warranted to be free from defects or deficiencies for a period of twelve (12) months from the date of its completion. In the event a notice of defect is given by Buyer, Provider shall rectify, correct or re-perform the Work at Provider’s sole expense including, without limitation, transportation, labor, and other related costs, or, at Buyer’s option, refund Buyer the purchase price allocable to the nonconforming portion of the Work. The warranty with respect to any rectified or corrected Work shall be equal in duration to the initial warranty period and shall run from the date of rectification or correction. PROVIDER DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, SUCH AS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE.

9. **INDEMNIFICATION.** Provider hereby indemnifies and saves Buyer harmless from any and all claims, demands or causes of action of every kind and nature, regardless of whether in law or in equity, arising out of or related to the Work or to the PO, including, but not limited to, personal injury, death, loss of use, or property damage (including the Work itself) resulting from the misconduct, fault, negligence or failure to act of the Provider or of those for whom it is responsible in the course of performing the Work. Except for liabilities attributable to personal injury or death, the indemnification obligation of the Provider shall be limited to its insurance coverage limits or to the value of the PO, whichever is greater.

10. **PROVIDER BREACH.** Notwithstanding anything contained in the PO, where Provider fails to deliver or complete the Work as per the date specified in the PO or breaches any provision of the PO, Provider shall be responsible for any delay in the performance of the Work, or breaches of any provision of the PO and shall compensate Buyer for any of its direct costs, damages and expenses in relation to such delays or breaches.

11. **CONSEQUENTIAL DAMAGES.** In no event shall either party be liable for consequential, special, incidental or indirect damages, including, without limitation, loss of revenue, profits or use.

12. **INSURANCE.** Provider shall obtain at its own expense and maintain in force, during the performance of the Work, all sufficient insurance for the type of work to be performed, including, without limitation, commercial general liability, workers compensation, employer’s liability, automobile liability and professional liability insurance. Proof of insurance shall be provided by Provider to Buyer upon request. Buyer shall be named as additional insured and shall be notified in case of cancellation of the Provider’s insurance coverage. A waiver of subrogation provision shall also be provided for relevant insurance policies. In the event Provider engages Subcontractors to perform the Work, Provider shall ensure that Subcontractors maintain proper insurance coverages.

13. **HEALTH AND SAFETY.** Provider shall at all times conduct its operations under the PO in a manner to avoid the risk of endangerment to health and bodily harm to persons. Provider shall comply with all applicable health and safety local laws and regulations and, if required, by end-user’s safety recommendations as provided from time to time. Provider shall furnish all safety equipment and instructions required for the Work. Provider shall immediately report to Buyer any death, health issue or injury incurred or caused by Provider’s employees and/or employees of its Subcontractors. Provider’s failure to satisfactorily correct any unsafe conditions after notice thereof shall be grounds for Buyer to suspend the Work until unsafe conditions are rendered safe and, if the violation continues, for termination by Buyer of the PO. In such an event, Provider will be responsible for any damages in relation with such violation and termination.

14. **PROPERTY DAMAGES.** Provider shall protect the property or the site where the Work is executed from damage which may arise as a result of Provider’s operations or operations of its Subcontractors. Should the Provider’s operations or the operations of its Subcontractors cause damage to the property or site where the Work is performed, the Provider shall immediately report

such damages to Buyer and be responsible for making good such damage at its own expense. Furthermore, Provider shall, at all time, conduct operations under the PO in a manner to avoid risk of loss, theft, or damage by vandalism, sabotage or any other means to any equipment, material, work or property.

15. **TERMINATION.** (1) Buyer shall have the right to cancel the PO and any or all other orders or contracts between the parties, at no cost, in the following events: (i) Provider is adjudged bankrupt, or a receiver is appointed on account of its insolvency or it enters into an arrangement for the benefit of its creditors, (ii) Provider fails to perform or comply with any term, condition or covenant of the PO, or (iii) Provider persistently fails to perform, complete or deliver the Work as required by the PO. (2) In the event of termination of Buyer’s contract with its customer or end-user, Buyer may terminate the PO, including any or all other orders or contracts between the parties, and, in such circumstances, shall pay Provider for the Work performed prior to the date of termination. In addition, Provider shall be compensated for all reasonable direct costs incurred by it as a result of such termination, provided however that in no event shall the compensation exceed the cost of the PO. It being understood and expressly agreed by Provider that payment of such compensation by Buyer’s customer or end-user shall be a condition precedent to Buyer’s obligation to compensate the Provider in case of termination. (3) Buyer may, at any time and for any reason, by giving the Provider seven (7) days’ written notice, cancel the PO and any or all other orders or contracts between the parties; provided however that Provider shall receive compensation for the work done up until the issuance of the termination notice.

16. **FORCE MAJEURE.** Neither party shall be responsible for delays or failures in performance resulting from events or circumstances beyond the control of such party; provided however that notice shall be given in a timely manner to the other party upon the occurrence of such Force Majeure events. Force Majeure events shall include, without limitations, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental acts or regulations, fires, communication line failures, power failures and earthquakes.

17. **CONFIDENTIALITY.** Provider agrees and undertakes to maintain Buyer’s confidential information as well as that of its customer or end-user (“**Confidential Information**”) in strict confidence, not to disclose it to others, and to only use it in connection with the Work to be provided under the PO. Provider will not copy or reproduce any written or printed materials or drawings provided by Buyer. Provider agrees to immediately return all Confidential Information to Buyer upon request. Provider acknowledges that a remedy at law for any breach or attempted breach of this Section will result in harm to Buyer, to its customer or to its end-user for which monetary damages alone will not be adequate. Provider covenants and agrees that neither it nor any of its affiliates will oppose any demand for specific performance and injunctive and other equitable relief in case of any such breach or attempted breach. The obligations of confidentiality shall continue for the term of the PO and shall survive indefinitely thereafter.

18. **OWNERSHIP OF DOCUMENTS.** All documents, including drawings, specifications, reports and other data, prepared or furnished by Buyer or the Provider are instruments of service in connection with the Work and as such are the exclusive property of Buyer and Buyer shall retain ownership and the property interest therein whether or not the Work is completed. The Provider is entitled to make copies of the documents for information and reference purposes, only in connection with the Work.

19. **INTELLECTUAL PROPERTY.** The Provider hereby acknowledges and agrees that Buyer shall be the sole owner of all the intellectual property, including, without limitation, all licenses, materials, ideas, concepts, formats, developments, writings, programs, mask work or patents, inventions, copyrightable material and other intellectual property and any improvements thereon or derivative works or applications thereof and know-how related thereto (the “**Intellectual Property**”) that the Provider may acquire, obtain, develop or create in connection with the Work, free and clear of any claims by the Provider (or anyone claiming under the Provider) of any kind or character whatsoever. Furthermore, the Provider hereby undertakes to not re-use the Work and any related data for any other purposes than the Work done for Buyer, and specifically, but not limited to, for a project with any other corporation or entity working in the same field as Buyer or having the same intention. The Provider shall, at the request of Buyer, execute such applications, assignments, certificates or other instruments as the Corporation may, from time to time, deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend its right, or title and interest in or to any such Intellectual Property, including, without limitation, as may be deemed necessary by Buyer to apply for and obtain copyrights or patents in the name of Buyer. The Provider agrees to disclose immediately to Buyer, or any person designated for such purpose the acquisition, development or creation of any Intellectual Property. The Provider hereby irrevocably waives all moral rights in and to the Intellectual Property. The obligations of the Provider contained in this Article 17 shall continue beyond the termination of this Agreement, with respect to any of the Intellectual Property acquired, obtained, developed or created by the Provider in connection with the Work.

20. **ASSIGNMENT.** Neither party shall assign the PO, without the prior written consent of the other party, which consent shall not be unreasonably withheld. However, Buyer may assign the PO to any of its affiliates or any other entity, that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under the common or shared control, with Buyer.

21. **CHANGE ORDER AND AMENDMENT.** The parties acknowledge and agree that the Work is subject to change. The estimate of costs and time for completion of the Work may be modified subject to changes and is contingent upon factors beyond the control of the Provider. As the Work will progress, the Provider may suggest Buyer to modify the scope of the Work or any other aspect of the Work. In such circumstances, as soon as the Provider is aware of possible change, the Provider will communicate and inform such potential change to Buyer and provide him with an estimate of the costs such change may incur. Buyer may accept the change of Work and parties may agree on such change of work by agreeing in writing to a change order. Pending resolution of any dispute concerning such change, Provider shall not be excused from proceeding with the Work, as changed. No supplement, modification or waiver or termination of the PO shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this order shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

22. **GOVERNING LAWS.** This PO shall be governed by and construed in accordance with the laws of the State of Minnesota when issued in the USA, and the laws of the Province of Quebec when issued outside of the USA. The parties hereby consent to such jurisdiction and waive any other.

23. **MISCELLANEOUS.** The PO and these Standard Terms and Conditions shall be binding upon and inure to the benefit of the parties and their respective heirs, assignees, legal representatives as well to the benefit of the owner or end-user of the project referred in the PO. The invalidity or non-enforceability of any particular provision of this document shall not affect the other provisions hereof, and this document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.
