

Standard Terms and Conditions of Sale
Water and Wastewater Treatment Systems and Aftermarket Products and Services

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 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 equipment (“**Equipment**”) and/or services (“**Services**”) to be provided by H₂O Innovation (collectively, 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 the Client.

2. TERMS AND CONDITIONS. The parties agree that these Standard Terms and Conditions of Sale (the “**Terms and Conditions**”) are the exclusive and complete terms accompanying the Agreement. 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 Agreement and these Terms and Conditions, the Agreement shall prevail.

3. PRICES. Prices stated in the Agreement are firm until the agreed delivery date, subject to adjustment for: (i) significant variation in the exchange rate between Canadian and U.S. currencies (5% or more) occurring between the execution of the Agreement and the ordering of parts or components; (ii) changes in tariffs, taxes, trade policies, laws or regulations; (iii) inflation; or (iv) Force Majeure Events. Prices may also be adjusted to reflect variations in the cost of parts, components, raw materials, or transportation resulting from Client’s request to extend delivery dates or delay purchase of parts and/or components. Furthermore, additional local support or services beyond those specified in the Agreement shall be provided at extra cost to Client, including travel expenses, cancellation or rescheduling fees, and related penalties. A change order or additional purchase order shall be required prior to scheduling such services.

4. PAYMENT. Unless otherwise determined in the Agreement, payment terms are net thirty (30) days from the date of invoice. Payment schedule is detailed in the Agreement. If payments are not made in accordance with the payment schedule and terms stated in the Agreement, the unpaid balance of the contract price shall, without prejudice to H₂O Innovation’s right to immediate payment, be increased by 1.5% per month (19.56% per year or 0.04896% compounded daily rate), not to exceed the maximum amount permitted by law, and H₂O Innovation reserves the right to publish a security interest pursuant to these Terms and Conditions. If at any time, in H₂O Innovation’s sole discretion, Client becomes unable or unwilling to meet the terms specified in these Terms and Conditions or significantly delays the project, H₂O Innovation may require full or partial payment of the contract price. If in H₂O Innovation’s opinion, Client’s financial condition does not justify commencement, continuation of production or shipment, H₂O Innovation may require satisfactory assurance or full or partial payment as a condition to commencing, or continuing manufacture, or in advance of shipment. H₂O Innovation may also, upon written notice to Client, cancel or suspend any outstanding Agreement or any portion thereof, unless Client promptly pays for Equipment delivered or makes advance payments to H₂O Innovation. H₂O Innovation may, at any time,

decline to make any shipment or delivery or to perform any work until receipt of payment or security or upon terms and conditions satisfactory to H₂O Innovation.

5. TAXES. Unless otherwise determined in the Agreement, the prices set forth in the Agreement are exclusive of any amount for federal, state, local, sales, use, property, in-country, import, VAT or other similar taxes or duties. Such prices also exclude permit, license, customs and other similar fees levied upon shipment of the Equipment. Client shall pay all such amounts in addition to the prices quoted or invoiced. If H₂O Innovation is required to pay any such tax or fee, Client shall reimburse H₂O Innovation forthwith.

6. DELIVERY. Unless otherwise determined in the Agreement, Delivery terms are EXW (Incoterms 2020) and are exclusive of taxes, shipping, handling and insurance. The delivery schedule set forth in the Agreement is approximate and subject to change. Notwithstanding other limitations set forth by H₂O Innovation, 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 Client’s inaccurate or incomplete data, changes to the Client’s order, delayed approval of drawings by Client, acts of Client or Client’s agent, Force Majeure Events, or delay in transportation. Unless otherwise determined in the Agreement, the Equipment will be crated for domestic truck shipment and H₂O Innovation assumes no responsibility for loss of, or damage to, the Equipment following delivery and the Equipment shall thereafter be at Client’s sole risk. Any claim by Client against H₂O Innovation for shortage or damage occurring prior to delivery must be made in writing within ten (10) calendar days following receipt of shipment and accompanied by an original bill of lading signed by the carrier noting that carrier received the Equipment from H₂O Innovation in the condition claimed. H₂O Innovation shall have the right to ship the Equipment and its components via one single shipment or several partial shipments, within the period allotted by the delivery schedule provided for in the Agreement, unless specifically requested in writing by Client that delivery be made in total via one single shipment. Any shipments returned to H₂O Innovation as a result of Client’s unexcused delay or failure to accept delivery will require Client to pay all additional costs incurred by H₂O Innovation, including any storage costs as set forth in these Terms and Conditions.

7. 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. Title remains with H₂O Innovation until the purchase price has been received in full. H₂O Innovation reserves the right to publish a security interest under applicable law and/or regulation. Client agrees to perform all acts necessary to perfect and maintain said security interest, and to protect H₂O Innovation’s interest by adequately insuring the Equipment against loss or damage from any external cause, including during any storage or transportation, with H₂O Innovation designated as additional insured on such insurance policy(ies).

8. DRAWINGS AND SPECIFICATIONS. In the event that drawings are sent to Client for approval after the Agreement is executed, the drawings must be returned marked “Approved” or “Approved as Noted” within a period of twenty (20) calendar days after receipt of the drawings, unless otherwise stated. In the event that Client’s written comments are not given within the prescribed period, H₂O Innovation shall deem the items

approved and will be entitled to invoice the Client as of such approval date.

9. MODIFICATION AND SELECTION OF MATERIALS.

H₂O Innovation reserves the right to modify the design and specifications of its products, provided that such modification does not adversely affect the performance specifications requested by the end-user or the Client in its request for proposals. Because all H₂O Innovation products are specially manufactured products, the material make-up of many of H₂O Innovation's products varies from one project to another. The determination of the materials' suitability and adaptability (including without limitation, paint and/or coating) to the specific needs of the Client are solely the Client's choice and responsibility.

10. INSTALLATION. Unless otherwise determined in the Agreement, installation is by and at the Client's expense.

11. FIELD SERVICE. Field services included in the Agreement will only be scheduled upon written request by the Client. Should the Client have outstanding balances due to H₂O Innovation, H₂O Innovation reserves the right to refuse performing start-up or field services until such payments are received by H₂O Innovation. Client assumes all responsibility for jobsite readiness when it requests start-up services. 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. Additional field services are available from H₂O Innovation at the prevailing rate at the time of the request for service in addition to all travel and living expenses, portal-to-portal. A change order or an additional purchase order will be required prior to scheduling such additional services.

12. SUSPENSION AND STORAGE. In the event that Client would require an interruption in the work schedule or is not ready or able to accept delivery of the Equipment following confirmation by H₂O Innovation that the Equipment is ready for shipment, H₂O Innovation will keep the Equipment 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 (i) invoice and obtain payment for all costs and expenses already incurred into the project, including the attributable portion of reasonable profit and overhead, as of the date of suspension as well as all costs and expenses resulting from such suspension (including price changes for parts, components and raw material, as provided for in these Terms and Conditions, (ii) charge interest at a rate of 18% per year on retention amount, if any, and (iii) charge 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. In case of prolonged storage, any cost associated with the Equipment manufacturer's prolonged storage procedure (retesting, calibration, balancing, alignment, oil changes, membrane preservation...) of any Equipment will be charged to the Client. If the suspension period lasts for more than 180 days, H₂O Innovation is entitled to terminate the Agreement in accordance with these Terms and Conditions.

13. 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.

14. 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.

15. DATA PROTECTION. Any and all personal data which is processed by 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.

16. 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.

17. WARRANTY.

A) Mechanical Warranty – Equipment: Unless otherwise determined in writing, H₂O Innovation warrants to Client that parts and components of the Equipment manufactured by H₂O Innovation are free from defects in material and in workmanship for a period of twelve (12) months following start-up or eighteen (18) months from delivery, whichever occurs first. This warranty is applicable only when the Equipment is 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 by a third party into which the Equipment is incorporated. 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 Equipment warranted hereby. In case Client delays the delivery of the Equipment by more than one (1) month after the completion of the manufacturing at H₂O Innovation's facility, the Equipment will be considered as delivered for warranty purpose. Provided Client has respected the payment terms and schedule of the Agreement, Client will be able to exercise the rights granted under this warranty. H₂O Innovation's obligation under this warranty is limited to the repair or replacement, at its sole option, of any part or component of the Equipment that proves to be defective in material or workmanship within the warranty period. Shipping, uninstalling and reinstalling of parts or components, when required, can be provided by H₂O Innovation at additional cost to Client. This warranty shall be void and unenforceable with regard to the Equipment if it has been damaged by accident, mishandling or abuse, or if it has been repaired, modified, altered, disassembled or otherwise tampered with by anyone other than H₂O Innovation or its authorized representative, or if any replacement part or component not authorized by H₂O Innovation has been used, or if the Equipment has not been stored, installed, operated or maintained in accordance with the operating documentation and manuals provided by H₂O Innovation

B) Services and Aftermarket Products:

(i) 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.

(ii) 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.

EXCEPT AS EXPRESSLY STATED, ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY (INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE DISCLAIMED.

18. TERMINATION.

A) For Convenience:

Client agrees that the Equipment is custom designed, specially manufactured for Client's needs and is not suitable for sale to others in the ordinary course of business. Therefore, in the event Client terminates the Agreement at any time, by no fault of H₂O Innovation, H₂O Innovation shall be entitled to invoice Client for all the costs and expenses incurred into the project, including the attributable portion of reasonable overhead already included in the Agreement price, upon the date of termination (including all materials ordered and not yet received and all materials received and not yet incorporated into the project, wherever they may be stored) and any costs and expenses incurred as a result of such termination.

B) For Default:

(i) H₂O Innovation shall have the right to terminate the Agreement, without notice, upon the occurrence of one of the following events: a) if 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 b) if Client persistently fails to make payment when due, or c) if Client suspends, as permitted in these Terms and Conditions, the work related to the Equipment for a period of more than 180 days, or d) if Client otherwise fails to perform or comply with any material term, condition or covenant of the Agreement. In the event the Agreement is terminated due to Client's default, H₂O Innovation will be entitled to the same compensation provided for in case of termination for convenience under these Terms and Conditions.

(ii) Client shall have the right to terminate any Agreement, without notice, upon the occurrence of one of the following events: a) if H₂O Innovation 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 b) if H₂O Innovation fails to comply with any material obligations under the Agreement after having been given a 15-days' written notice to cure such default. In the event the Agreement is terminated due to H₂O Innovation's default, the Client shall pay to H₂O Innovation all the costs and expenses incurred by H₂O Innovation into the project upon the date of termination (including all materials ordered and not yet received and all materials received and not yet incorporated into the project, wherever they may be stored), less any amount already paid by Client and all direct costs and expenses incurred by the Client as a result of H₂O Innovation's default, when applicable.

19. FORCE MAJEURE. Subject to Section 3 of these Terms and Conditions, neither party shall be responsible for delays or failures in performance resulting from unforeseeable 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.

20. CONFIDENTIAL INFORMATION. The design, construction, application and operation of H₂O Innovation's products, services and relevant documentation embody proprietary and confidential information. Client agrees and undertakes to maintain such confidential information in strict confidence, not to disclose it to others, and to only use it in connection with the use of the products or to facilitate the provision of services sold by H₂O Innovation. Client will not copy or reproduce any written or printed materials or drawings

provided by H₂O Innovation. Client agrees to immediately return all confidential material to H₂O Innovation upon request. Client will not copy any information provided by H₂O Innovation or make any design drawings of H₂O Innovation's Equipment and will not permit others to copy or make any design drawings of the Equipment. Client acknowledges that a remedy at law for any breach or attempted breach of this Section will result in harm to H₂O Innovation for which monetary damages alone will not be adequate. Client 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.

21. 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.

22. 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.

23. INDEMNIFICATION 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 made under the Agreement or related to the Agreement, 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 held liable for the other party's breach of the sections entitled Anti-Corruption, Data Protection and Modern Slavery.

24. CONSEQUENTIAL DAMAGES. Neither party shall be liable for consequential, special, incidental or indirect damages, including, without limitation, loss of revenue, profits or use.

25. PATENTS. H₂O Innovation shall indemnify Client against any judgment for damages and costs which may be rendered against Client in a suit brought on account of the alleged infringement of any Canadian or United States patent by any product supplied by H₂O Innovation, unless (a) the alleged infringement occurs as a result of any alteration or modification to the product or the use of the product in combination with the products or services of any party other than H₂O Innovation, or (b) the product was made in accordance with materials, designs

or specifications furnished or designated by Client, in which case Client shall indemnify H₂O Innovation against any judgment for damages and costs which may be rendered against H₂O Innovation in any suit brought on account of the alleged infringement of any Canadian or United States patent by such product or by such materials, designs or specifications. H₂O Innovation shall not be held liable to Client for special, indirect, incidental or consequential damages arising out of allegations of patent infringement.

26. COMPLIANCE WITH LAWS. To the best of H₂O Innovation's knowledge, the Equipment complies with most laws, regulations and industrial practices applicable to H₂O Innovation's scope of work; 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 Equipment and not for the circumstances of its use. H₂O Innovation's liability through any noncompliance shall be limited to the cost of modifying or replacing the non-complying Equipment or components after receipt of a prompt written notice of noncompliance.

27. 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.

28. COMPLIANCE WITH H₂O INNOVATION'S INSTRUCTIONS. Client shall comply and require its employees to comply with all instructions given by H₂O Innovation regarding installation, use, operation and maintenance of the Equipment and shall require its employees to use reasonable care and all safety devices in the operation and maintenance of the Equipment. Client shall not remove or permit removal or modification of any safety device, warning sign or label. Client shall immediately give H₂O Innovation written notice of any personal injury or property damage arising out of the use of the Equipment and cooperate with H₂O Innovation in investigating any such accident or malfunction.

29. 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.

30. CHANGE ORDERS 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 or waiver or termination of the Agreement shall be binding unless executed in writing by the parties. No waiver of any of the provisions of the 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.

31. ENTIRE AGREEMENT. The parties agree that the Agreement and these Terms and Conditions constitute the entire agreement between the parties and that there are no other agreements, terms or conditions, expressed or implied, unless otherwise agreed to in writing by H₂O Innovation. The

Agreement and these Terms and Conditions shall supersede any agreement, terms and conditions or any other document that may apply to the transaction between the parties.

32. NON-SOLICITATION OF PERSONNEL. During the entire term of the Agreement and for one (1) year following expiration or termination thereof, 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.

33. 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.

34. MISCELLANEOUS. This document 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 referenced in the Agreement. 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.
