Hydranautics Terms and Conditions of Sale

November 1, 2025

1. **GOVERNING TERMS.** All Purchase Orders received by Hydranautics from Purchaser are deemed to be a complete and unconditional acceptance of Hydranautics' prior offer to sell Products to Purchaser, based solely upon the provisions of said offer, as well as these Hydranautics Terms and Conditions of Sale, which are incorporated by reference into said offer. Hydranautics' subsequent Order Acknowledgement of Purchaser's acceptance of Hydranautics' prior offer further incorporates these Hydranautics Terms and Conditions of Sale by reference. As such, both the offer to sell Products to Purchaser, as well as the Order Acknowledgement, are governed by these Hydranautics Terms and Conditions of Sale. Any acceptance of the offer by Purchaser is expressly conditioned upon Purchaser's unfettered acceptance of, and agreement to be bound by, these Hydranautics Terms and Conditions of Sale. HYDRANAUTICS LIMITS THE ACCEPTANCE OF ITS OFFER TO THE TERMS OF THE OFFER. AS SUCH, PURCHASER IS HEREBY NOTIFIED THAT HYDRANAUTICS OBJECTS TO, AND MOREOVER REJECTS, ANY ADDITIONAL, DIFFERENT, OR CONTRADICTORY TERMS OR CONDITIONS CONTAINED IN ANY ACCEPTANCE BY PURCHASER, BE IT IN THE FORM OF A PURCHASE ORDER, CONTRACT, OR IN ANY OTHER FORM.

   Any and all prior or contemporaneous negotiations, agreements, understandings, representations, promises and statements, whether oral or written, are merged and integrated into, and superseded by, these Hydranautics Terms and Conditions of Sale.

2. **DOCUMENTS INCORPORATED BY REFERENCE HEREIN.** The following documents are hereby incorporated by reference into the Hydranautics Terms and Conditions of Sale:

   A. Element Specification Sheets of the Products purchased, which are available for viewing and downloading at www.membranes.com under the link Knowledge-Center - Element Specification Sheets.
   B. Technical Service Bulletins as applicable to the Products purchased, which are available for viewing and downloading at www.membranes.com under the link Knowledge-Center - Technical Service Bulletins ("TSB's").
   C. Hydranautics Standard Materials and Workmanship Warranty, which is available for viewing and downloading at www.membranes.com under the link Legal-Standard Workmanship and Materials Warranty.

3. **TITLE AND RISK OF LOSS.** Upon the passage of Title to the Products from Hydranautics to Purchaser, Purchaser shall be solely responsible and liable for, and furthermore agrees to defend, indemnify, and hold Hydranautics harmless, against any and all claims, injuries, losses, fines, penalties, damages, or costs resulting from Purchaser's storage, handling, shipment, disposal, release, use, resale, or any other disposition of the Products. Title to and risk of loss of the Products purchased shall pass to Purchaser per the applicable Incoterms 2020 as detailed on the Purchase Order. Title to and risk of loss of all items purchased shall pass to Purchaser in no other way, notwithstanding any express, written agreement, signed by Hydranautics and Purchaser, to the contrary, including, but not limited to, any agreement to pay freight, express, or other transportation or insurance charges.

4. **PAYMENT.** Hydranautics reserves the right to request payment prior to production, request payment prior to shipment, require Purchaser to obtain an irrevocable letter of credit in favor of Hydranautics from an issuer acceptable to Hydranautics, extend credit to Purchaser in accordance with Purchase Order mutually agreed upon payment term and/or, with payment due thirty (30) days from the date of the invoice. If complete payment by Purchaser is not received by Hydranautics when due, Purchaser shall pay interest on any overdue amount at the rate of one percent (1%) per month, based upon the value of the Products purchased, from the due date until payment is made, without prejudice to any other rights or remedies of Hydranautics.

5. **SHIPMENT.** Purchaser shall acknowledge the delivery date by returning a signed copy of the Order Acknowledgement to Hydranautics within five (5) business days of the date of the Order Acknowledgement. If Purchaser fails to return a signed copy of the Order Acknowledgement within five (5) business days of the date of the Order Acknowledgement, Purchaser's silence shall be deemed by Hydranautics to be a tacit confirmation of the date of shipment specified in the Order Acknowledgement or the delivery date indicated in the Purchase Order. With the exception of Article 10 hereto, Force Majeure, in the event that Purchaser requests a further delay in delivery beyond that specified in the Order Acknowledgment or the delivery date indicated in the Purchase Order, Hydranautics shall be entitled to, and in their sole and absolute discretion, in addition to any other damages or remedies provided for by these Hydranautics Terms and Conditions: 1) Charge one-half percent (0.5%) of the order value for each week that the shipment is delayed by Purchaser; and 2) Hydranautics may adjust the price of the Products sold to reflect current prices at the time of actual delivery; or, 3) Hydranautics may terminate the Purchase Order without any further obligations or liability to Purchaser.

6. **TAXES, DUTIES AND CLEARANCE EXPENSES.** Purchaser assumes full, unilateral responsibility, including reporting and payment of any and all sales or use taxes, import duties, tariffs, levies, and other expenses, relating to clearance of the Products herein described at destination, and any and all other charges of like nature which may be imposed upon such Products and/or Purchaser.

7. **WARRANTIES AND HYDRANAUTICS' LIABILITY.**

   A. Hydranautics warrants that the Products supplied to Purchaser will be free from defects in material and workmanship for a "Warranty Period" not to exceed twelve (12) months from the date of delivery, when the Products are shipped from Hydranautics' and/or its Affiliate's manufacturing site and/or warehouse of finished goods ("Shipping Point"), provided however, as a condition precedent to enforcement of this Warranty, the Purchaser demonstrates to the reasonable satisfaction of Hydranautics that the Product and components thereof are used and maintained in accordance with the Product Specification Sheets, product use and restrictions, all Hydranautics published specifications and specified engineering, operating, storage, shipment, and returned goods authorization ("RGA") procedures, as set forth in the Technical Service Bulletins ("TSBs") relevant to the Product, set forth in Article 2 above. If Purchaser should believe that

it has received defective Good(s), Purchaser must contact Hydranautics immediately and without any undue delay. For any such claims of defective Product(s), Hydranautics is to be notified by Purchaser contacting Hydranautics' Technical Service department as stated in Technical Service Bulletin (TSB) 116 – Returned Goods Authorization (RGA) Procedure, which can be viewed and downloaded at www.membranes.com. Should an inspection of the Products by Hydranautics indicate, in the sole and absolute discretion of Hydranautics, defects in material or workmanship, Hydranautics' only obligation shall be, at its unilateral option, to either repair or replace the Products.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS, IMPLIED, OR STATUTORY WARRANTIES. HYDRANAUTICS DISCLAIMS AND PURCHASER HEREBY WAIVES ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY OF PURCHASER, ANY CUSTOMER OF PURCHASER OR ANY PERSON OR ENTITY UTILIZING ANY PRODUCT OR SERVICE PROVIDED BY PURCHASER, FOR LOSS OF TIME, INCONVENIENCE, LOSS OR INTERRUPTION OF SERVICE, LOST REVENUES OR PROFITS, OR FOR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING OUT OF THE PURCHASE OF THE PRODUCTS, ANY OBLIGATION RESULTING THEREFROM, OR ANY OTHER ACT OR OMISSION OF PURCHASER, WHETHER ARISING OUT OF AN ALLEGED BREACH OF WARRANTY, ALLEGED BREACH OF CONTRACT, DELAY, NEGLIGENCE, STRICT TORT LIABILITY, OR OTHERWISE. PURCHASER ASSUMES ALL RISKS AND LIABILITIES RESULTING FROM THE USE OF THE PRODUCTS.

B. TO THE MAXIMUM EXTENT PERMITTED BY LAW, HYDRANAUTICS' MAXIMUM AGGREGATE TOTAL LIABILITY AND INDEMNIFICATION, IF ANY, WHETHER IN CONTRACT OR TORT OR OTHERWISE, ARISING OUT OF ITS SALE OF ANY PRODUCTS TO PURCHASER, SHALL NOT IN ANY CIRCUMSTANCE EXCEED THE TOTAL ACTUAL PRICE PAID TO HYDRANAUTICS BY THE PURCHASER UNDER THE PURCHASE ORDER FOR THE PRODUCTS GIVING RISE TO THE LIABILITY. PURCHASER ACKNOWLEDGES THAT THE LIMIATIONS OF LIABILITIES SET FORTH HEREIN ARE ESSENTIAL TERMS OF THIS AGREEMENT.

8. **COPYING/REVERSE ENGINEERING/DESIGN ALTERATION**. Purchaser shall not, and shall not permit any third party to alter,modify,reverse engineer,decompile, or disassemble the design and materials of Hydranautics products or otherwise attempt to learn the technology, structure, or underlying ideas of the Hydranautics Products.

9. **TERMINATION.** Any obligation based upon or created by these Hydranautics Terms and Conditions of Sale may be terminated under the following conditions: (a) Hydranautics may terminate any obligation based upon or created by these Hydranautics Terms and Conditions if Purchaser should become unable to meet its obligations, or if any proceeding under bankruptcy or insolvency laws is brought by or against Purchaser, or if a receiver for Purchaser is appointed or applied for, or if an assignment for the benefit of creditors is made by Purchaser, or if Purchaser seeks to delay shipment beyond the date specified in the Order Acknowledgment or delivery date of the Purchase Order as set forth in Article 5, Shipment; or (b) If Purchaser requests Hydranautics to cease work or production once it has commenced, or Purchaser cancels an order or any part thereof. It is understood that such cancellation charges will be paid by Purchaser on the following basis: (i) any work which is completed will be paid in full by Purchaser at the Purchase Order price whether shipment is accepted or not; and or (ii) any work in process and any materials or supplies on hand or for which commitments have been made is to be paid for by Purchaser on the basis of Hydranautics' total cost plus thirty-five percent (35%); or (c) Hydranautics may terminate the Purchase Order if Purchaser fails to abide by the laws, regulations, representations, and warranties contained in Articles 20 and 21 below; or (d) Pursuant to the termination provisions of Article 10 hereof, Force Majeure.

10. **FORCE MAJEURE.** The occurrence of any event beyond the control of Hydranautics or Purchaser, which prevents either party from complying with any of its obligations hereunder, including but not limited to: acts of God, such as, but not limited to, fires, floods, explosions, earthquakes, drought; war, embargoes, invasions, rebellion, revolution, civil war; nuclear contamination; riot, strikes, civil unrest; acts or threats of terrorism; epidemic, pandemic or, compliance with the laws of the United States or with the orders or policies of any governmental authority, shall be considered Force Majeure. In such event, neither party shall be considered in breach of their obligations hereunder, with the exception of any payment obligations, to the extent that performance of their respective obligations is prevented by an event of Force Majeure that arises subsequent to the acceptance of Hydranautics' offer by the Purchaser. The party that is prevented from carrying out its obligations hereunder as a result of an event of Force Majeure shall give notice to the other party of the event of Force Majeure upon it being foreseen by, or becoming known to, the affected party. If an event of Force Majeure occurs and its effect continues for a period of sixty (60) days, either party may give written notice of termination to the other party. In the event that such termination is based upon Purchaser's being prevented by an event of Force Majeure from carrying out its obligations hereunder, Purchaser shall nevertheless remain liable to Hydranautics for the cost of any partial or total Products produced by Hydranautics for Purchaser, prior to said termination.

11. **AMENDMENT AND WAIVER.** The provisions of these Hydranautics Terms and Conditions of Sale may be amended, modified or eliminated, or the observance or performance of any term, covenant or provision herein may be omitted or waived (either generally or in a particular instance, and either prospectively or retroactively) only by a writing signed by Hydranautics and Purchaser. The waiver by Hydranautics of any breach by Purchaser of any term or provision of these Hydranautics Terms and Conditions of Sale shall not be construed as a waiver of any subsequent breach, and shall not in any way affect, limit, or waive Hydranautics' right thereafter to enforce and compel strict compliance with every term, condition, and specification hereof.

12. **PERMITS, ORDINANCES AND CODE COMPLIANCE.** Purchaser has full responsibility for obtaining any licenses, permits, inspections, and the like required with respect to installation and use of the Products herein described.

13. **GOVERNING LAW AND JURISDICTION.** Any obligation based upon these Hydranautics Terms and Conditions of Sale has been entered into, and shall be construed, enforced, and governed in accordance with the laws of the State of California, United States of America; provided that if any California law shall

dictate that the laws of another jurisdiction be applied in any proceeding, such California law shall be superseded by this paragraph, and the remaining laws of California shall nevertheless be applied in such proceeding. Venue and jurisdiction for any proceedings arising out of any obligation based upon these Hydranautics Terms and Conditions of Sale shall lay exclusively in the state and federal courts of San Diego, California, United States of America.

14. **PARTIAL INVALIDITY.** If any term, provision, covenant, or condition of these Hydranautics Terms and Conditions of Sale is held by a court or agency of competent jurisdiction to be indefinite, invalid, void, or otherwise unenforceable, the rest of these Hydranautics Terms and Conditions of Sale shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

15. **PUBLICITY.** All notices to third parties and any and all other publicity concerning the transactions contemplated in these Hydranautics Terms and Conditions of Sale will be jointly planned and coordinated by and between Purchaser and Hydranautics. No party will act unilaterally in this regard, without the prior, written approval of the other; however, this approval will not be unreasonably withheld.

16. **CONFIDENTIALITY.** The Purchaser and Hydranautics undertake to treat in a confidential manner any information of any nature whatsoever, in whatever form (including oral, written, magnetic or electronic form) in particular but not limited to any commercial and financial documents, technical details, data, specification, inventions,software, business plans, designs studies, recommendations, personal data, know-how, and other intellectual and/or industrial property rights ("Confidential Information"), of which they become aware as a result of negotiations between the parties. Confidential Information shall not include information that (i) can be show through documentation to be already in the public domain, or (ii) has become accessible to the public other than through the parties having failed in their contractual obligations, or (iii) has been legally received from a third party which was completely at liberty to disclose, or (iv) is legally required to be disclosed, provided, however, that the disclosing party consults with the other party on the proposed form, timing, nature and purpose thereof prior to such disclosure and takes reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.

17. **ASSIGNMENT AND DELEGATION.** Neither these Hydranautics Terms and Conditions of Sale nor any other benefits or obligations to accrue or arise hereunder shall be assigned, delegated, or transferred by Purchaser, either in whole or in part, without the express written consent of Hydranautics, and any purported assignment, delegation, or transfer in violation hereof shall be void. Nothing herein contained, however, shall prevent Hydranautics from assigning these Hydranautics Terms and Conditions of Sale to any affiliate of Hydranautics, wholly or partially owned subsidiary of Hydranautics or to a person, firm or corporation acquiring all or substantially all of the assets or business sector of Hydranautics.

18. **RELATIONSHIP OF PARTIES.** Hydranautics and the Purchaser are independent parties. These Hydranautics Terms and Conditions of Sale shall not constitute or be construed as creating a partnership or joint venture between the parties, nor shall it make either party an agent or legal representative of the other for any purpose whatsoever.

19. **ATTORNEY FEES.** If either party commences an action against the other to interpret or enforce any obligation based upon these Hydranautics Terms and Conditions of Sale, or as a result of a breach by the other party of any obligation based upon these Hydranautics Terms and Conditions of Sale, the party prevailing in such matter shall be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs, and expenses, incurred by the prevailing party in connection with said action.

20. **COMPLIANCE WITH LAW.** Purchaser shall comply with all laws and regulations governing, or otherwise applicable to, the import, sale, or marketing of the Products, including, without limitation, all laws and regulations governing competition, restrictive practices, and sales of the Products. In addition, Purchaser certifies that it is in compliance with all applicable laws relating to: (1) its status as a legal entity; (2) sale of the Products; and, (3) any appearance before governmental agencies and instrumentalities.

21. **FOREIGN CORRUPT PRACTICES ACT AND U.S. TRADE RESTRICTIONS.** Purchaser represents and warrants the following: (a) Neither Purchaser nor any of its shareholders, directors, officers, or employees is related to or affiliated with any foreign government official or any family member of any foreign government official; (b) Purchaser has no undisclosed subagents, subcontractors, or third parties who have any role in the sale or distribution of the Products; (c) Purchaser has not been convicted of or pled guilty to an offense involving fraud, corruption, or moral turpitude, and is not now listed by any U.S. or foreign government agency as debarred, suspended, proposed for suspension or disbarment, or otherwise ineligible for government procurement programs; (d) Purchaser has not and will not, directly or through an intermediary, give or offer to give anything of value, including a political contribution or charitable donation, to a government official or representative or a political party official or candidate for political office, for purposes of inducing such person to use his/her influence to assist Purchaser or Hydranautics in obtaining or retaining business or to benefit Purchaser or Hydranautics or any other person in any way, and will not otherwise violate the United States Foreign Corrupt Practices Act. Purchaser agrees to allow Hydranautics, or an independent accountant of Hydranautics' choosing, to audit Purchaser's books and records annually to ensure compliance with this Paragraph. Any such breach of the foregoing obligations shall constitute a material breach of these Hydranautics Terms and Conditions of Sale, and shall be grounds upon which Hydranautics may terminate the Purchase Order. It is understood that the terms of these Hydranautics Terms and Conditions of Sale are expressly made contingent upon full compliance with all applicable laws and regulations of the United States. In particular, the exportation or re-exportation of Products or services to government entities or individuals, in countries subject to United States sanctions that are administered and enforced by, amongst others, the Office of Foreign Assets Control of the United States Treasury and the Bureau of Export Administration of the United States Department of Commerce, may be prohibited. Any provisions of these Hydranautics Terms and Conditions of Sale which would otherwise violate these laws and regulations are deemed to be null and void and of no effect. Any actions by Hydranautics, its subsidiaries or affiliates, undertaken to comply with applicable United States laws or regulations, shall not be grounds for a breach of contract action against same.

22. **INDEMNIFICATION**. To the fullest extent permitted by applicable law, Purchaser will indemnify, release, defend and hold harmless Hydranautics, its subsidiaries, affiliates, licensees and assigns, and their respective officers, directors, agents, representatives, subcontractors and employees, whether acting in the course of their employment or otherwise (each, an "Indemnified Party"), from all claims, demands, losses, damages, liabilities, judgments, costs (including reasonable attorneys' fees), expenses, liens or actions (collectively, "Claims") incurred by or asserted against an Indemnified Party, in any manner arising out of or relating to Purchaser's performance or failure to perform its obligations, Purchaser's breach of any of the representations, certifications or covenants contained in these Hydranautics Terms and Conditions of Sale, including without limitation, claims relating to death, personal injury, or damage to property.