

**Standard Terms and Conditions of Sale
Professional Water Technologies**

1. **GENERAL.** All references to “PWT” shall mean Professional Water Technologies, LLC, 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 PWT’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 related services to be provided by PWT (the “Products”), 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 PWT or by the 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, PAYMENT AND DELIVERY.** Client shall pay PWT for the Products, in accordance with the prices and payment terms detailed in the Agreement to which these Terms and Conditions apply. Unless otherwise determined in the Agreement, Products are priced and shipped INCOTERMS 2010 EXWORKS PWT’s facility located in Vista, California. Delivery date of the Products is mentioned in the Agreement. Unless otherwise determined in the Agreement, 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 PWT and Client, shall be paid by Client in addition to the prices quoted or invoiced. If PWT is required to pay any such tax, fee, duty, tariff or charge, Client shall forthwith reimburse PWT. Local support, when required, can be provided by PWT at additional cost to Client,

4. **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 Products shall pass to Client upon payment of the full purchase price.

5. **STATUS.** Upon request, PWT shall inform Client as to the status of the order. PWT will take the steps it deems necessary to expedite production and/or shipment of the Products in order to deliver them in due time.

6. **COMPLIANCE WITH LAWS.** To the best of PWT’s knowledge, the Products comply with most laws, regulations and industrial practices applicable to PWT’s scope of supply. PWT is only responsible for the characteristics of the Products and not for the circumstances of their use or for any non-authorized alteration of the Products. Both parties shall comply with applicable laws and regulations with respect to export control and anti-corruption pertaining to bribery, extortion, kickbacks 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 any of its funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from its funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

7. **WARRANTY.** PWT warrants to the Client that the Products are manufactured in accordance with established industry standards. THIS WARRANTY AND THE REMEDIES DESCRIBED HEREIN ARE EXCLUSIVE AND IN LIEU OF ANY OR ALL OTHER WARRANTY OR REMEDIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. In no event shall PWT be liable for injury to persons or property.

8. **INDEMNITY.** Each 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 Products provided under the Agreement, 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.

9. **INSURANCE.** PWT 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.

10. **TERMINATION.** The Agreement may be terminated before delivery of the Products as described below:

- a. by PWT, 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 Products as required, 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, PWT shall be entitled to receive compensation in an amount equal to one hundred percent (100%) of the value of the Agreement; or

- b. by PWT, for any reason at any time, by giving Client seven (7) days’ written notice of termination, being understood and agreed that PWT shall receive compensation in an amount equal to one hundred percent (100%) of the Products already delivered to Client upon the date of termination; or
- c. by the Client, for any reason at any time, by giving PWT seven (7) days’ written notice of termination, being understood and agreed that PWT shall receive compensation in an amount equal to one hundred percent (100%) of the Products already delivered to Client upon the the date of termination, in addition to twenty percent (20%), up to a maximum compensation equal to one hundred percent (100%) of the aggregate value of the Agreement.

11. **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, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental acts or regulations, fires, communication line failures, power failures and earthquakes.

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

13. **ASSIGNMENT.** Neither party may assign the Agreement without the prior written consent of the other party. Such consent shall not be unreasonably withheld.

14. **CONSEQUENTIAL DAMAGES.** 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 revenue, or loss of use.

15. **CHANGE ORDER AND AMENDMENT.** The parties acknowledge and agree that the scope of supply 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 PWT. 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.

16. **GOVERNING LAWS.** The Agreement shall be governed by and construed in accordance with the laws of the State of California applicable therein. All disputes shall be resolved by the courts of the State of California and the parties consent to such jurisdiction and waive any other.