

VEOLIA WATER TECHNOLOGIES & SOLUTIONS - TERMS OF PURCHASE

1. **ACCEPTANCE OF TERMS.** Supplier agrees to be bound by and to comply with all terms set forth in these Procurement Terms and Conditions (the “**Terms & Conditions**”) and in the Agreement to which these terms are attached. All capitalized terms used in these Terms & Conditions that are not defined in the Terms & Conditions have the same meaning as in the Agreement. The “**Buyer**” under these Terms and Conditions may be VEOLIA WTS USA, Inc. (“**VWTS**”) or any VWTS Affiliate (including, but not limited to any joint ventures, corporations, limited liability companies, partnerships, limited partnerships, business trusts or other entities, affiliates, subsidiaries, businesses, operating divisions, units or P&L’s thereof, that is directly or indirectly in control of, controlled by, or under common control with VWTS, whether now existing, or subsequently created or acquired). For purposes of these Terms & Conditions, an “**Order**” is a purchase order (“**PO**”) or statement of work (“**SOW**”) that has been issued from Buyer to Supplier pursuant to the Agreement and is an offer to purchase the goods and/or services (including any required documentation) described therein. An Order shall not constitute an acceptance of any offer to sell, quotation or other proposal from Supplier, even if referred to in an Order. **Acceptance of an Order is expressly limited to the terms of an Order and the Agreement related to such Order.** Buyer hereby notifies Supplier in advance that Buyer objects to any terms and conditions included with Supplier’s quotation, invoice or other document which are additional to or different than the terms of an Order and any Agreement related to such Order, and none of such additional or different terms shall be part of the contract between Supplier and Buyer, unless specifically accepted by Buyer in writing. Unless otherwise expressly set forth in the Agreement, an Order shall be irrevocably accepted by Supplier upon the earlier of: (a) Supplier’s issuing any acceptance or acknowledgement of an Order; or (b) Supplier’s commencement of the work or delivery of goods called for by an Order in any manner. For purposes of these Terms & Conditions, the term “**Agreement**” means the body of the agreement to which these Terms & Conditions are attached and all Appendices attached to that agreement (other than these Terms & Conditions), all of which shall be made a part of and incorporated into any Order.

2. **PRICES, PAYMENTS AND QUANTITIES.**

2.1. *Prices.*

(a) All prices are firm and shall not be subject to change. Supplier’s price includes all taxes, fees and/or duties applicable to the goods and/or services purchased under an Order; provided, however, that any value added tax that is recoverable by Buyer, state and local sales, use, excise and/or privilege taxes, if applicable, shall not be included in Supplier’s price but shall be separately identified on Supplier’s invoice. If Supplier is legally obligated to charge value added and/or similar tax, Supplier shall invoice Buyer in accordance with applicable rules to enable Buyer to reclaim such tax. Neither party is responsible for taxes on the other party’s income or the income of the other party’s personnel or subcontractors. If Buyer is legally required to withhold taxes for which Supplier is responsible, Buyer shall deduct such taxes from payment to Supplier and provide Supplier a valid tax receipt in Supplier’s name. If Supplier is exempt from or eligible for a reduced rate of withholding tax, Supplier shall provide to Buyer a valid tax residency certificate or other required documentation at least thirty (30) days prior to payment being due. Supplier warrants the pricing for any goods or services shall not exceed the pricing for the same or comparable goods or services offered by Supplier to third parties or any Buyer affiliate. Supplier shall promptly inform Buyer of any lower pricing levels for same or comparable goods or services, and the parties shall promptly make the appropriate price adjustment.

(b) If during the Term, Buyer or any of its Affiliates can purchase goods and/or services of like quality from another supplier at a total delivered cost to the facility of Buyer or the applicable Affiliate that is lower than the total delivered cost of the goods and/or services purchased under the Agreement from Supplier, Buyer may notify Supplier of such total delivered cost and Supplier shall have an opportunity to reduce the total delivered cost of the applicable goods and/or services purchased hereunder within thirty (30) days so that it is the same or lower than the total delivered cost of the other supplier. If Supplier timely fails to or cannot legally do so within the thirty (30) day time period described above, Buyer may (i) purchase the applicable goods and/or services from such other supplier (in which case the obligations (including, but not limited to, any purchase and sale requirements and/or commitments, if any) of Buyer and Supplier hereunder shall be reduced accordingly); or (ii) terminate this Agreement without any penalty, liability or further obligation.

2.2. *Payment Terms.*

(a) **Standard Terms.** The ordinary net date (“**Net Date**”) shall be one hundred and twenty (120) days after the Payment Start Date, unless otherwise defined on the face of an Order. The “**Payment Start Date**” is the latest of the required date identified on an Order, the date of receipt of valid invoice by Buyer or the received date of the goods and/or services in Buyer’s receiving system. The received date of the goods and/or services in Buyer’s receiving system shall occur: (i) in the case where the goods are shipped directly to Buyer and/or services are performed directly for Buyer, with respect to such goods, within forty-eight (48) hours of Buyer’s physical receipt of the goods at its dock and with respect to such services, within forty-eight (48) hours of Supplier’s completion of the services; (ii) in the case of goods shipped directly to: (A) Buyer’s customer or a location designated by Buyer’s customer (“**Material Shipped Direct**” or “**MSD**”); or (B) a non-Buyer/non-customer location to be incorporated into MSD, within forty-eight (48) hours of Supplier presenting Buyer with a valid bill of lading confirming that the goods have been shipped from Supplier’s facility; (iii) in the case where goods are shipped directly to or services are performed directly for a third party in accordance with an Order, with respect to such goods, within forty-eight (48) hours of Buyer’s receipt of written certification from the third party of its receipt of the goods and with respect to such services, within forty-eight (48) hours of Buyer’s receipt of written certification from the third party of Supplier’s completion of the services. Unless Buyer initiates payment on an early payment discount date as described in subsection (b) below, Buyer shall initiate payment on the Net Date¹.

(b) **Early Payment Discounts.** Buyer shall be entitled to take an early payment discount (the “**Discount**”) of 3.5% for initiating payment 15 days after the Payment Start Date, unless otherwise defined on the face of an Order.

(c) **Disputes.** In the event that Buyer disputes an invoice amount, both parties shall work together in good faith to resolve the dispute. If there is a good faith dispute with regard to a portion of an invoice, Buyer will provide notice and detail of the dispute prior to the invoice due date, and will pay the undisputed portion as provided in this Agreement. Upon resolution of the dispute, any disputed amounts owed by Buyer will be promptly paid.

(d) **Miscellaneous.** If requested by Buyer, settlement and invoicing shall be paperless and in a format acceptable to Buyer. Supplier’s invoice must: (i) bear Buyer’s Order number and (ii) be issued only after delivery in accordance with an Order has occurred, but not later than one hundred and twenty (120) days after Buyer’s receipt of the goods and/or Supplier’s completion of the services. Buyer shall be entitled to reject Supplier’s invoice if it fails to include Buyer’s Order number, is issued after the time set forth above or is otherwise inaccurate, and any resulting: (i) delay in Buyer’s payment; or (ii) nonpayment by Buyer shall be Supplier’s responsibility. All goods and/or services provided by Buyer to Supplier for production of the goods and/or services delivered hereunder shall be separately identified on the invoice (i.e., consigned material, tooling, or technology (often referred to as an “**Assist**” for import/customs purposes)). Each invoice shall also include any reference information for any consigned goods and shall identify any discounts, credits or rebates from the base price used in determining the invoice value. Supplier warrants that it is authorized to receive payment in the currency stated in an Order. No extra charges of any kind shall be allowed.

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Buyer may withhold total or partial payment until the goods/or services conform to the requirements of an Order. Buyer's payment of an invoice shall not constitute its acceptance of the goods or services. Buyer shall be entitled at any time to set-off any and all amounts owed by Supplier or a Supplier Affiliate (defined below) to Buyer or a Buyer Affiliate (defined below) on this or any other order. "Affiliate" shall for the purposes of an Order mean, with respect to either party, any entity, including, any individual, corporation, company, partnership, limited liability company or group, that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such party.

2.3. Quantities.

(a) **General.** Buyer is not obligated to purchase any quantity of goods and/or services except for such quantity as may be specified by Buyer either: (i) on the PO; (ii) in a release on the PO; (iii) on a separate written release issued by Buyer pursuant to the Order; or (iv) in the Agreement. Supplier shall not make material commitments or production arrangements in excess of Buyer's specified quantities and/or in advance of the time necessary to meet Buyer's delivery schedule. Should Supplier do so, any resulting exposure shall be for Supplier's account. Goods delivered to Buyer in excess of the Buyer's specified quantities and/or in advance of schedule may be returned to Supplier at Supplier's risk, and Supplier shall be responsible for all related costs and expenses incurred by Buyer.

(b) **Replacement Parts.** Replacement parts for goods purchased by Buyer are for the purpose of this Section defined as "Parts" and are considered "goods" under an Order. Unless specified otherwise by Buyer in writing, Supplier shall provide Parts for a period of twenty (20) years after production of the goods ceases or upon Buyer's consent to an alternative replacement part that provides the same form, fit and function as the Part. Supplier shall continue to supply such Parts past the twenty (20) year period if Buyer orders at least twenty (20) Parts per year during such twenty year period. The prices for any Parts purchased in the first two (2) years of the twenty year period shall not exceed those prices in effect at the time production of the goods ceases, and no set up charges shall be permitted by Supplier or paid by Buyer during this two year period. Thereafter, the prices for Parts shall be negotiated based on Supplier's actual cost of production of such Parts plus any special packaging costs. No minimum order requirements shall apply unless the parties mutually agree in advance. After the end of the twenty (20) year period, Supplier shall continue to maintain in good working condition all Supplier owned tooling required to produce the Parts, and shall not dispose of such tooling without offering Buyer the right of first refusal to purchase such tooling. If Supplier plans to discontinue production of the Parts after the twenty (20) year period, then Supplier shall provide Buyer with one calendar year's notice prior to discontinuing such Parts.

3. DELIVERY AND TITLE PASSAGE.

3.1. **Delivery.** Time is of the essence for the Agreement and any Order. If Supplier delivers the goods or completes the services later than scheduled, Buyer may assess such amounts as may be set forth in the Agreement or in an Order as liquidated damages for the time period between the scheduled delivery date and the actual delivery date (the "Delay Period"). The parties agree that if liquidated damages are set forth in the Agreement, they are the exclusive remedy for the damages resulting from the Delay Period only; are a reasonable pre-estimate of such damages Buyer shall suffer as a result of delay based on circumstances existing at the time an Order was issued; and are to be assessed as liquidated damages and not as a penalty. Buyer's resort to liquidated damages for the Delay Period does not preclude Buyer's right to other remedies, damages and choices under the Agreement other than the damages resulting from the Delay Period, including, but not limited to, Buyer's right to terminate the Agreement or an Order for non-delivery. If no liquidated damages are set forth in the Agreement, Buyer shall be entitled to recover all damages it incurs as a result of Supplier's failure to perform as scheduled. All delivery designations are Incoterms® 2020. Unless otherwise set forth in the Agreement or in an Order, all goods provided shall be delivered FCA Supplier's facility. Buyer may specify contract of carriage in all cases. Failure of Supplier to comply with any such Buyer specification shall cause all resulting transportation charges to be for the account of Supplier.

3.2. **Title.** Unless otherwise stated in the Agreement or in an Order: (a) title to goods shipped from the U.S. for delivery shall pass at Buyer's dock for goods shipped to Buyer's U.S. facility; (b) title to goods shipped from the source country for delivery within the source country (excluding shipments within the U.S., which are governed by subsection (a) above) shall pass at Buyer's dock; (c) title to goods shipped from outside the U.S. for delivery to a different country outside the U.S. shall pass at the port of import; and (d) title to goods shipped from outside the U.S. for delivery within the U.S. shall pass at Buyer's dock. For this purpose, Buyer and Supplier acknowledge that the territorial seas of the U.S. extend to twelve (12) nautical miles from the baseline of the country determined in accordance with the 1982 United Nations Convention of the Law of the Sea.

4. **BUYER'S PROPERTY.** All tangible and intangible property, including information or data of any description, tools, materials, drawings, computer software, know-how, documents, trademarks, copyrights, equipment or material: (a) furnished to Supplier by Buyer or any Affiliate of Buyer; (b) specifically paid for by Buyer; or (c) created with Buyer's IP Rights (defined below) shall be and remain Buyer's personal property (collectively, "Buyer's Property"). Such Buyer's Property furnished by Buyer or its Affiliate to Supplier shall be accepted by Supplier "AS IS" with all faults and without any warranty whatsoever, express or implied, shall be used by Supplier at its own risk, and shall be subject to removal at Buyer's written request. Supplier shall not substitute any other property for Buyer's Property. Promptly upon receipt of a removal request from Buyer, Supplier shall prepare such Buyer's Property for shipment and deliver it to Buyer at Supplier's expense in the same condition as originally received by Supplier, reasonable wear and tear excepted. Prior to using Buyer's Property, Supplier shall inspect it and train its personnel and other authorized users in its safe and proper operation. In addition, Supplier shall: (i) keep Buyer's Property free of encumbrances and insured at its expense at an amount equal to the replacement cost thereof with loss payable to Buyer; (ii) plainly mark or otherwise adequately identify it is owned by Buyer; (iii) unless otherwise agreed to by Buyer in writing, store it separate and apart from Supplier's and third party owned property under Supplier's control; (iv) maintain it properly, and in compliance with any handling and storage requirements provided by Buyer, or that accompanied it when delivered to Supplier; (v) supervise its use; and (vi) use it only to meet Buyer's Orders without disclosing or otherwise reproducing it for any other purpose.

5. INTELLECTUAL PROPERTY.

5.1. **General.** Buyer hereby grants a non-exclusive, non-assignable license, which is revocable with or without cause at any time, to Supplier to use any information, drawings, specifications, computer software, know-how and other data furnished or paid for by Buyer hereunder for the sole purpose of providing the goods and services that Supplier provides to Buyer pursuant to an Order or the Agreement. The parties agree that each party exclusively owns all intellectual property it had prior to the commencement of any work under the Agreement; however, Buyer shall own exclusively all rights in ideas, inventions, works of authorship, strategies, plans and data created in or resulting from Supplier's performance under the Agreement or an Order, including all patent rights, copyrights, moral rights, rights in proprietary information, database rights, trademark rights and other intellectual property rights (collectively, "Buyer's IP Rights"). All such intellectual property that is protectable by copyright shall be considered work(s) made for hire for Buyer (as the phrase "work(s) made for hire" is defined in the U.S. Copyright Act (17 U.S.C. § 101)) or Supplier shall give Buyer "first owner" status related to the work(s) under local copyright law where the work(s) was created. If by operation of Law (defined below) any such intellectual property is not owned in its entirety by Buyer automatically upon creation, then Supplier agrees to transfer and assign to Buyer, and hereby transfers and assigns to Buyer, the entire right, title and interest throughout the world to such intellectual property. Supplier further agrees to enter into and execute any documents that may be required to transfer or assign ownership in and to any such intellectual property to Buyer. Should Supplier, without Buyer's prior written consent and authorization, design or manufacture for sale to any person or entity other than Buyer any goods substantially similar to, or which reasonably can substitute or repair, a Buyer good, Buyer, in any adjudication or otherwise, may require Supplier

to establish by clear and convincing evidence that neither Supplier nor any of Supplier Personnel (defined below) used in whole or in part, directly or indirectly, any of Buyer's Property, as set forth herein, in such design or manufacture of such goods.²

5.2. *Embedded Software.* To the extent any goods contain Embedded Software (defined below) that is not Buyer's Property, no title to such Embedded Software shall pass to Buyer, and Supplier shall grant Buyer, its customers and all other users a non-exclusive worldwide, irrevocable, perpetual, royalty-free right to use, load, install, execute, demonstrate, market, test, resell, sublicense and distribute such Embedded Software as an integral part of such goods or for servicing the goods (the "**Buyer-Required License**"). If such Embedded Software or any part thereof is owned by a third party, prior to delivery, Supplier shall obtain the Buyer-Required License from such third party owner. "**Embedded Software**" means software necessary for operation of goods and embedded in and delivered as an integral part of goods.

6. CHANGES.

6.1. *Buyer Changes.* Buyer may at any time make changes within the scope of an Order in any one or more of the following: (a) drawings, designs or specifications; (b) method of shipment or packing; (c) place and time of delivery; (d) amount of Buyer's furnished property; (e) quality; (f) quantity; or (g) scope or schedule of goods and/or services. Supplier shall not proceed to implement any change until such change is provided in writing by Buyer. If any changes cause an increase or decrease in the cost or schedule of any work under an Order, the Supplier shall be entitled to an equitable adjustment shall be made in writing to the Order price and/or delivery schedule as applicable. Any Supplier claim for such adjustment shall be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the change or suspension notification and may only include reasonable, direct costs that shall necessarily be incurred as a direct result of the change.

6.2. *Supplier Changes.* Supplier shall notify Buyer in writing in advance of any and all: (a) changes to the goods and/or services, their specifications and/or composition; (b) process changes; (c) plant and/or equipment/tooling changes or moves; (d) transfer of any work hereunder to another site; and/or (e) sub-supplier changes, and no such change shall occur until Buyer has approved such change in writing. Supplier shall be responsible for obtaining, completing and submitting proper documentation regarding any and all changes, including complying with any written change procedures issued by Buyer.

7. INSPECTION/TESTING AND QUALITY.

7.1. *Inspection/Testing.* In order to assess Supplier's work quality and/or compliance with the Agreement or an Order, upon reasonable notice by Buyer all: (a) goods, materials and services related to the items purchased hereunder, including, raw materials, components, assemblies, work in process, tools and end products shall be subject to inspection and test by Buyer, its representative or regulatory authorities at all places, including sites where the goods are made or located or the services are performed, whether at Supplier's premises or elsewhere; and (b) of Supplier's facilities, books and records relating to an Order shall be subject to inspection by Buyer or its designee. If specific Buyer tests, inspection and/or witness points are included in an Order or the Agreement, the goods shall not be shipped without an inspector's release or a written waiver of test/inspection/witness with respect to each such point; however, Buyer shall not be permitted to unreasonably delay shipment; and Supplier shall notify Buyer in writing at least twenty (20) days prior to each of Supplier's scheduled final and, if applicable, intermediate test/inspection/witness points. Supplier agrees to cooperate with such/audit inspection including, completing and returning questionnaires and making available its knowledgeable representatives. Buyer's failure to inspect or reject or detect defects by inspection shall not relieve Supplier from its responsibilities under an Order. Supplier agrees to provide small business as well as minority and/or women owned business utilization and demographic data upon request.

7.2. *Quality.* When requested by Buyer, Supplier shall promptly submit real-time production and process data ("**Quality Data**") in the form and manner requested by Buyer. Supplier shall provide and maintain an inspection, testing and process control system ("**Supplier's Quality System**") covering the goods and services provided hereunder that is acceptable to Buyer and its customer and complies with Buyer's quality policy, quality requirements in the Agreement or an Order and/or other quality requirements that are otherwise agreed to in writing by the parties ("**Quality Requirements**"). Acceptance of Supplier's Quality System by Buyer does not alter Supplier's obligations and/or liability under the Agreement or an Order, including, Supplier's obligations regarding its sub-suppliers and subcontractors. If Supplier's Quality System fails to comply with the terms of the Agreement or an Order, Buyer may require additional quality assurance measures at Supplier's expense necessary to meet the Quality Requirements. Supplier shall keep complete records relating to Supplier's Quality System, including all testing and inspection data and shall make such records available to for the longer of: (a) three (3) years after completion of an Order; (b) such period as set forth in the Agreement or the specifications applicable to an Order; or (c) such period as required by applicable Law. If Supplier is not the manufacturer of the goods, Supplier shall certify the traceability of the goods to the original equipment manufacturer on the certificate of conformance. If Supplier cannot certify traceability of the goods, Supplier shall not ship such goods to Buyer without obtaining Buyer's written consent. Any review or approval of drawings by Buyer shall be for Supplier's convenience and shall not relieve Supplier of its responsibility to meet all requirements of an Order.

7.3. *Product Recall.*

(a) If a recall is required by applicable Law, or Buyer or Supplier reasonably determines that a recall is advisable based on the fact that that the goods create a potential safety hazard, the parties shall promptly communicate such facts to each other. At Buyer's request, Supplier shall promptly develop a corrective action plan, which shall include all actions required to recall and/or repair the goods and any actions required by applicable Law ("**Corrective Action Plan**") for Buyer's review and approval. At Buyer's election, Buyer may develop the Corrective Action Plan. Supplier and Buyer agree to cooperate and work together to ensure that the Corrective Action Plan is acceptable to both parties. In no event shall Buyer and Supplier's failure to agree on the Corrective Action Plan delay the timely notification of a potential safety hazard to users of the goods or cause either party to be non-compliant with applicable Law. Supplier and Buyer shall cooperate with and assist each other in any corrective actions and/or filings.

(b) To the extent a recall is determined to have been caused by a defect, non-conformance or non-compliance, which is the responsibility of Supplier, Supplier shall indemnify and hold harmless Buyer from all reasonable costs and expenses incurred in connection with any recall, repair, replacement or refund program, including all costs related to: (i) investigating and/or inspecting the affected goods; (ii) notifying Buyer's customers; (iii) repairing, or where repair of the goods is impracticable or impossible, repurchasing or replacing the recalled goods; (iv) packing and shipping the recalled goods; and (v) media notification. Each party shall consult the other before making any statements to the public or a governmental agency relating to such recall or potential safety hazards, except where such consultation would prevent timely notification required by Law.

8. **REJECTION.** If any of the goods and/or services furnished pursuant to the Agreement or an Order are found within a reasonable time after delivery to be defective or otherwise not in conformity with the requirements of the Agreement or the applicable Order, then Buyer, at its option may: (a) require Supplier, at its expense, to immediately re-perform any defective portion of the services and/or require Supplier to immediately repair or replace non-conforming goods with

goods that conform to all requirements of the Agreement and Order; (b) take such actions as may be required to cure all defects and/or bring the goods and/or services into conformity with all requirements of the Agreement and applicable Order, in which event all related costs and expenses shall be for Supplier's account; (c) reject and/or return at Supplier's risk and expense all or any portion of such goods and/or services; and/or (d) rescind an Order without liability. For any repairs or replacements, Supplier, at its cost and expense, shall perform any tests requested by Buyer to verify conformance to the Agreement and Order.

9. WARRANTIES.

9.1. Supplier warrants that all goods and services provided pursuant to the Agreement and/or an Order shall be: (a) free of all claims, liens, or encumbrances (other than liens arising through Buyer); (b) new and of merchantable quality, not used, rebuilt or made of refurbished material unless approved in writing by Buyer; (c) free from all defects in design, workmanship and material; (d) fit for the particular purpose for which they are intended; and (e) provided in strict accordance with all specifications, samples, drawings, designs, descriptions or other requirements approved or adopted by Buyer. Supplier further warrants that it shall perform the services and work hereunder in a competent, safe, and professional manner in accordance with the highest standards and best practices of Supplier's industry.

9.2. The warranties set forth in Section 9.1 above, shall extend to the future performance of the goods and services and apply for a period of twenty-four (24) months from the delivery of the goods or performance of the services, or such longer period of time as customarily provided by Supplier, plus delays such as those due to non-conforming goods and services. The warranties shall apply to Buyer, its successors, assigns and the users of goods and services provided pursuant to the Agreement or an Order.

9.3. If any of the goods and/or services are found to be defective or otherwise not in conformity with the warranties in this Section during the warranty period, Buyer, at its option may: (a) require that Supplier, at its expense, inspect, remove, reinstall, ship and repair or replace/re-perform nonconforming goods and/or services with goods and/or services that conform to the Agreement and Order; (b) take such actions as may be required to cure all defects and/or bring the goods and/or services into conformity with the Agreement and Order, in which event all related costs and expenses shall be for Supplier's account; and/or (c) reject and/or return at Supplier's risk and expense all or any portion of such goods and/or services. Any repaired or replaced good, or part thereof, or re-performed services shall carry warranties on the same terms as set forth above. For any repairs or replacements, Supplier, at its cost and expense, shall perform any tests requested by Buyer to verify conformance to the Agreement and Order.

10. **SUSPENSION.** Buyer may at any time, by notice to Supplier, suspend performance of the work under the Agreement or any Order for such time as it deems appropriate. Upon receiving notice of suspension, Supplier shall promptly suspend work to the extent specified, properly caring for and protecting all work in progress and materials, supplies and equipment Supplier has on hand for performance. Upon Buyer's request, Supplier shall promptly deliver to Buyer copies of outstanding purchase orders and subcontracts for materials, equipment and/or services for the work and take such action relative to such purchase orders and subcontracts as Buyer may direct. Buyer may at any time withdraw the suspension as to all or part of the suspended work by written notice specifying the effective date and scope of withdrawal. Supplier shall resume diligent performance on the specified effective date of withdrawal. All claims for increase or decrease in the cost of or the time required for the performance of any work caused by suspension shall be pursued pursuant to, and consistent with, Section 6.1 of these Terms & Conditions.

11. TERMINATION.

11.1. *Termination for Convenience.* Buyer may terminate the Agreement or all or part of an Order for convenience at any time by providing 15 days prior written notice to Supplier. Upon such termination, Buyer and Supplier shall negotiate reasonable termination costs, which shall only include Supplier's reasonable, direct costs that have or shall necessarily be incurred as a direct result of such termination. Any Supplier claim for such costs shall include reasonable documentation supporting such claim and shall be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the Buyer's termination notice.

11.2. *Termination for Default.* Either party may terminate the Agreement if the other party commits a material breach of the Agreement, these Terms & Conditions or any Order that remains uncured thirty (30) days after written notice is delivered to such breaching party; provided that, Buyer may terminate the Agreement immediately upon written notice for Supplier's breach of Sections 14, 15 or 16 of these Terms & Conditions. Upon termination by Buyer pursuant to this Section 11.2, Buyer may procure goods and/or services similar to those so terminated, and Supplier shall be liable to Buyer for any excess costs for such goods and/or services and other related costs. Supplier shall continue performance of an Order to the extent not terminated by Buyer. If Supplier for any reason anticipates difficulty in complying with any requirements of an Order, Supplier shall promptly notify Buyer in writing. Without limiting any other rights herein, if Buyer agrees to accept deliveries after the delivery date has passed, Buyer may require delivery by the fastest method and the total cost of such shipment and handling shall be borne by Supplier.

11.3. *Termination for Insolvency* If (a) Supplier dissolves or ceases to do business; (b) Supplier fails to pay its debts as they come due; or (c) Supplier or any other entity institutes insolvency, receivership, bankruptcy or any other proceeding for settlement of Supplier's debts, Buyer may immediately terminate an Order without liability, except for goods or services completed, delivered and accepted within a reasonable period after termination (which shall be paid for at the Order price).

11.4. *Supplier's Obligations on Termination.* Unless otherwise specified by Buyer, upon Supplier's receipt of a notice of termination of an Order or the Agreement, Supplier shall promptly: (a) stop work as directed in the notice; (b) place no further subcontracts/orders related to the terminated portion of an Order or the Agreement if the termination relates to the entire Agreement; (c) terminate, or if requested by Buyer assign, all subcontracts/orders to the extent they relate to work terminated; and (d) deliver all completed work, work in process

11.5. *Reservation of Rights.* Each party reserves all other rights and remedies hereunder and as otherwise permitted by Law that have accrued at the date of termination or expiration of the Agreement or any Order and does not waive any obligation of any party by reason of termination or expiration of the Agreement or any Order.

12. INDEMNITY AND INSURANCE.

12.1. *Indemnity.* Supplier shall defend, indemnify and hold Buyer and its Affiliates, and each of its and their directors, officers, managers, employees, agents, representatives, successors and assigns (collectively, the "Indemnitees") harmless from and against any and all claims, legal actions, demands, settlements, losses, judgments, fines, penalties, damages, liabilities, costs and expenses of any nature whatsoever, including, all attorneys' fees (collectively, "Claims") arising from any act or omission of Supplier, its agents, employees or subcontractors (collectively, "Supplier Personnel"), to the proportional extent such Claims and resulting damages are attributable to Supplier, Supplier Personnel or for any other party for whose acts Supplier may be liable in accordance with law. Supplier agrees to include a clause substantially similar to the preceding clause in all subcontracts it enters into related to its fulfillment of the Agreement or an Order. In addition, Supplier shall indemnify, defend, release and hold the Indemnitees harmless from and against any Claims arising out of employment or

labor claims or proceedings initiated by Supplier Personnel against or involving Buyer. Supplier further agrees to indemnify Buyer for any attorneys' fees or other cost Buyer incurs to enforce its rights hereunder.

12.2. **Insurance.** For the duration of the Agreement and for a period of six (6) years from the date of delivery of the goods or performance of the services pursuant to the Agreement, Supplier shall maintain, through insurers with a minimum A.M. Best rating of A- VII or S&P/A or the equivalent in those jurisdictions that do not recognize such rating classification and licensed in the jurisdiction where goods are sold and/or where services are performed, the following insurance: (a) Commercial General/Public Liability, on an occurrence form, in the minimum amount of USD \$5,000,000.00 per occurrence with coverage for: (i) bodily injury/property damage; (ii) personal/advertising injury; and (iii) products/completed operations liability, including coverage for contractual liability insuring the liabilities assumed in an Order, with all such coverages in this Section 12.2(a) applying on a primary basis, providing for cross liability, not being subject to any self-insured retention and being endorsed to name of the Buyer, its Affiliates (defined in Section 2.2(d)), directors, officers, agents and employees as additional insureds; (b) Business Automobile Liability Insurance covering all owned, hired and non-owned vehicles used in the performance of an Order in the amount of USD \$2,000,000.00 combined single limit each occurrence; (c) Employers' Liability in the amount of USD \$2,000,000.00 each accident, injury or disease; (d) Property Insurance on an "All-risk" basis covering the full replacement cost value of all of Buyer's Property in Supplier's care, custody or control, with such policy being endorsed to name Buyer as "Loss Payee" as its interests may appear; and (e) appropriate Workers' Compensation Insurance protecting Supplier from all claims under any applicable Workers' Compensation or Occupational Disease Act. Supplier shall obtain coverage similar to Workers' Compensation and Employers' Liability for each Supplier employee performing work under the Agreement or an Order outside of the U.S. To the extent that an Order is for professional services, Supplier shall maintain Professional/ Errors and Omission Liability insurance in the minimum amount of \$5,000,000.00 per claim. If any insurance is on a claims-made basis, the retro date must precede the date of issuance of an Order and Supplier must maintain continuity of coverage for three (3) years following termination, expiration and/or completion of an Order. Insurance specified in sub-sections 12.2(c), (d) and (e) shall be endorsed to provide a waiver of subrogation in favor of Buyer, its Affiliates and its and their respective employees for all losses and damages covered by the insurances required in such subsections. The application and payment of any self-insured retention or deductible on any policy carried by Supplier shall be the sole responsibility of Supplier. Should Buyer be called upon to satisfy any self-insured retention or deductible under Supplier's policies, Buyer may seek indemnification or reimbursement from Supplier where allowed by applicable Law. Upon request by Buyer, Supplier shall provide Buyer with a certificate(s) of insurance evidencing that the required minimum insurance is in effect. The certificate(s) of insurance shall reference that the required coverage extensions are included on the required policies. Upon request by Buyer, copies of endorsements evidencing the required additional insured status, waiver of subrogation provision and/or loss payee status shall be attached to the certificate(s) of insurance. Acceptance of such certificate(s), which are not compliant with the stipulated coverages, shall in no way whatsoever imply that Buyer has waived its insurance requirements or any other obligations set forth herein. The above-referenced insurance limits in subsections (a), (b) and (c) can be met either via each policy or via a combination of these policies and an excess/umbrella liability insurance policy.

13. **ASSIGNMENT, SUBCONTRACTING AND CHANGE OF CONTROL.** Supplier may not assign, delegate, subcontract, or transfer (including by change of ownership or control, by operation of law or otherwise) the Agreement or an Order or any of its rights or obligations hereunder and thereunder, without Buyer's prior written consent. Should Buyer grant consent to Supplier's assignment, Supplier shall ensure that such assignee shall be bound by the terms and conditions of the Agreement and each applicable Order. Further, Supplier shall advise Buyer of any subcontractor or supplier to Supplier: (a) that shall have at its facility any parts, components, or goods with Buyer's or any of its Affiliates' name, logo or trademark (or that shall be responsible to affix the same); and/or (b) fifty percent (50%) or more of whose output from a specific location is purchased directly or indirectly by Buyer. Subject to the foregoing, the Agreement and each Order shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns.

14. **COMPLIANCE WITH VWTS POLICIES; ANTI-CORRUPTION.** Supplier acknowledges that it has read and understands the VEOLIA Integrity Guide for Suppliers, Contractors and Consultants, which may be updated or modified by Buyer from time to time (the "Guide"), and which is located at: <https://www.veolia.com/sites/g/files/dvc4206/files/document/2019/07/Veolia-general-principles-suppliers-relationship-032019.pdf>. Supplier agrees to fully comply with the Guide with regard to provision of the goods and/or services. Supplier agrees not to pay, promise to pay, give or authorize the payment of any money or anything of value, directly or indirectly, to any person for the purpose of illegally or improperly inducing a decision or obtaining or retaining business in connection with the Agreement or an Order. Supplier shall not make any payments or engage in any acts which would be contrary to applicable Law, including but not limited to any applicable international agreements relating to bribery (such as the United Nations Convention against Corruption, the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Organization of American States (OAS) Inter-American Convention Against Corruption, the Council of Europe (COE) Criminal Law Convention on Corruption, the laws of the United States (such as the Foreign Corrupt Practices Act), France's Law on Transparency: The Fight Against Corruption and Modernization of Economic Life (Sapin II) and the laws of any other applicable country.

15. COMPLIANCE WITH LAWS.

15.1. **General.** Supplier represents, warrants, certifies and covenants ("**Covenants**") that it shall comply with all laws, treaties, conventions, protocols, regulations, ordinances, codes, standards, directives, orders and rules issued by governmental agencies or authorities which are applicable to the activities relating to the Agreement and each Order (collectively, the "**Laws(s)**") and the Guide.

15.2. *Environment, Health and Safety.*

(a) **General.** Supplier Covenants that it shall take appropriate actions necessary to protect health, safety and the environment and has established effective requirements to ensure any suppliers it uses to perform the work called for under the Agreement or an Order shall be in compliance with this Section 15.

(b) **Material Content and Labeling.** Supplier Covenants that each chemical substance or hazardous material constituting or contained in the goods is suitable for use and transport and is properly packaged, marked, labeled, documented shipped and/or registered under applicable Law. Notwithstanding the foregoing, Supplier Covenants that none of the goods contains any of the following: (i) arsenic, asbestos, benzene, beryllium, carbon tetrachloride, cyanide, lead or lead compounds, cadmium or cadmium compounds, hexavalent chromium, mercury or mercury compounds, trichloroethylene, tetrachloroethylene, methyl chloroform, polychlorinated biphenyls ("**PCBs**"), polybrominated biphenyls ("**PBBs**"), polybrominated diphenyl ethers ("**PBDEs**"), nanoscale materials; or (ii) any chemicals that are restricted or otherwise banned under the Montreal Protocol, the Stockholm Convention on Persistent Organic Pollutants, the US Toxic Substances Control Act, the European Union's Restrictions on Hazardous Substances and REACH legislation, and other comparable chemical regulations unless, Buyer expressly agrees in writing. Upon request from Buyer, Supplier shall provide Buyer with safety data sheets, the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under an Order and any other relevant information or data. Hazardous materials as used in an Order means any substance or material regulated on the basis of potential impact to safety, health or the environment pursuant to applicable Law.

(c) If any deliverables, goods or other materials sold or transferred to Buyer contain hazardous materials, Supplier shall provide all relevant information required pursuant to applicable requirements, such as: (i) the Occupational Safety and Health Act ("**OSHA**") regulations 29 C.F.R. § 1910.1200,

including a completed Material Safety Data Sheet (OSHA Form 20) and mandated labeling information and (ii) any similar requirements in any other jurisdictions to or through which Buyer informs Supplier the deliverables, goods or other materials are likely to be shipped.

15.3. Subcontractor Flow-downs for U.S. Government Commercial Items Contracts. Where the goods and/or services being procured by Buyer from Supplier are in support of a U.S. Government end customer or an end customer funded in whole or part by the U.S. Government, the following additional terms in the “VWTS Government Flowdown Provisions Appendix” which is attached to these Terms and Conditions as Appendix, shall apply to the Agreement and each Order. Supplier acknowledges it has reviewed such appendix and agrees to comply with such terms if applicable and Covenants that it has not been declared ineligible to contract with the U.S. Government or an end customer funded in whole or part by the U.S. Government.

15.4. Import & Export Compliance.

(a) **General.** Supplier Covenants that it is knowledgeable regarding all applicable export, export control, customs and import laws and shall comply with such laws and any instructions and/or policies provided by Buyer. This shall include securing all necessary clearance requirements, export and import licenses and exemptions from such licenses, and making all proper customs declarations and filings with and notifications to appropriate governmental bodies, including disclosures relating to the provision of services and the release or transfer of goods, hardware, software and technology to foreign destinations or nationals. Supplier Covenants that it shall not cause or permit any goods, technical data, software or the direct product thereof furnished by Buyer in connection with the Agreement or an Order to be exported, transshipped, re-exported or otherwise transferred except where expressly permitted by Law. Supplier Covenants that it is not suspended, debarred or declared ineligible to export by any government entity. In the event that Supplier is suspended, debarred or declared ineligible by any government entity, Buyer may terminate the Agreement or any Order immediately without liability to Buyer.

(b) **Trade Restrictions.**

(i) Supplier Covenants that it shall not sell, distribute, disclose, release, receive or otherwise transfer any item or technical data provided under an Order to or from: (1) any country designated as a “State Sponsor of Terrorism” or “SST” by the U.S. Department of State, (2) any entity located in, or owned by an entity located in a SST country, or (3) any person or entity listed on the “Specifically Designated Nationals and Blocked Persons” list maintained by the U.S. Department of Treasury. This clause shall apply regardless of the legality of such a transaction under local law.

(ii) Buyer may, from time to time and for business reasons, withdraw from and/or restrict its business dealings in certain jurisdictions, regions, territories and/or countries. Thus, subject to applicable Law, Supplier hereby agrees not to supply any goods to Buyer under this Agreement or an Order that are sourced directly or indirectly from any such jurisdiction, region, territory and/or country identified to Supplier by Buyer.

(c) **Trade Remedy Laws.** Supplier Covenants that no goods sold to Buyer hereunder are subject to antidumping or countervailing duties. Supplier Covenants that all sales made hereunder shall be made in circumstances that shall not give rise to the imposition of new antidumping or countervailing duties or other duties or tariffs including, in connection with a trade dispute or as a remedy in an “escape clause”, under the Law of any countries to which the goods may be exported. In the event that any jurisdiction imposes such duties or tariffs on goods subject to an Order, Buyer may terminate an Order immediately upon written notice to Supplier without liability to Buyer.

(d) **Shipping/Documentation Requirements.** With each shipment of goods, Supplier shall provide: (i) a packing list containing all information specified in Section 20 below, (ii) a commercial or pro forma invoice and (iii) all required security-related information needed for the import of the goods. The commercial/pro forma invoice shall include: contact names and telephone numbers of representatives of Buyer and Supplier who have knowledge of the transaction; Buyer’s order number; order line item; part number; release number (in the case of a “blanket order”); detailed description of the merchandise; quantity; unit purchase price in the currency of the transaction; Incoterms® 2020 used in the transaction; the named place of delivery; and both (1) “country of origin” of the goods and (2) customs tariff numbers of the country of consignment, as each are determined under customs Law; the applicable national export control numbers; and if the goods are subject to U.S. export regulations, ECCN or ITAR classifications.

(e) **Preferential Trade Agreements/Duty Drawback.** If goods shall be delivered to a destination country having a trade preferential or customs union agreement (“**Trade Agreement**”) with Supplier’s country, Supplier shall cooperate with Buyer to review the eligibility of the goods for any special program for Buyer’s benefit and provide Buyer with any required documentation, including declarations or certificates of origin to support the applicable special customs program or Trade Agreement to allow duty free or reduced duty for entry of goods into the destination country. If Supplier is the importer of record for any goods purchased hereunder, including any component parts thereof, upon Buyer’s request, Supplier shall provide Buyer with all necessary customs documentation to enable Buyer to file for and obtain duty drawback. Supplier shall promptly notify Buyer of any known documentation errors and/or changes to the origin of goods. Supplier shall indemnify Buyer for any costs, fines, penalties or charges arising from Supplier’s inaccurate documentation or untimely cooperation.

16. CONFIDENTIALITY, DATA PROTECTION AND PUBLICITY.

16.1. **Confidentiality.**

(a) “**Confidential Information**” for purposes of the Agreement and any Order shall mean: (i) the terms of the Agreement and any Order; (ii) all information and material disclosed or provided by Buyer or an Affiliate of Buyer to Supplier, including Buyer’s Property; (iii) all information Supplier Personnel derive from Buyer’s Property; and (iv) all of Buyer’s IP Rights.

(b) Supplier shall: (i) use the Confidential Information only for the purposes of fulfilling Supplier’s obligations under the Agreement or an Order; and (ii) without limiting the requirements under Section 16.2 of these Terms & Conditions, use the same degree of care with the Confidential Information as with its own confidential information, which shall be at least a reasonable standard of care, to prevent disclosure of the Confidential Information, except to its officers, directors, managers, and employees (collectively, “**Authorized Parties**”), solely to the extent necessary to permit them to assist the Supplier in performing its obligations under the Agreement or an Order. Supplier agrees that prior to disclosing the Confidential Information to any Authorized Party, Supplier shall advise the Authorized Party of the confidential nature of the Confidential Information and ensure that such party has signed a confidentiality agreement no less restrictive than the terms of this Section. Supplier acknowledges the irreparable harm that shall result to the Buyer if the Confidential Information is used or disclosed contrary to the provisions of this Section.

(c) The restrictions in this Section 16 regarding the Confidential Information shall not apply to the Confidential Information disclosed by Buyer to Supplier if such information: (i) is or becomes generally available to the public other than as a result of disclosure by Supplier; (ii) was available on a non-confidential basis prior to its disclosure to Supplier; (iii) is or becomes available to Supplier on a non-confidential basis from a source other than Buyer or an Affiliate of Buyer when such source is not, to the best of Supplier’s knowledge, subject to a confidentiality obligation with Buyer or an Affiliate of Buyer; or (iv) was independently developed by Supplier, without reference to the Confidential Information, and Supplier can verify the development of such information by written documentation.

(d) Within thirty (30) days of either a request from Buyer or the termination of the Agreement, Supplier shall return to Buyer or destroy (with such destruction certified in writing to Buyer) all Confidential Information, including any copies thereof. The return or destruction of the Confidential Information shall not affect the confidentiality obligations of Supplier all of which shall continue in effect as provided for in these Terms & Conditions and in the Agreement.

(e) Any knowledge or information, which Supplier shall have disclosed or may hereafter disclose to Buyer and which in any way relates to the goods or services purchased under the Agreement or an Order (except to the extent deemed to be Buyer's Property as set forth in Section 4 in these Terms & Conditions), shall not be deemed to be confidential or proprietary and shall be acquired by Buyer free from any restrictions (other than a claim for infringement) as part of the consideration for an Order, and notwithstanding any copyright or other notice thereon, Buyer shall have the right to use, copy, modify and disclose the same as it sees fit.

(f) Notwithstanding the foregoing, if Supplier is requested or required by interrogatories, subpoena or similar legal process, to disclose any Confidential Information, it agrees to provide Buyer with prompt written notice of each such request/requirement, to the extent practicable, so that Buyer may seek an appropriate protective order, waive compliance by Supplier with the provisions of this Section, or both. If, absent the entry of a protective order or receipt of a waiver, Supplier is, in the opinion of its counsel, legally compelled to disclose such Confidential Information, Supplier may disclose such Confidential Information to the persons and to the extent required without liability under an Order and shall use its best efforts to obtain confidential treatment for any Confidential Information so disclosed.

Privacy and Data Protection. Supplier agrees that Confidential Information shall be subject to the organizational, technical, and physical controls and other safeguards set out in the Privacy and Data Protection Appendix, which may be updated or modified by Buyer from time to time, found at <https://www.watertechnologies.com/supplier-documents> (VWTS website).

16.2. If Supplier has access to Restricted Data, Sensitive Personal Information, Controlled Data or an Information System as defined in the P&D Appendix, Supplier agrees to apply such additional safeguards and to grant Buyer such additional rights as are set out in said P&D Appendix relating to such data. In addition, Supplier understands and agrees that Buyer may require Supplier to provide certain personal information of Supplier's representatives to facilitate the performance of an Order, and that information shall be processed and maintained by Buyer as set forth in the P&D Appendix

16.3. *Publicity.* Supplier shall not make any announcement, take or release any photographs (except for its internal operation purposes for the manufacture and assembly of the goods), or release any information concerning the Agreement or an Order or with respect to its business relationship with Buyer or any Affiliate of Buyer, to any third party except as required by applicable Law without Buyer or its Affiliate's prior written consent. Supplier agrees that it shall not, without prior written consent of Buyer or its Affiliates as applicable, (a) use in advertising, publicity or otherwise, the name, trade name, trademark logo or simulation thereof of Buyer or its Affiliates or the name of any officer or employee of Buyer or its Affiliates or (b) represent, directly or indirectly, that any product or any service provided by Supplier has been approved or endorsed by Buyer or its Affiliates

17. CYBERSECURITY FOR GOODS WITH EXECUTABLE BINARY CODE.

17.1. Supplier agrees that all goods supplied under an Order that include executable binary code shall comply with the *Product Cybersecurity Appendix* found at <https://www.watertechnologies.com/supplier-documents> (VWTS website). In addition, Supplier shall deliver and maintain the Services and Deliverables free from all Disabling Devices. The term "**Disabling Device**" as used in this Agreement shall mean any software, hardware, device, technology or other means, the purpose or effect of which is to: (A) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data processed thereby; or (B) prevent Buyer or any authorized user from accessing or using the Services as intended by this Agreement, and includes any virus, timer, clock, counter, time lock, time bomb, Trojan horse, worm, file infector, boot sector infector or other limiting design, instruction or routine that could, if triggered, erase data or programming or cause the resources to become inoperable or otherwise incapable of being used in substantially the same manner for which such resources were intended to be used. In addition to Buyer's other rights and remedies under this Agreement or otherwise at law or in equity, Supplier shall provide Buyer, free of charge, with any and all new versions, upgrades, updates, releases, maintenance releases, and error or bug fixes applicable to the Deliverables (collectively, "**Revised Code**") which prevents a breach of any of the warranties provided under this Agreement or corrects a breach of such warranties. Revised Code contained in Deliverables shall also be deemed to be a Deliverable.

17.2. *Materials and Underlying Licenses.* "Materials" includes, but is not limited to the following: systems; software, code, tools and tooling, mechanisms; mask works; compositions of matter, processes, ideas, inventions, know-how, trade secrets, developments, discoveries and improvements, data, textual matter, forms, lists, photographs, illustrations, audio and/or video, compilations of data and other content, designs, specifications, schematics, work and process flows, plans, models, prototypes, methodologies, interfaces, "look and feel," packaging, research, analyses, reports, procedures, techniques, and identifiers such as domain, business and/or product names, marks, logos, URL's, user and account names, social media presences and the like. "Open Source Materials" or "OSM" means any Materials that are distributed as "open source software" or "freeware" or is otherwise distributed publicly or made generally available in source code form. "Third Party Materials" or "3PM" means Materials the rights to which are owned in whole or in part by one or more third-party individuals or entities (and not by either party or its designees). "Underlying License" means any and all terms which are legally applicable to the use, disclosure, modification, incorporation, distribution (or other exercise of Intellectual Property Rights) in OSM or 3PM.

17.3. *OSM and 3PM Disclosure, Approval, and Compliance.* With Buyer's prior written approval, Supplier may provide any Deliverable to Buyer which uses or incorporates OSM or 3PM (or depends in any way upon OSM or 3PM) so long as: (a) Supplier cooperates with Buyer's security and proprietary rights assessments concerning OSM and 3PM; (b) Supplier validly holds and is in compliance with all Underlying Licenses necessary to use or incorporate the OSM or 3PM as specified in the SOW; and (c) Supplier agrees, upon Buyer's request, to allow Buyer (or an approved third party inspector paid for by Supplier) to examine any Deliverable for OSM or 3PM, and provides Buyer with any related necessary assistance. If any 3PM incorporated into a Deliverable is not commercially available as a separate product offering, Supplier agrees to obtain for Buyer an Underlying License conveying a non-exclusive, royalty-free, perpetual, irrevocable, worldwide, fully paid-up, sublicensable (through all tiers) right which allows Buyer and its authorized designees to use the 3PM as incorporated, at no additional charge to Buyer. Supplier shall be responsible at its sole expense for remediating any technical or legal issues experienced by Buyer in connection with the use or incorporation of OSM or 3PM (including, but not limited to removing any OSM or 3PM incorporated without Buyer approval; reperforming Services or Deliverables; reimbursing Buyer for losses, costs and other direct damages related to the OSM or 3PM; and/or undertaking the fulfillment of obligations that might be imposed on Buyer by any applicable OSM or 3PM Underlying Licenses, or resolving conflicts among them).

18. **INTELLECTUAL PROPERTY INDEMNIFICATION.** Supplier shall indemnify, defend and hold Buyer and Buyer's customers and Affiliates harmless from any and all claims against Buyer and/or Buyer's customers and/or Buyer's Affiliates alleging intellectual property infringement of any patent, copyright, trademark, trade secret or other intellectual property rights of any third party arising out of the use, sale, importation, distribution, reproduction or

licensing of any product, service, article or apparatus, or any part thereof constituting goods or services furnished under the Agreement or an Order, as well as any device or process necessarily resulting from the use thereof (the “**Indemnified IP**”), including the use, sale, importation, distribution, reproduction or licensing of such Indemnified IP, in foreseeable combinations with products or services not supplied by Supplier. Buyer shall notify Supplier promptly of any such suit, claim or proceeding and give Supplier authority and information and assistance (at Supplier’s expense) for the defense of same, and Supplier shall pay all damages, costs and expenses incurred or awarded therein, including reasonable attorneys’ fees. Notwithstanding the foregoing, any settlement of such suit, claim or proceeding shall be subject to Buyer’s consent, such consent not to be unreasonably withheld. If use of any Indemnified IP is enjoined, Supplier shall, at Buyer’s option and Supplier’s expense, either: (a) procure for Buyer the right to continue using such Indemnified IP; (b) replace the same with a non-infringing equivalent; or (c) remove the Indemnified IP and/or halt such use of the Indemnified IP in providing goods and/or services under an Order and refund the purchase price to Buyer, and in all cases, Supplier shall be responsible for all related costs and expenses. Supplier agrees that it shall use commercially reasonable efforts to obtain an intellectual property infringement indemnity from its direct or indirect suppliers providing goods and/or services as part of the deliverables under an Order consistent with the intellectual property infringement indemnity it provides to Buyer in an Order.

19. BUSINESS CONTINUITY PLANNING AND SUPPLY CHAIN SECURITY.

19.1. *Business Continuity Planning.* Supplier shall prepare, maintain and provide, at no additional cost to Buyer, a Business Continuity Plan (“**BCP**”) satisfactory to Buyer and designed to ensure that Supplier can continue to provide the goods and/or services in accordance with an Order in the event of a disaster or other BCP-triggering event (as such events are defined in the applicable BCP). Supplier’s BCP shall, at a minimum, provide for: (a) the retention and retrieval of data and files; (b) obtaining resources necessary for recovery; (c) appropriate continuity plans to maintain adequate levels of staffing required to provide the goods and services during a disruptive event; (d) procedures to activate an immediate, orderly response to emergency situations; (e) procedures to address potential disruptions to Supplier’s supply chain; (f) a defined escalation process for notification of Buyer in the event of a BCP-triggering interruption; and (g) training for key Supplier Personnel who are responsible for monitoring and maintaining Supplier’s continuity plans and records. Supplier shall maintain the BCP and test it at least annually. Upon Buyer’s request, Supplier shall provide Buyer an executive summary of the test results and a report of corrective actions (including the timing for implementation) to be taken to remedy any deficiencies identified by such testing. Upon Buyer’s request, and with reasonable advance notice and conducted in such a manner not to unduly interfere with Supplier’s operations, Supplier shall give Buyer and its designated agents access to Supplier’s designated representative(s) with detailed functional knowledge of Supplier’s BCP and relevant subject matter.

19.2. *Supply Chain Security.* Supplier shall maintain a written security plan consistent with the Customs Trade Partnership Against Terrorism (“**C-TPAT**”) program of U.S. Customs and Border Protection, the Authorized Economic Operator for Security program of the European Union (“**EU AEO**”) and similar World Customs Organization SAFE Framework of Standards to Secure and Facilitate Global Trade (collectively, “**SAFE Framework Programs**”) and implement appropriate procedures pursuant to such plan (the “**Security Plan**”). Supplier shall: (a) communicate such SAFE Framework Programs recommendations to its sub-suppliers and transportation providers (“**Subtiers**”); (b) condition its relationship with those entities upon their implementation of a Security Plan; and (c) upon request of Buyer, Supplier shall certify to Buyer in writing that its Subtiers’ Security Plans comply with all applicable SAFE Framework Programs.

20. **PACKING, PRESERVATION AND MARKING.** Packing, preservation and marking will be in accordance with the specification drawing or as specified on the Order, or if not specified, the best commercially accepted practice will be used, which will be consistent with applicable law. All goods shall be packed in an appropriate manner, giving due consideration to the nature of the goods, with packaging suitable to protect the goods during transport from damage and otherwise to guarantee the integrity of the goods to destination. Goods that cannot be packed due to size or weight shall be loaded into suitable containers, pallets or crossbars thick enough to allow safe lifting and unloading. Vehicles that reach their destination and present unloading difficulties will be sent back to their point of departure. Supplier shall place all markings in a conspicuous location as legibly, indelibly and permanently as the nature of the article or container will permit. Each package shall bear Buyer’s order number and be accompanied by a readily accessible packing list detailing the contents and including the following information on each shipment under this Order: Buyer’s order number; case number; routing center number (if provided by Buyer’s routing center); country of manufacture; destination shipping address; commodity description; gross/net weight in kilograms and pounds; dimensions in centimeters and inches; center of gravity for items greater than one (1) ton; precautionary marks (e.g., fragile, glass, air ride only, do not stack, etc.); and loading hook/lifting points and chain/securing locations where applicable to avoid damage and improper handling. Supplier Covenants (defined in Section 15.1) that any wood packing or wood pallet materials delivered or used to deliver, pack and/or transport any goods delivered to Buyer hereunder are in compliance with the International Standards for Phytosanitary Measures (ISPM): Guidelines for Regulating Wood Packaging Material (WPM) in International Trade (ISPM Publication No. 15), U.S. Code of Federal Regulations, 7 CFR §§ 319.40-1 through 319.40-11, as may be changed or amended, if the goods are being shipped to the U.S., and similar laws of other jurisdictions to or through which Buyer informs Supplier the goods are likely to be shipped or to or through which Supplier otherwise has knowledge that shipment will likely occur. Supplier shall provide Buyer with any certifications required by Buyer to evidence its compliance with the foregoing sentence.

21. GOVERNING LAW AND DISPUTE RESOLUTION.

21.1. *Governing Law.* An Order shall in all respects be governed by and interpreted in accordance with the substantive law of the State of New York, U.S., excluding its conflicts of law provisions. The parties exclude application of the United Nations Convention on Contracts for the International Sale of Goods.

21.2. *Dispute Resolution for U.S. Suppliers.* If Supplier is a permanent resident of the U.S., or a corporation, partnership or other entity existing under the laws of the U.S., and Supplier and Buyer have a controversy, dispute or difference arising out of the Agreement or an Order (“**Dispute**”), either party may initiate litigation. Litigation may be brought only in the U.S. District Court for the U.S. District Court for the Southern District of New York or, if such court lacks subject matter jurisdiction, in the Supreme Court of the State of New York in and for New York County. The parties submit to the jurisdiction of said courts and waive any defense of forum non conveniens.

21.3. *Dispute Resolution for Non-U.S. Suppliers.* If Supplier is a permanent resident of a country other than the U.S., or is a corporation, partnership or other entity existing under the laws of any country other than the U.S., and Supplier and Buyer have a Dispute, the parties agree to submit any such Dispute to settlement proceedings under the Alternative Dispute Resolution Rules (the “**ADR Rules**”) of the International Chamber of Commerce (“**ICC**”). If the Dispute has not been settled pursuant to the ADR Rules within forty-five (45) days following the filing of a request for ADR or within such other period as the parties may agree in writing, such Dispute shall be finally settled under the Rules of Arbitration and Conciliation of the ICC (the “**ICC Rules**”) by one or three arbitrators appointed in accordance with such ICC Rules. The place for arbitration shall be New York, New York, U.S., and proceedings shall be conducted in English. The award shall be final and binding on both Buyer and Supplier, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrators’ award.

21.4. *Waiver of Jury Trial.* Each party acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a

legal action, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily, and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 21.4.

22. **ELECTRONIC COMMERCE.** Supplier agrees to participate in Buyer's current and future electronic commerce applications and initiatives. For purposes of an Order, each electronic message sent between the parties within such applications or initiatives, including electronic invoices and other electronic documents, shall be deemed: (a) "written" and a "writing"; (b) "signed" (in the manner below); and (c) an original business record when printed from electronic files or records established and maintained in the normal course of business. The parties expressly waive any right to object to the validity, effectiveness or enforceability of any such electronic message, invoice or other electronic document, on the ground that a "statute of frauds" or any other Law or rule of evidence requires written, signed agreements. Any such electronic documents may be introduced as substantive evidence in any proceedings between the parties as business records as if originated and maintained in paper form. Neither party shall object to the admissibility of any such electronic document for any reason. By placing a name or other identifier on any such electronic message, the party doing so intends to sign the message with his/her signature attributed to the message content. The effect of each such message shall be determined by the electronic message content and by the laws of the State of New York, excluding any such Law requiring signed agreements or otherwise in conflict with this Section.

23. **INDEPENDENT CONTRACTORS/ADDITIONAL SERVICE RELATED PROVISIONS.**

23.1. *Independent Contractor.* The relationship of Buyer and Supplier is that of independent contractors. Nothing in an Order shall be interpreted or construed as creating or establishing the relationship of employer and employee between Buyer and Supplier or Supplier Personnel. Buyer has no right to control directly or indirectly the terms and conditions of the employment of Supplier Personnel.

23.2. *Background Checks.* To the extent permissible by Law, and after securing appropriate written authorization from Supplier Personnel, Supplier shall, through the utilization of an authorized background checking agency perform background checks as set forth in Buyer Background Check Guidelines found at <https://www.watertechnologies.com/supplier-documents> (VWTS website), prior to (a) stationing any Supplier Personnel to perform services at any Buyer location, facility or work site (each a "**Buyer Site**") (for purpose of clarity, "stationing" shall not include periodic attendance or visits to a Buyer Site); (b) granting Supplier Personnel access to Buyer networks; (c) assigning Supplier Personnel to duties that are directly related to the safe operation or security of a Buyer Site, which, if not performed properly, could cause a serious environmental, health or safety hazard; or (d) assigning Supplier Personnel to a Buyer Site that is designated in its entirety as "security sensitive," even though the work responsibilities, if performed in another context, would not be security sensitive.

24. **FORCE MAJEURE.** Acts of God, terrorism, war (declared or undeclared), a public enemy, a governmental entity, embargoes, acts of any person or entity engaged in subversive activity, terrorism or sabotage, fires, floods, weather, explosions, or other catastrophes, epidemics or quarantine restrictions, strikes or other labor stoppages, slowdowns or disputes, or other cause(s) beyond the reasonable control of a party ("**Force Majeure Event**") which prevent any party ("**Affected Party**") from performing any obligation hereunder, or Buyer from receiving or using goods and/or services, shall suspend the Affected Party's obligation to perform hereunder during the period required to remove such cause. The Affected Party shall promptly notify the other party of the suspension and cause of such suspension; if the period of suspension lasts longer than fifteen (15) days, then the other party ("**Non-Suffering Party**") may at any time thereafter, while such suspension continues, terminate this Agreement or any Order immediately without penalty, liability or further obligation. If the Affected Party is Supplier, then Supplier shall allocate its supply of the goods and/or services, component raw materials and related manufacturing facilities so that the percentage reduction in Supplier's supply of goods and/or services, personnel, component raw materials and related manufacturing facilities to Buyer is no greater than the overall percentage reduction in total quantity of the goods and/or services, personnel, component raw materials and related manufacturing facilities Supplier has suffered as a result of the Force Majeure Event.

25. **RECORDS AND AUDIT RIGHTS.** Supplier shall maintain in accordance with generally accepted accounting principles, quality standards and industry practices, accurate and complete books and records, findings, metrics and other documentation (both physical and electronic) as well as an inspection and process control system covering any Services provided hereunder that is necessary to enable Supplier to demonstrate Supplier's full compliance with this Agreement and each Order (the "**Audit Materials**"). Supplier acknowledges that Audit Materials encompass materials pertaining both to Supplier's accounting/billing practices and its performance of its obligations under this Agreement, including, its compliance with Buyer's policies and applicable laws. Supplier shall retain the Audit Materials for the later of: (i) the term of the Agreement and applicable Order and for a period of three (3) years after termination of the Agreement or the last outstanding Order (whichever is longer); (ii) resolution of any dispute in which the Audit Materials are relevant; and (ii) any additional time required by any governmental, judicial or regulatory authority (the "**Retention Period**"). At Buyer's written request during the Retention Period, Supplier shall allow Buyer (directly and/or through third-parties) to audit and inspect Supplier's facilities and Audit Materials, as well as copy any documents that Supplier has relating to the performance of Supplier's obligations under the Agreement or any Order or other applicable legal requirements. Each of the parties will bear their own respective costs and expenses associated with the foregoing. Adjustments in favor of Buyer arising from any such audit shall be recognized as an adjustment of any future payment due Supplier, or, if no future payment is due Supplier, Supplier shall promptly pay the amount of any such adjustment to Buyer. If a financial audit or inspection uncovers any overcharge, Supplier shall refund the overcharge as a credit on the next invoice provided to Buyer, or if no future payment is due, Supplier shall promptly pay the amount of the overcharge to Buyer. Each party shall bear its own costs and expenses associated with its own actions under this Section; provided however, if an audit reveals an overbilling or over-reporting of three percent (3%) or more, then Supplier shall reimburse Buyer for the cost of the audit. Access, inspections and audits shall be conducted in a manner not to unduly interfere with Supplier's operations.

26. **MISCELLANEOUS.**

26.1. *Section Headings.* Section headings are for convenience and shall not be given effect in interpretation of the Agreement, these Terms & Conditions or an Order.

26.2. *Including.* The term "including" shall mean and be construed as "including, but not limited to" or "including, without limitation", unless expressly stated to the contrary.

26.3. *Survival.* All provisions or obligations contained in the Agreement, these Terms & Conditions or any Order, which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of the Agreement or completion of an Order shall survive and remain binding upon and for the benefit of the parties, their successors (including successors by merger) and permitted assigns including, Sections 4, 5, 7, 8, 9, 11.4, 12, 16, 17, 20 and 25 of these Terms & Conditions and all provisions in the Agreement, these Terms & Conditions and any Order concerning indemnification or confidentiality.

27. **SUSTAINABILITY.** Company's values are based on professionalism, sense of partnership, Team spirit, value creation, respect of the environment, ethics and in particular its commitment to promote and act in compliance with sustainable development principles (including environmental and social responsibilities). For informational purposes, a detailed description of Company's values can be found in the following documents established by Company's



parent company, Veolia, available at,
<https://www.veolia.com/sites/g/files/dvc4206/files/document/2019/07/Veolia-general-principles-suppliers-relationship-032019.pdf>.