

**Standard Terms and Conditions - H<sub>2</sub>O Innovation Inc.**  
**Provision of Operation and Maintenance Services**

**1. ACCEPTANCE AND COMPLETE AGREEMENT.** All references to “H<sub>2</sub>O Innovation” shall mean H<sub>2</sub>O Innovation Inc., and any of its affiliates. All references to “Client” shall mean the customer named in a purchase order, quotation or proposal. Client shall either sign H<sub>2</sub>O 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 H<sub>2</sub>O 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 H<sub>2</sub>O 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 H<sub>2</sub>O 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. Any tax, fee, duty, tariff or other charge of any nature whatsoever, imposed by any governmental authority on or measured by any transaction between H<sub>2</sub>O Innovation and Client, shall be paid by Client in addition to the prices quoted or invoiced. If H<sub>2</sub>O Innovation were required to pay any such tax, fee, duty, tariff or other charge, Client shall forthwith reimburse H<sub>2</sub>O Innovation. 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.

Additional local support, other than what is already provided for in the Agreement, can be provided by H<sub>2</sub>O 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 Work. Should Client have an outstanding balance due, H<sub>2</sub>O Innovation reserves the right to refuse performing the requested Work until such payments are received in full. Client assumes full responsibility for the readiness of the jobsite. 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 H<sub>2</sub>O Innovation’s name until the purchase price has been received in full by H<sub>2</sub>O Innovation.

**4. DELIVERY.** Any required products are priced and shipped pursuant to the delivery terms stated in the Agreement. Delivery date for the Work shall be clearly stated in the Agreement.

H<sub>2</sub>O 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 Client’s inaccurate or incomplete data, changes to the Client’s order, delayed approval of the Work by Client, acts of Client or Client’s agent, or delays in transportation.

**5. PERFORMANCE OF WORK.** H<sub>2</sub>O Innovation will perform the Work in a professional manner, in accordance with good engineering, safety and industry practice and with that degree of care, skill and diligence normal in performing work of a similar nature.

**6. CLIENT RESPONSIBILITIES.** (1) Client shall, in a timely manner and at its own expense, provide to H<sub>2</sub>O Innovation, before of the commencement of the Work and on a continuing basis thereafter, all information necessary for H<sub>2</sub>O Innovation’s performance of the Work or required in order to ensure that the Work is provided in a proper and complete manner. Client recognizes that all this information provided to or made available to H<sub>2</sub>O Innovation pursuant to this Agreement is an essential basis to the contract between the parties and therefore warrants and guarantees to H<sub>2</sub>O Innovation its quality, reliability and accuracy. Clients hereby grants H<sub>2</sub>O Innovation the irrevocable right to use, copy and modify this information and any data related to the Work and to disclose it to any third party who needs to know such information in order to perform the Work. (2) Client shall provide H<sub>2</sub>O Innovation with access to its

premises, facilities or sites so as to permit H<sub>2</sub>O Innovation to perform the Work under this Agreement. (3) Client is responsible for any penalties or any fines that may be imposed by any governmental authority related to an infringement of or general non-compliance related to the specifications of an operating permit, a license or any other required authorization related to the water treatment system for which H<sub>2</sub>O Innovation is performing the Work unless the said penalty or fine imposed upon Client is attributable to H<sub>2</sub>O Innovation’s wilful misconduct or gross negligence.

**7. COMPLIANCE WITH LAWS.** To the best of H<sub>2</sub>O Innovation’s knowledge, the Work performed for and the Products provided to Client comply with most laws, regulations and industrial practices; however, H<sub>2</sub>O Innovation does not accept responsibility for any state, city or other local law not specifically brought to its attention. H<sub>2</sub>O Innovation’s liability attributable to noncompliance related to the applicable laws and regulations shall be limited to the price paid by the Client under the Agreement.

**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 their respective supply chain, and to comply fully with any modern slavery, human trafficking or similar applicable laws.

**11. WARRANTY.** The Work is warranted for a period of sixty (60) days from the date that the Work is completed. In the event a notice of defect is given by Client, H<sub>2</sub>O Innovation shall perform the Work again to Client's satisfaction. All Products provided by H<sub>2</sub>O Innovation will be new and of the best quality in every respect. Products will be in sufficient size and capacity and of proper material so as to fulfill in all respects such operating and maintenance conditions specified by the Client. The warranty period shall be twelve (12) months from the date of delivery to Client's facility, only when such Products are or have been used in normal conditions of operation and in accordance with the operating instructions specified by H<sub>2</sub>O Innovation and/or the manufacturer. This warranty does not cover disposable items, such as fuses, 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. CLIENT DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, SUCH AS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE.

**12. INDEMNITY.** The Client shall indemnify, defend, and hold harmless H<sub>2</sub>O Innovation from and against any and all demands, claims, losses, damages or causes of action of every kind and nature, arising out of or related to the Work, the Products or to this Agreement, including but not limited to liabilities attributable to personal injury, death, loss of use, or property damage as well as those resulting from any breach of, or non-compliance with, the permits' specifications held by the client and/or owner in connection with the Agreement, the environmental obligations of client and/or the owner under any applicable environmental laws and regulations or any losses resulting from unsafe or outdated equipment and/or facilities, unless such losses were directly and solely attributable to H<sub>2</sub>O Innovation's willful misconduct or gross negligence.

**13. INSURANCE.** Prior to commencement of the Work and at all time during the term of the Agreement, H<sub>2</sub>O Innovation shall obtain and maintain, at its own cost, sufficient insurance coverage for commercial general liability, automobile liability, workers compensation liability and employer's liability. Proof of insurance shall be provided to the Client upon demand.

**14. HEALTH AND SAFETY.** H<sub>2</sub>O Innovation shall at all times conduct its operation under the Agreement in a manner to avoid the risk of endangerment to health and bodily harm to persons. H<sub>2</sub>O Innovation shall comply with all applicable health and safety laws and regulations.

**15. PROPERTY DAMAGES.** H<sub>2</sub>O Innovation shall protect the property or the site where the Work is executed from damage which may arise as a result of its operations. H<sub>2</sub>O Innovation shall, at all times, conduct operations under the Agreement in a manner to avoid risk of loss, theft, or damage by vandalism, sabotage, or by any other means, to any equipment, material, work or property.

**16. TERM.** Unless otherwise determined, the term of the Agreement shall commence as of the effective date stated therein and shall continue thereafter for a period of one (1) year. At the end of the initial term and of any subsequent term, this Agreement shall be automatically renewed for additional periods of one (1) year, unless either party delivers notice in writing, to the other party, of its intention not to renew the Agreement at least sixty (60) days prior to the expiration of the then current term.

**17. TERMINATION FOR DEFAULT.** The agreement may be terminated by H<sub>2</sub>O 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 and/or Products as required and as per the payment terms of the Agreement, or
- iii. Client otherwise fails to perform or comply with any material term, condition or covenant of the Agreement, being understood and agreed that in case of termination for default, H<sub>2</sub>O Innovation shall be entitled to receive compensation in an amount equal to one hundred percent (100%) of Work already completed and/or Products already delivered upon the date of termination including the attributable portion of reasonable overhead and profit as well as all costs and expenses incurred by H<sub>2</sub>O Innovation as a result of the Termination.

**18. TERMINATION.** Following the initial term of 1 year, either Party may terminate the Agreement at any time, by giving the other party one hundred and twenty (120) days' written notice of termination, being understood and agreed that in such case of termination, H<sub>2</sub>O Innovation shall receive payment for the Work already completed and/or Products already delivered

upon the date of termination including the attributable portion of reasonable overhead and profit. All outstanding invoices shall be paid the effective termination date.

## **19. NON-SOLICITATION OF PERSONNEL**

During the period beginning on the date the Work begins and ending on the first anniversary of the expiration or termination of the Agreement, neither party shall, nor assist any other person to, directly or indirectly, (i) solicit, recruit or hire any employee of the other party ("**Employee**"), and (ii) solicit or encourage any Employee to leave the employment of the other party; provided, however, that the provisions of this section shall not prevent either party from making a general solicitation for employment that are not specifically targeted at the other party Employees.

**20. FORCE MAJEURE.** Subject to Section 3 of these Standard Terms and Conditions, neither party shall be responsible for delays 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.

**21. CONFIDENTIALITY AND OWNERSHIP OF DOCUMENTS.** Each party agrees and commits to maintain all confidential information to which it has access in the scope of Work as confidential, to not disclose it to others and to use it solely for the intended purpose of the Agreement. These obligations of confidentiality shall continue for the term of the Agreement and shall survive indefinitely thereafter. 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. H<sub>2</sub>O Innovation is entitled to make copies of the documents for information and reference purposes, only in connection with the Work.

**22. ASSIGNMENT.** Neither party may assign the Agreement, without prior written consent of the other party. However, H<sub>2</sub>O 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 H<sub>2</sub>O Innovation.

**23. LIMITATION OF LIABILITY.** H<sub>2</sub>O Innovation shall not be liable for any damages suffered by the Client or any third party, except to the extent such damages are caused by the wilful misconduct or gross negligence of H<sub>2</sub>O Innovation or any of its representatives in the course of performing the Work. In no event, shall the total liability of H<sub>2</sub>O Innovation for all claims arising out of or relating to the performance of the Work exceed the annual contract value of the Agreement. Notwithstanding any other provision herein, neither party shall be liable for any special, indirect, consequential, incidental or punitive damages, including without limitation, loss of profit, loss of use or loss of revenues.

**24. 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 H<sub>2</sub>O Innovation. No supplement, modification, or change 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.

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