

**Standard Terms and Conditions of Sale
Aftermarket Products and Services**

1. **GENERAL.** All references to “**H₂O Innovation**” shall mean H₂O Innovation Inc., H₂O Innovation USA, Inc., Professional Water Technologies, LLC and any of their affiliates. All references to “**Client**” shall mean the customer named in a purchase order, quotation or proposal. Client shall either sign H₂O Innovation’s Agreement (as defined herein), or alternatively, issue a non-conflicting purchase order containing all necessary information including, without limitation, price, payment terms and schedule, type, quantity or description of the products and/or services to be provided by H₂O Innovation (the “**Work**”), as well as delivery terms, schedule and instructions. All references to the “**Agreement**” shall mean any purchase order, quotation, proposal or agreement agreed upon by both parties, whether issued by H₂O Innovation or by Client.

2. **TERMS AND CONDITIONS.** The parties agree that these terms and conditions (“**Terms and Conditions**”) are the exclusive and complete terms accompanying the Agreement and no other terms will be deemed relevant to explain or supplement these 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 in the Agreement and these Terms and Conditions, the terms and conditions stated in the Agreement shall prevail.

3. **PRICE AND PAYMENT.** Client shall pay H₂O Innovation for the Work, in accordance with the fees, prices and payment terms detailed in the Agreement to which these Terms and Conditions apply. Payment terms are net thirty (30) days from the date of invoice. Administrative fees of 19.56% per year (1.5% per month or 0.04896% compounded daily rate) will be charged to Client on any due and unpaid amounts. Any tax, fee, duty, tariff or other charge of any nature whatsoever, imposed by any governmental authority on or measured by any transaction between H₂O Innovation and Client, shall be paid by Client in addition to the prices quoted or invoiced. If H₂O Innovation were required to pay any such tax, fee, duty, tariff or other charge, Client shall forthwith reimburse H₂O Innovation. Additional local support, other than what is already provided for in the Agreement, can be provided by H₂O Innovation at additional cost to Client. Such additional local support includes, without limitation, additional travel costs and expenses as well as any related cancellation and/or rescheduling fees and penalties attributable to Client postponing or forestalling a scheduled visit. A change order or an additional purchase order will be required prior to scheduling such additional services. Prices are also subject to escalation to reflect price variations of parts, components, raw materials or transportation attributable to or resulting from (i) new tariffs, laws or regulations; (ii) inflation; or (iii) Force Majeure Events.

4. **DELIVERY AND STORAGE.** Unless otherwise determined in the Agreement, Delivery terms are EXW (Incoterms 2020). All products are priced and shipped pursuant to the stated Incoterms. Delivery date for the Work is as described in the Agreement.

H₂O Innovation shall not be liable for any delays in delivery which are caused by events beyond its control, including, but not limited to: delays caused by inaccurate or incomplete data, changes or revisions to the services to be provided, acts of Client or Client’s agent, or delays in transportation.

In the event that the Client is not ready or able to accept delivery of the Products following confirmation by H₂O Innovation that the Products are ready for shipment, H₂O Innovation will keep the Products in storage for a period of thirty (30) days at no additional charge. After such period, H₂O Innovation shall be entitled, upon the 31st day, to payment of reasonable storage fees of \$2.50 per square foot of occupied space per month at minimum. Higher storage fees may apply provided that proper support documents justifying additional storage costs are submitted to Client.

5. **RISK OF LOSS AND TITLE.** Risk of loss shall pass to Client as per the applicable delivery terms provided for in these Terms and Conditions. Ownership of the Work shall remain in H₂O Innovation’s name until the purchase price has been received in full by H₂O Innovation. H₂O Innovation reserves the right to publish a

security interest under applicable law and/or regulation in addition to any other action reasonably required to protect its interest in the Work including, without limitation, repossessing the Work in case of Client’s repeated failure to pay the purchase price in full.

6. **PERFORMANCE OF WORK.** H₂O Innovation will perform the Work in a professional manner, in accordance with good engineering, safety and industry practices and with the same degree of care, skill and diligence normally required for work of a similar nature.

7. **FIELD SERVICE.** Field services included in the Agreement will only be scheduled upon written request by Client. Should Client have an outstanding balance due to H₂O Innovation, H₂O Innovation reserves the right to refuse performing the requested services until such payments are received in full. Customer assumes full responsibility for the readiness of the jobsite. Should H₂O Innovation’s representative arrive at the jobsite and determine that it isn’t ready, H₂O Innovation shall have the option to bring its representative home and invoice Client for time, travel and living expenses.

8. **ANTI-CORRUPTION.** Both parties shall comply with applicable laws and regulations with respect to export control and anti-corruption pertaining to bribery, extortion, kickbacks, money laundering or other unlawful or improper means of obtaining business whether directly or indirectly. Neither party nor, to the knowledge of the parties, any director, officer, agent, employee or other person associated with or acting on behalf of either party, has (i) used or attempted to use any of its funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or attempted to make any direct or indirect unlawful payment to any foreign or domestic government official or employee, any public international organization, any political party, or private individual or other entity, from its funds; (iii) violated, attempted to violate or is in violation of any provision of any foreign corrupt practices laws; or (iv) made or attempted to make any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. Furthermore, each party agrees that: (i) it is familiar with and will abide by the anti-bribery and anti-money laundering laws in all the countries in which it is incorporated or established and in which it does business; (ii) it will not take or knowingly permit any action to be taken that would cause the other party to be in violation of any applicable anti-bribery or anti-money laundering laws; (iii) its books, records and all accounts shall accurately reflect any and all payments in respect of transactions whether under the Agreement or otherwise, and the other party shall have the right to inspect and audit its books, records and accounts at any time on prior written notice; (iv) it shall immediately notify the other party and cooperate with any investigations regarding such matters; (v) either party may immediately terminate the Agreement in the event of a breach of this section by the other party; (vi) neither party shall be required to make any payments to the other party if such payments are related to a transaction in connection with which the other party has breached this section.

9. **DATA PROTECTION.** Any and all personal data which is processed by the either party in connection with this Agreement shall be handled and protected pursuant to all applicable data protection laws and regulations which may be in force from time to time relating to the processing of personal data and privacy, including where applicable the guidance and codes of practice issued by any competent supervisory authority, and the equivalent of any of the foregoing in any relevant jurisdiction. Each party shall, and shall procure that its employees, agents and sub-contractors shall: (i) comply with its obligations under any applicable data protection law, and shall not, by act or omission, put the other party in breach of, or jeopardize any registration under, any such data protection law; (ii) promptly and fully notify the other party in writing of any notices received by it relating to the processing of any personal data, including subject access requests, complaints and/or correspondence from any regulatory body and provide such information and assistance as the other party may reasonably require in relation to such notice (at no cost to the other party); (iii) promptly and fully notify the other party in writing if it suspects or becomes aware of any

actual, threatened or potential breach of security of personal data; and (iv) obtain appropriate consent from all data subjects to whom it relates, to pass their personal data to the other party for the purposes for which the other party intends to use it.

10. **MODERN SLAVERY.** Both parties agree to put in place policies and procedures to minimize the risks of modern slavery or human trafficking in the supply chain, and to comply fully with any modern slavery, human trafficking or similar applicable laws.

11. **WARRANTY.** The Work is warranted to be free from defects or deficiencies in materials, workmanship and services. In the event a notice of defect is given by Client, H2O Innovation shall repair, rectify, replace and/or correct the Work or, at H2O Innovation's option, refund Client the purchase price allocable to the nonconforming portion of the Work. CLIENT DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, SUCH AS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE.

a. In the event the Work consists of services performed by H2O Innovation, the Work is warranted for a period of twelve (12) months from the date of its completion.

b. In the event the Work consists of products, parts or components provided and furnished by H2O Innovation, such products, parts or components will be new and of the best quality in every respect (unless otherwise specified in the Agreement). The warranty period shall be twelve (12) months from the date of delivery to Client's facility, only when such products, parts or components are or have been used in normal conditions of operation and in accordance with the operating instructions specified by H2O Innovation and/or the manufacturer. This warranty does not cover disposable items including, without limitation, lamps, probes, sensors, filters, cartridges or other disposable items that must be replaced periodically under the normal and foreseeable operating conditions of the products, parts or components warranted hereby.

12. **INDEMNITY AND LIMITATION OF LIABILITY.** Each party shall indemnify, defend, and hold harmless the other party from and against any and all demands, claims, causes of action, losses, damages, costs, and expenses (including legal fees), of every kind and nature, regardless of whether in law or in equity, arising out of or related to the Work performed under the Agreement or related to the Agreement, including, but not limited to, personal injury, death, loss of use, or property damage (including the work itself), to the extent such demands, claims, causes of action, losses, damages, costs, and expenses are caused by (i) the misconduct, negligence, omission or fault, (ii) breach or violation of a statute, ordinance, governmental regulation, standard, or rule, or (iii) breach of contract, by the indemnifying party, its agents, employees, or subcontractors of any tier. Except for liabilities attributable to personal injury or death, the indemnification obligation of the indemnifying party shall be limited to 100% of the aggregate value of the Agreement. Neither party shall be liable for consequential, special, incidental or indirect damages, including, without limitation, loss of revenue, loss of profits or loss of use. Neither party shall be held liable for the other party's breach of the sections entitled Anti-Corruption, Data Protection and Modern Slavery.

13. **INSURANCE.** H2O Innovation maintains, at its own cost, sufficient insurance coverage including commercial general liability, workers compensation, employers' liability, contingent transportation liability and auto liability insurance. Proof of insurance shall be provided to Client upon request.

14. **HEALTH AND SAFETY.** H2O Innovation shall at all times conduct its operations under the Agreement in a manner to avoid the risk of endangerment to health and bodily harm to persons. H2O Innovation shall comply with all applicable health and safety laws and regulations. While H2O Innovation may provide installation guidance from time to time, it does not provide supervision services and its role shall not be construed as that of a Supervisor.

15. **TERMINATION.** The Agreement may be terminated before completion of the Work as described below:

a. by H2O Innovation, without notice, upon the occurrence of an event of default, each of the following constitutes an event of default for the purposes of the Agreement:

i. Client 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. Client persistently fails to pay for the Work as required and as per the payment terms hereunder, or

iii. Client otherwise fails to perform or comply with any material term, condition or covenant of the Agreement,

it being understood and agreed that in case of termination for default, H2O Innovation shall be entitled to receive compensation in an amount equal to one hundred percent (100%) of the value of the Agreement, less any amounts already paid by Client in relation with the Work; or

b. by H2O Innovation, for any reason at any time, by giving Client seven (7) days' written notice of termination, being understood and agreed that H2O Innovation shall receive payment for the Work already completed upon the date of termination, less any amounts already paid by Client in relation with the Work; or

c. by Client, for any reason at any time, by giving H2O Innovation seven (7) days' written notice of termination, being understood and agreed that H2O Innovation shall receive payment for the Work already completed upon the date of termination, less any amounts already paid by Client in relation with the Work, in addition to twenty percent (20%), up to a maximum of one hundred percent (100%) of the aggregate value of the Agreement.

16. **FORCE MAJEURE.** Subject to Section 3 of these Standard Terms and Conditions, neither party shall be responsible for delays or failures in performance resulting from events or circumstances beyond the control of such party. Such events may include, without limitation, acts of God, riots, acts of war, epidemics or pandemics, governmental acts, orders or regulations, border restrictions, fires, communication line failures, power failures and earthquakes. ("**Force Majeure Events**"). Inability to pay moneys or financial hardship shall not, however, constitute Force Majeure Events.

17. **CONFIDENTIALITY.** Each party acknowledges that these Terms and Conditions and the Agreement are confidential and shall be maintained as confidential and not disclosed to others. The obligations of confidentiality shall continue for the term of the Agreement and shall survive indefinitely thereafter.

18. **OWNERSHIP OF DOCUMENTS.** All documents, including drawings, specifications, reports and other data, prepared or furnished by either party are instruments of service in connection with the Work and as such are the exclusive property of such party and shall be used exclusively in connection with the Work.

19. **INTELLECTUAL PROPERTY.** Client hereby acknowledges and agrees that H2O Innovation shall be the sole owner of all of 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 any know-how related thereto (the "**Intellectual Property**"). Client shall, at the request of H2O Innovation, execute such documents, applications, assignments, certificates or other instruments as H2O Innovation may, from time to time, deem necessary 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 H2O Innovation to apply for and obtain copyrights or patents in H2O Innovation's name.

20. **ASSIGNMENT.** Neither party may assign the Agreement, without the prior written consent of the other party. Such consent shall not be unreasonably withheld. However, H2O Innovation may assign the Agreement 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 H₂O Innovation.

21. **CHANGE ORDER AND AMENDMENT.** The parties acknowledge and agree that the Work is subject to change. The estimated cost and time allocated to the scope of supply may be subject to change and are contingent upon factors beyond the control of H₂O Innovation. No supplement, modification, waiver or termination of the Agreement shall be binding unless executed in writing by the parties. No waiver of any provision herein 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 specifically stated.

22. **GOVERNING LAWS.** The Agreement shall be governed by and construed in accordance with the laws of (i) the State of Minnesota when awarded in the USA, and (ii) the laws of the Province of Quebec when awarded outside of the USA. The parties hereby consent to such jurisdiction and waive all others.