

## Standard Terms and Conditions Sale of Maple Equipment

**1. GENERAL.** All references to “**H<sub>2</sub>O Innovation**” shall mean H<sub>2</sub>O Innovation Inc., H<sub>2</sub>O Innovation USA, Inc., and any of their affiliates or subsidiaries. All references to “**Products**” shall mean all products and equipment dedicated to the maple syrup industry that are manufactured and/or supplied or sold by H<sub>2</sub>O Innovation, or sold by H<sub>2</sub>O Innovation’s authorized distributors, as well as any related services. All references to “**Customer**” shall mean the customer or distributor named on a distribution agreement, purchase order, quotation, proposal, invoice or other type of agreement agreed upon by both parties, for the purchase of Products (“**Agreement**”).

**2. TERMS AND CONDITIONS.** The parties agree that these “**Standard Terms and Conditions**” and the Warranties, as defined in Section 9, are the exclusive and complete terms accompanying the Agreement and that 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. INTERPRETATION.** In these Standard Terms and Conditions, reference to the singular shall include the plural and vice versa, and words importing any gender include all genders, as the context shall require. Unless specifically stated otherwise, all references to days in these Standard Terms and Conditions shall be deemed to refer to calendar days. Unless specifically stated otherwise, in these Standard Terms and Conditions, the word “including” means “including, but not limited to”. If any provision of these Standard Terms and Conditions or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part hereof. Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions contained herein. References to “Section” mean a section contained in these Standard Terms and Conditions, unless expressly stated otherwise.

**4. 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 (the “**Contract Price**”) are detailed in the Agreement. Notwithstanding the preceding, any order of Products 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 the Customer in addition to the Contract Price. If H<sub>2</sub>O Innovation is required to pay any such tax, fee or charge, the Customer shall forthwith reimburse H<sub>2</sub>O Innovation. The Contract Price also excludes permits, licenses, customs and other similar fees levied upon shipment of the equipment. The Contract Price is also subject to escalation, at H<sub>2</sub>O Innovation’s sole discretion, to reflect significant variations of the exchange rate between Canadian and U.S. Dollars (5% or more), and/or to reflect variations in the price of parts, components, raw materials, labor or transportation attributable to or resulting from: (i) Customer’s request to extend originally agreed upon delivery dates or to delay purchase or parts and/or components, notwithstanding any other provision hereof; (ii) new tariffs, laws or regulations; (iii) inflation; or (iv) Force Majeure Events. Administrative fees of 18% per year (1.5% per month) will be charged to the Customer on any due and unpaid amounts. Notwithstanding any other provision of the Agreement or of these Standard Terms and Conditions, H<sub>2</sub>O Innovation may, at its sole discretion, require full or partial payment of the Contract Price immediately or at any other time it deems expedient or require that

the Customer provides a deposit or collateral, or that the Customer grants Security Interests on its assets, as a condition to the commencement or continuation of the production of Products, or in advance of their shipment.

**5. OWNERSHIP AND INSURANCE.** The Customer acknowledges and agrees that H<sub>2</sub>O Innovation shall retain ownership of the Products, as well as the right to immediately repossess the Products, until full payment of the Contract Price (including interests thereon and all the costs and expenses relating to the Products) by the Customer. H<sub>2</sub>O Innovation reserves the rights, at its sole discretion and at any time, to: (i) set up reservations of ownership against the Customer with respect to the Products, or to request that the Customer grant security interests in its assets in favor of H<sub>2</sub>O Innovation; (ii) to file such reservations of ownership or security interests to the appropriate register or with any other authority of competent jurisdiction, in accordance with applicable law and/or regulation, including the Personal Property Security Act, the Uniform Commercial Code, and the Civil Code of Quebec and related regulation; and (iii) to exercise any and all rights available to it under such reservations of ownership or security interests. The Customer shall fully cooperate with H<sub>2</sub>O Innovation in the granting and/or filing of such reservations of ownership or security interests, and shall execute any document required to grant and/or file such reservations of ownership or security interests. At its sole discretion, H<sub>2</sub>O Innovation may also request additional guarantees of payment of any kind from the Customer. The Customer shall, from the moment the Products are unloaded at the destination provided in the Agreement, and until full transfer of the Products’ ownership to it, assume all risks of loss and obtain and maintain adequate insurance to properly protect the Products against loss or damage from any external cause, including during storage and transportation. Until ownership of the Products is fully transferred to the Customer, the Customer may not sell, transfer, assign, lease or otherwise dispose of the Products without the written consent of H<sub>2</sub>O Innovation.

**6. INSTALLATION AND COMPLIANCE WITH H<sub>2</sub>O INNOVATION’S INSTRUCTIONS.** Notwithstanding the fact that H<sub>2</sub>O Innovation retains ownership of the Products until full payment of the Contract Price (including interest thereon and all costs and expenses relating to the Products), the Customer and its employees, agents, partners, subcontractors and other representatives, shall, at all times, install, store, use, operate and/or maintain the Products at their sole expense, and in accordance with the documentation, the operating manuals, the instructions, and the conditions of use and operation provided or specified by H<sub>2</sub>O Innovation.

**7. DELIVERY, RISK OF LOSS AND STORAGE.** The terms of delivery are stated in the Agreement and, unless otherwise provided therein, all shipping, handling and insurance costs, and all taxes or duties, shall be paid by the Customer in addition to the Contract Price. The delivery schedule provided in the Agreement is approximate and subject to change. Unless otherwise stipulated in the Agreement, all Products shall be shipped according to the Incoterm DPU (Delivered at Place Unloaded, Incoterms 2020), from H<sub>2</sub>O Innovation’s facility located at Ham-Nord or from H<sub>2</sub>O Innovation’s warehouse located at Swanton, VT. The Customer shall assume all risks and liabilities related to the Products, of any nature whatsoever, including risk of loss, from the moment the Products are unloaded at the destination provided 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, delays caused by inaccurate or incomplete data provided by the Customer, changes to the Customer’s order, delayed approval of Products by the Customer, actions of the Customer or its employees, agents or subcontractors, or delays in transportation. H<sub>2</sub>O Innovation shall

have the right to combine several orders in a single shipment. In the event that the Customer is not ready or able to accept delivery of the Products, following confirmation by H<sub>2</sub>O Innovation that the Products are ready for shipment, H<sub>2</sub>O Innovation shall delay delivery of the Products and keep them in storage for a period of thirty (30) days at no additional charge. After such period, H<sub>2</sub>O Innovation shall be entitled, upon the 31<sup>st</sup> day, to payment of: (i) costs and expenses resulting from the delay in delivery incurred, including increases in the price of labor or transportation; and (ii) storage costs. Any shipment returned to H<sub>2</sub>O Innovation as a result of Customer's unexcused delay or failure to accept delivery will allow H<sub>2</sub>O Innovation to require that Customer pay all additional costs incurred by H<sub>2</sub>O Innovation for this reason, including any storage costs. If, upon delivery of the Products, the Customer deems that they are non-compliant, damaged or otherwise not acceptable, the Customer shall take pictures of the non-compliant, damaged or otherwise unacceptable Products, and shall provide corresponding explanations on the bill of lading.

**8. RETURN.** Unless otherwise provided in the Agreement or in specification or data sheets, operating manuals and other documents provided by H<sub>2</sub>O Innovation in connection with the Products, no return of Products will be accepted without the prior written consent of H<sub>2</sub>O Innovation, and handling fees of 20% of the value of the returned Products will be charged to the Customer upon return.

**9. WARRANTY.** Subject to the exclusions and limitations provided in any specific warranty document issued by H<sub>2</sub>O Innovation in connection with the Products and made available on its website (the "**Warranties**"), H<sub>2</sub>O Innovation warrants that the Products will be free from manufacturing defects for a period of two (2) years from the date of the invoice issued to the Customer for Products, only when the Products are used and operated in a safe manner, according to the instructions and operating conditions specified by H<sub>2</sub>O Innovation and in the normal use for which the Products are intended. Labor related to the installation and repair of the Products is guaranteed by H<sub>2</sub>O Innovation for a period of one (1) year from the date of the invoice issued to the Customer for Products. Additional warranty terms and conditions applicable to the Products are set forth in the Warranties and are complementary to the provisions of this Section 9. H<sub>2</sub>O Innovation reserves the right to modify the Warranties at any time and at its sole discretion, without any prior notice to the Customer. The provisions of the Warranties may be fully or partially waived or overridden by the Agreement.

**10. COMPLIANCE WITH LAWS.** To the best of H<sub>2</sub>O Innovation's knowledge, the Products provided to the Customer comply with most laws, regulations and industrial practices applicable to the Agreement; however, H<sub>2</sub>O Innovation does not accept responsibility for any provincial, 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 Customer under the Agreement.

**11. MODIFICATION AND SELECTION OF MATERIALS.** H<sub>2</sub>O Innovation reserves the right to modify the design and specifications of custom-made Products, provided that such modification does not adversely affect the performance specifications requested by the Customer.

**12. DATA PROTECTION.** Any and all personal data which is processed by either party in connection with the Agreement shall be handled and protected pursuant to all applicable data protection laws and regulations regarding privacy and the processing of personal data. Each party shall, and shall ensure that its employees, agents and subcontractors: (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 regarding 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 share their personal data with the other party for the purposes for which the other party intends to use it.

**13. LIABILITY EXEMPTION AND LIMITATION.** Regardless of the nature of the claim, remedy, application or action that the Customer may bring against H<sub>2</sub>O Innovation, the Customer hereby accepts to exempt and hold H<sub>2</sub>O Innovation harmless from all liability for any injury caused to the Customer or to a third party by: (i) the misconduct, negligence, omission or fault of the Customer, of a third party or of one of their respective employees, agents, subordinates, partners, subcontractors or other representatives; (ii) a violation or breach of any law, order of a public authority, regulation or other applicable rule of any kind, by the Customer, by a third party or by one of their respective employees, agents, subordinates, partners, subcontractors or other representatives; (iii) a breach of the Agreement or of the present Terms and Conditions by the Customer or by one of its employees, agents, subordinates, partners, subcontractors or other representatives; or (iv) alterations, damages or defects in the Products resulting from their use, handling or storage in a manner that is inappropriate or that does not comply with the documentation, operating manuals, instructions and conditions of use and operation issued or provided by H<sub>2</sub>O Innovation. The Customer hereby accepts to exempt and hold H<sub>2</sub>O Innovation harmless from all indirect or future liability for any injury that the Customer could suffer in connection with the object or the performance of the Contract or of the present Terms and Conditions, or in connection with the Products or their use, including but not limited to loss of profit, loss of goodwill or loss of opportunity, including if the loss in question results from a manufacturing defect in a Product, from a delay in the delivery of a Product, or from the breakage, damage or loss of a Product, whether during or after delivery. In all cases and regardless of the nature of the claim, remedy, application or action that the Customer may bring against H<sub>2</sub>O Innovation, H<sub>2</sub>O Innovation's liability in connection with the object or the performance of the Contract or of the present Terms and Conditions, or in connection with the Products or their use, is limited to the Contract Price, unless the injury suffered by the Customer is caused by H<sub>2</sub>O Innovation's intentional or gross fault.

**14. DEFAULT, REMEDY AND TERMINATION FOR DEFAULT.** Customer shall be in default under the Agreement and these Standard Terms and Conditions if: (i) Customer fails to pay the Contract Price stipulated in the Agreement, or persistently fails to make payments when due; (ii) Customer fails to pay any amount exceeding its credit limit authorized by H<sub>2</sub>O Innovation; (iii) Customer files an application for a bankruptcy order or is adjudged bankrupt; a trustee or receiver is appointed on account of Customer's insolvency; or Customer makes an assignment of his property for the benefit of its creditors; or (iv) Customer otherwise fails to perform or comply with any stipulation, term, condition or covenant of the Agreement or of these Standard Terms and Conditions, including by disposing of any Product that is not the property of the Customer, or by assigning the Agreement without the prior written consent of H<sub>2</sub>O Innovation. Upon the occurrence of any default mentioned above, H<sub>2</sub>O Innovation may, at its sole discretion, suspend the Customer's account with H<sub>2</sub>O Innovation (including all authorized credit facility) to prevent any further transactions. Customer acknowledges and agrees that if it fails to remedy its default within forty-five (45) days of its occurrence, H<sub>2</sub>O Innovation may, at its sole discretion and without further notice or delay: (i) close Customer's account with H<sub>2</sub>O

Innovation (including any authorized credit facility) and require immediate payment of all sums due to H<sub>2</sub>O Innovation; (ii) regain possession, at the Customer's expense, of the Products of which it retained ownership pursuant to Section 5; (iii) exercise any and all rights available to it under any security interest granted by the Customer in its assets, pursuant to Section 5; (iv) suspend the execution of the Agreement until further notice; (v) demand full payment of any amount due; and/or (vi) terminate the Agreement, in which case direct costs and expenses already incurred under the Agreement by H<sub>2</sub>O Innovation, plus an administrative fee corresponding to 20% of the Contract Price, shall be charged to the Customer at the time of termination. With H<sub>2</sub>O Innovation's approval, Customer may enter into a payment arrangement with H<sub>2</sub>O Innovation, subject to the Customer granting a hypothec, lien, mortgage, encumbrance, charge and/or other security interest on its assets in favor of H<sub>2</sub>O Innovation, for an amount equivalent to the Customer's authorized credit facility, plus an additional amount of 20% and/or a personal guarantee, if requested by H<sub>2</sub>O Innovation. The Customer shall fully cooperate with H<sub>2</sub>O Innovation in the granting and/or filing of such hypothec, lien, mortgage, encumbrance, charge and/or other security interest, and shall execute any document required to grant and/or file such hypothec, lien, mortgage, encumbrance, charge and/or other security interest.

**15. TERMINATION FOR CONVENIENCE.** Unless otherwise provided therein, the Agreement may be terminated by Customer upon 15-days prior written notice. In addition to payments already due by Customer to H<sub>2</sub>O Innovation at the time of termination, direct costs and expenses already incurred under the Agreement by H<sub>2</sub>O Innovation, plus an administrative fee corresponding to 20% of the Contract Price, shall be charged to the Customer at the time of termination.

**16. 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 may include, among other things, acts of God, strikes, lockouts, riots, other labor disputes, difficulties in obtaining raw materials or finding appropriate shipping services, acts of war, epidemics or pandemics, accidents, governmental acts, laws, regulations or orders, border restrictions, fires, communication line failures, power failures, earthquakes or any other cause beyond H<sub>2</sub>O Innovation's control. ("**Force Majeure Events**"). Inability to pay moneys or financial hardship shall not, however, constitute Force Majeure Events.

**17. ASSIGNMENT.** Customer may not assign the Agreement, without the prior written consent of H<sub>2</sub>O Innovation. However, H<sub>2</sub>O Innovation may assign the Agreement to any of its subsidiaries or affiliates, or to 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, of H<sub>2</sub>O Innovation.

**18. 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. No waiver of any of the provisions of the Agreement or of these Standard Terms and Conditions 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.

**19. GOVERNING LAWS.** The Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec. The parties hereby consent to such jurisdiction and waive all others.