

Standard Terms and Conditions - H₂O Innovation Inc.
Provision of Products and/or Services

1. **ACCEPTANCE AND COMPLETE AGREEMENT.** The parties agree that these terms and conditions ("Terms and Conditions") are the exclusive and complete terms accompanying any accepted proposal or agreement ("Agreement") related to any products or services to be provided by H₂O Innovation Inc. and/or any of its affiliates ("H₂O Innovation") and no other terms will be deemed relevant to explain or supplement the 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.
2. **SCOPE OF WORK.** H₂O Innovation agrees to provide to its client ("Client"), who agrees to purchase, such products and/or services described in the Agreement (together, the "Work"), subject to the Terms and Conditions hereof.
3. **PRICE, PAYMENT AND DELIVERY.** 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 are attached. In the event H₂O Innovation sells products to Client and unless otherwise indicated in the Agreement, all products are priced and shipped INCOTERMS 2012 EXWORKS H₂O Innovation's facility. Delivery date for the Work is as described in the Agreement. Payment terms are net thirty (30) days from the date of invoice. Any tax, fee or 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 shall be required to pay any such tax, fee or charge, Client shall forthwith reimburse H₂O Innovation.
4. **PERFORMANCE OF WORK.** H₂O 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. H₂O Innovation is responsible for and has control over the methods and means of performing the Work. The performance of any third party employed by H₂O Innovation shall remain under H₂O Innovation's supervision and responsibility.
5. **CLIENT'S RESPONSIBILITIES.** Client shall, in a timely manner and at its own expense, provide to H₂O Innovation, before H₂O Innovation begins the performance of the Work and on a continuing basis thereafter, if required, all information necessary for H₂O Innovation's performance of the Work or required in order to ensure that the Work is provided in a proper and complete manner. This information shall comply with all applicable laws and regulations and its disclosure shall not result in a breach of any confidentiality or non-disclosure obligation, so that H₂O Innovation shall be entitled to use same freely without restriction within the scope of providing the Work. Client recognizes that all this information provided to or made available to H₂O Innovation pursuant to this Agreement is an essential and material basis to the contract between the parties and therefore warrants and guarantees to H₂O Innovation its quality, reliability and accuracy. Clients hereby grants H₂O Innovation the irrevocable right to use, copy and modify this information and any data regarding or related to the Work and to disclose it to any third party who needs to know such information in order to perform the Work. Client shall provide H₂O Innovation with access to its premises, facilities or sites so as to permit H₂O Innovation to perform the Work under this Agreement.
6. **STATUS.** Upon demand, H₂O Innovation shall keep Client informed as to the status of the Work to assure delivery of the Work by the time required in the Agreement. H₂O Innovation will take the steps it deems necessary to expedite performance, production and/or shipment of the Work, as the case may be, in order to deliver the Work in due time.
7. **COMPLIANCE WITH LAWS.** The parties shall comply with all applicable laws and regulations including, but not limited to, export control laws and anti-corruption laws pertaining to bribery, extortion, kickbacks or other unlawful or improper means of obtaining business whether directly or indirectly. Each party shall reasonably cooperate with the other regarding any claim or proceeding and indemnify the other for any act or omission thereof.
8. **WARRANTY.** The Work is warranted to be free from defects or deficiencies in design, 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, refunding 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 PO). Products, parts or components will be in sufficient size and capacity and of proper material so as to fulfill in all respects such operating 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, 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, 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.
9. **INDEMNITY.** Either party shall indemnify, defend, and hold harmless the other party from and against any and all demands, claims or causes of action of every kind and nature, arising out of or related to the Work or related to this Agreement, including but not limited to liabilities attributable to personal injury, death, loss of use, or property damage (including the Work itself), to the extent caused by the negligence or fault, breach or violation of a statute, ordinance, governmental regulation, standard, or rule, or breach of contract of or by such party, its agents, employees, or subcontractors of any tier. Except for liability due to gross negligence or willful misconduct or for liabilities attributable to personal injury or death, the indemnity obligation shall be limited to the aggregate value of the Agreement.
10. **INSURANCE.** Prior to commencement of the Work and at all time during the term of the Agreement, H₂O 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. A proof of insurance shall be provided to the Client upon demand.
11. **HEALTH AND SAFETY.** H₂O 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. H₂O Innovation shall comply with all applicable health and safety local laws and regulations.
12. **PROPERTY DAMAGES.** H₂O Innovation shall protect the property or the site where the Work is executed from damage which may arise as a result of its operations or operations of its Subcontractors. H₂O Innovation shall, at all time, conduct operation under the Agreement 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.
13. **TERM.** The term of the Agreement shall commence as of the date of its signature and shall continue thereafter until the Work is duly completed or for the period of time provided for in the Agreement.
14. **TERMINATION.** This 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,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 amount of the Agreement, less any amount already paid by the 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 in such case of termination, H₂O Innovation shall receive payment for the Work completed as of the date of termination, less any amount already paid by the Client in relation with the Work; or
 - c. by the Client, for any reason at any time, by giving H₂O Innovation seven (7) days' written notice of termination, being understood and agreed that in such case of termination, H₂O Innovation shall receive payment for the Work completed as of the date of termination, less any amount already paid by the Client in relation with the Work, plus twenty percent (20%) of all amounts paid during the execution of the Agreement, up to a maximum of one hundred percent (100%) of the amount of the Agreement.
15. **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, governmental acts or regulations, fires, communication line failures, power failures and earthquakes.
16. **CONFIDENTIALITY.** Each party acknowledges that these Terms and Conditions as well as the terms and conditions of the Agreement are confidential and shall be maintained as confidential and not disclosed to any others. The obligations of confidentiality shall continue for the term of the Agreement and shall survive indefinitely thereafter.
17. **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. H₂O Innovation is entitled to make copies of the documents for information and reference purposes, only in connection with the Work.
18. **INTELLECTUAL PROPERTY.** Client hereby acknowledges and agrees that H₂O Innovation 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"). 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 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 H₂O Innovation to apply for and obtain copyrights or patents in the name of H₂O Innovation.
19. **RELATIONSHIP.** It is understood and agreed that the relationship of the parties to each other is that of independent contractors. No agency or partnership is created by the Agreement. Notwithstanding, in order to properly execute the Work, H₂O Innovation may represent itself to be an agent of Client.
20. **ASSIGNMENT.** Client may not assign the Agreement, without prior written consent of H₂O Innovation.
21. **TIME OF ESSENCE.** Time is of the essence.
22. **LIMITATION OF LIABILITY.** H₂O 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 fault or the negligence of H₂O Innovation or any of its representatives in the course of performing the Work. In no event, the total liability of H₂O Innovation for all claims arising out of or relating to the performance of the Services shall exceed the annual contract value of the Agreement. Notwithstanding any other provision herein, neither party shall be liable to the other party or to any third party for any special, indirect, consequential, incidental or punitive damages, including without limitations, loss of profit, contracts or, business revenues.
23. **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 H₂O Innovation. 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.
24. **GOVERNING LAWS.** This PO shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. All disputes shall be resolved by the courts located in the judicial district of Quebec, Province of Quebec and the parties consent to such jurisdiction and waive any other.