

Standard Terms and Conditions
Sale of Maple Equipment

1. **GENERAL.** All references to “**H₂O Innovation**” shall mean H₂O Innovation Inc., H₂O Innovation USA, Inc. and any of their affiliates. All references to “**Client**” shall mean the customer or distributor named on a purchase order, quotation, proposal, invoice or other type of agreement (“**Agreement**”). Client shall sign the Agreement for the purchase of the maple equipment, products and related services, if any, described therein (“**Products**”).

2. **TERMS AND CONDITIONS.** The parties agree that these “**Standard Terms and Conditions**” are the exclusive and complete terms accompanying the Agreement and 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 in the Agreement and these Standard Terms and Conditions, the terms and conditions stated in the Agreement shall prevail.

3. **PRICE AND PAYMENT.** Unless otherwise stipulated in the Agreement, Payment terms shall be net thirty (30) days from the date of invoice. Payment schedule and the price of the Products (“**Contract Price**”) are detailed in the Agreement.

Notwithstanding the preceding, any Products order for an amount less than \$100 shall be payable in its entirety, in cash or by credit card, at the time of purchase.

Any tax, fee or charge of any nature whatsoever, imposed by any governmental authority shall be paid by Client in addition to the Contract Price. If H₂O Innovation shall be required to pay any such tax, fee or charge, Client shall forthwith reimburse H₂O Innovation. The Contract Price also excludes permits, licenses, customs and other similar fees levied upon shipment of the equipment.

Client’s request to extend originally agreed upon delivery date(s) or to delay purchase of parts and/or components will be subject to price escalation to reflect price variations of different parts, components or raw materials attributable: (i) to a new tariff, law or regulation; or (ii) to inflation including, without limitation, reasonable storage fees, when required.

Administrative fees of 18% per year (1.5% per month) will be charged to the Client on any due and unpaid amounts.

4. **OWNERSHIP.** Client acknowledges and agrees that H₂O Innovation shall retain ownership in the Products until full payment of the Contract Price (including interests thereon and all the costs and expenses relating to the Products) due to H₂O Innovation by the Client. Therefore, H₂O Innovation reserves the right to make all appropriate filings to protect its interests in the Products, including, without limitation security interest with the “Registre des droits personnels et réels mobiliers” or under the Personal Property Security Act, the Uniform Commercial Code or any other register of competent jurisdiction. At its sole discretion, H₂O Innovation may also request an additional guarantee of payment from the Client. Notwithstanding that the ownership of the Products remains to H₂O Innovation until full payment of the Contract Price (including interest thereon and all costs and expenses relating to the Products), Customer shall, at all time, install, store, use, operate and/or maintain the Products in accordance with the documentation, the operating manuals and the instructions and conditions of use and operation provided or specified by H₂O Innovation. Client shall, at all time after delivery of the Equipment until full transfer of ownership in its favor, assume all risks of loss and obtain and maintain adequate insurance to properly protect the Products. Except as otherwise provided for in a written agreement, Client may not sell, transfer, assign, lease or otherwise dispose of the Products without the written consent of H₂O Innovation.

5. **DELIVERY.** Unless otherwise indicated in the Agreement, all Products shall be shipped EXW (Incoterms 2012) H₂O Innovation’s facility located at Ham-Nord or H₂O Innovation’s warehouse located at Swanton, VT. All shipping charges shall be paid by the Client. Date of delivery is as described in the Agreement. Client shall assume all risks and liabilities, of any nature whatsoever, from the date of delivery, including during transportation, even if transportation is provided by H₂O Innovation in accordance with the Agreement.

6. **RETURN.** No return will be accepted without the prior written consent of H₂O Innovation. Handling fees of 20% of the value of the returned Products will be charged to the Client upon return.

7. **WARRANTY.** Unless otherwise stipulated in the Agreement, H₂O Innovation warrants that the Products will be new and of the best quality in every respect (unless otherwise specified in the Agreement), that they will be free from defects in design, materials, workmanship and services and that they will be fit for their intended use and purpose. Products will be in sufficient size and capacity and of proper material so as to fulfill in all respects such operating conditions as may be specified in the Agreement. Unless otherwise provided for in specification or data sheets, operating manuals and other documents provided by H₂O Innovation in connection with the Products, the warranty period shall be twelve (12) months from the date of delivery of the Products to the Client, only when the Products are, or have been, used in the normal conditions of operation in accordance with the applicable operating instructions and within the range of operating conditions specified by H₂O Innovation. This warranty does not extend to equipment, parts or components manufactured or incorporated by a third party and not forming part of the Products when the Client has acquired it from H₂O Innovation or one of its authorized distributors. This warranty does not cover items that must be replaced periodically under the normal and foreseeable operating conditions of the Products. In the event a notice of defect is given by the Client, H₂O Innovation shall, at its sole discretion, repair or replace the defective Products and, in no event, H₂O Innovation shall be liable for any consequential, indirect, incidental or other similar types of damages, or for damages for the loss of production or profits, or for injury to persons or property. This warranty shall be void and unenforceable with regard to any Product that has been damaged by accident, improper storage, mishandling or abuse, or that has been repaired, modified, altered, disassembled or otherwise tampered with by anyone other than H₂O Innovation or any of its authorized representative, or if any replacement part or component not authorized by H₂O Innovation has been used, or if Product has not been stored, installed, used, operated or maintained in accordance with the operating documentation and manuals for such Product and the applicable operating instructions and within the range of operating conditions specified by H₂O Innovation.

To the best of H₂O Innovation’s knowledge, the Products comply with most laws, regulations and industrial practices applicable to the scope of the Agreement; however, H₂O Innovation does not accept responsibility for any state, city or other local law not specifically brought to H₂O Innovation’s attention. H₂O Innovation is only responsible for the physical characteristics of the Products and not for the circumstances of their use. For the warranty to apply, the Client shall provide H₂O Innovation with a proof of purchase of the Products stating clearly the date of purchase by the Client as well as the date of delivery and the Client shall have paid in its entirety the Contract Price or have obtained a financing plan acceptable to H₂O Innovation. The warranty will be null and void in the event that the Client fails to provide such proof of purchase or to pay the Products in accordance with the Agreement. **CLIENT DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, SUCH AS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE.**

8. **INDEMNITY.** Client hereby indemnifies and saves harmless H₂O Innovation from all claims, demands or causes of action for personal injury and damage to property resulting from the negligence of the Client or those for whom it is responsible in the course of using the Products, or for whatsoever nature arising out of the Products furnished by, or on behalf of, H₂O Innovation.

9. **CONSEQUENTIAL DAMAGES AND LIMITATION OF LIABILITY.** In no event shall H₂O Innovation be liable for any consequential, indirect, incidental or other similar types of damages suffered by the Client and resulting from, or arising out of, the Agreement and in no event shall H₂O Innovation’s liability under the Agreement and/or related to the Products exceed the Contract Price.

10. **DEFAULT.** Client shall be in default under the Agreement in the following events: (i) Client fails to pay the Contract Price as per the Agreement, (ii) Client fails to pay any amount exceeding its credit limit authorized by H₂O Innovation, (iii) 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, or (iv) Client otherwise fails to perform or comply with any term, condition or covenant of the Agreement, including, without limitation, the disposition of any Products that is not the property of the Client, or the assignment of the Agreement without the prior written consent of H₂O Innovation.

Within fifteen (15) days of any default mentioned above, the Client’s account with H₂O Innovation (including all authorized credit facility) will be suspended to prevent any further transactions.

Client acknowledges and agrees that H₂O Innovation may, without further notice or delay, in the event Client has not remedy any default within 45 days, close Client’s account and require immediate payment of all sums due to H₂O Innovation or regain possession of the Products at Client’s costs. Client shall be entitled to enter into a payment arrangement with H₂O Innovation’s approval, which arrangement shall include a movable hypothec without delivery in an amount equivalent to the authorized credit facility plus an additional amount of 20% and/or a personal guarantee, if applicable.

11. **CANCELLATION.** The Agreement may be cancelled (i) forthwith by H₂O Innovation in the event of a default in accordance with Section 10, or (ii) by the Client, upon a 15-day prior written notice. Direct costs and expenses already incurred under the Agreement by H₂O Innovation plus an administrative fee of 20% of the Contract Price shall be charged to the Client at the time of cancellation.

12. **FORCE MAJEURE.** Neither party shall be responsible for delays or failures in performance resulting from events or circumstances beyond the control of such party. Such events shall include, but not limited to acts of God, strikes, lockouts, riots, acts of war, epidemics or pandemics, governmental acts, regulations or orders, border restrictions, fires, communication line failures, power failures and earthquakes.

13. **ASSIGNMENT.** Client may not assign the Agreement, without prior written consent of H₂O Innovation.

14. **CHANGE ORDER AND AMENDMENT.** The parties acknowledge and agree that the Agreement is subject to change. No supplement, modification, waiver or termination of the Agreement shall be binding unless executed in writing by the parties to be bound thereby. No waiver of any of the provisions of this agreement 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.

15. **GOVERNING LAWS.** The Agreement shall be governed by and construed in accordance with the laws of (i) the State of Vermont 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.