

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 8-K/A
Current Report**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 24, 2020 (October 14, 2015)



Delaware
(State or Other Jurisdiction of Incorporation)

001-34112
(Commission File Number)

01-0616867
(I.R.S. Employer Identification No.)

1717 Doolittle Drive, San Leandro, California 94577
(Address of Principal Executive Offices) (Zip Code)

(510) 483-7370
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	ERII	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

As previously announced on a Current Report on Form 8-K filed on October 19, 2015 (the "**Original Report**"), on October 14, 2015, Energy Recovery Inc. through its subsidiary ERI Energy Recovery Ireland Ltd. (collectively, the "**Company**"), entered into a License Agreement (the "**Agreement**") with Schlumberger Technology Corporation, a subsidiary of Schlumberger Limited (collectively, "**Schlumberger**", and together with the Company, the "**Parties**"), for the exclusive right to use certain intellectual property related to the Company's VorTeq™ technology.

The Company is filing this amendment to the Original Report to disclose that on June 24, 2020, the Parties announced that they have agreed to terminate the Agreement and have entered into a Termination Agreement and Release (the "**Termination Agreement**"), effective June 1, 2020 (the "**Termination Effective Date**"), pursuant to which Schlumberger will cease the use of the Company's intellectual property related to the Company's VorTeq™ technology, and will owe no further payments to the Company including any fees or royalties incurred from the Termination Effective Date.

The foregoing description of the Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Termination Agreement. A copy of the Termination Agreement is filed with this Amendment to Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth in Item 1.01 regarding the Agreement is incorporated by reference into this Item 1.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Termination Agreement and Release, dated as of June 24, 2020, by and between ERI Energy Recovery Ireland Ltd. and Schlumberger Technology Corporation.
99.1	Press Release dated June 29, 2020.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Energy Recovery, Inc.

Date: June 29, 2020

By: /s/ William Yeung
William Yeung
Chief Legal Officer

TERMINATION AGREEMENT AND RELEASE

Between

ERI ENERGY RECOVERY IRELAND LTD.
And
SCHLUMBERGER TECHNOLOGY CORPORATION

This Termination Agreement and Release ("Agreement") is made and entered into as of 01 June 2020 by and between:

(1) ERI Energy Recovery Ireland Ltd., a Republic of Ireland Company with its registered office at Block B, The Crescent Building, Northwood, Santry, Dublin 9, Ireland, and having its principal place of business at Suite 8, 230 Second Floor, Eucharistic Congress Road, Mosta MST903, Malta and registered as an Oversea Company in Malta with registration Number OC1241 ("Energy Recovery").

(2) Schlumberger Technology Corporation, a corporation organised under the laws of the State of Texas located at 300 Schlumberger Drive, Sugar Land, Texas 77478 ("SLB").

WHEREAS:

- (A) On 14 October 2015, the Parties entered into the License Agreement By And Between ERI Energy Recovery Ireland Ltd. And Schlumberger Technology Corporation ("License Agreement") under which Energy Recovery granted SLB two licenses to use the VorTeq Licensed Technology and to manufacture, or have manufactured, the Missile during the License Term;
- (B) The Parties now wish to terminate the License Agreement; and
- (C) The Parties are entering into this Agreement to record the terms and conditions on which the Parties have agreed to record such termination, on a binding basis, in this Agreement.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

In this Agreement, the following words and expressions have the following meanings:

Effective Date means 01 June 2020.

Execution Date means the last date on which both Parties execute this Agreement.

Parties means Energy Recovery and SLB collectively.

Party means Energy Recovery and SLB individually.



Related Parties means a Party's parent, subsidiaries, affiliates, successors (including any successor by reason of amalgamation of any Party), assigns, transferees, representatives, principals, agents, officers or directors.

Released Claims refers to all claims listed in Section 5 below.

Any capitalized term not defined in this Agreement shall have the meaning set forth in the License Agreement.

2. EFFECT OF THIS AGREEMENT

The Parties hereby agree that this Agreement shall immediately be fully and effectively binding on them and their Related Parties on the Effective Date.

3. TERMINATION OF THE LICENSE AGREEMENT

3.1 Notwithstanding anything to the contrary in the License Agreement, the Parties agree that the License Agreement shall automatically terminate on the Execution Date.

3.2 From the Effective Date of this Agreement through and including the Execution Date, the Parties shall continue to perform their respective obligations under the License Agreement provided, however, that SLB shall not be required to make any further payments to Energy Recovery under the License Agreement including, but not limited to, the payment of the Fees and/or Royalties provided for under Section 5 and Schedule 6 of the License Agreement.

3.3 Subsequent to the Execution Date, all of the Parties' duties and obligations under the License Agreement shall terminate and the Parties shall have no further rights or obligations under the License Agreement other than to enforce the terms and conditions of this Agreement.

4. PAYMENTS

The Parties agree to terminate the License Agreement with no further payments to be made one to the other as all such obligations are agreed as discharged.

5. RELEASE

This Agreement is in full and final settlement of, and each Party, on behalf of itself and on behalf of its Related Parties, hereby unconditionally releases and forever discharges, all and/or any actions, claims, rights, demands and set-offs, whether in this jurisdiction or any other, whether or not presently known to the Parties or to the law, and whether in law or equity, that it, its Related Parties or any of them ever had, may have or hereafter can, shall or may have against the other Party or any of its Related Parties, arising out of or connected with the License Agreement or the underlying facts of the License Agreement (collectively, the "Released Claims").



6. AGREEMENT NOT TO SUE; INTELLECTUAL PROPERTY OWNERSHIP

6.1 Each Party agrees, on behalf of itself and on behalf of its Related Parties not to sue, commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against the other Party or its Related Parties any action, suit or other proceeding concerning the Released Claims, in this jurisdiction or any other.

6.2 Clause 6.1 shall not apply to, and the Released Claims shall not include, any claims in respect of any breach of this Agreement.

6.3 SLB acknowledges and agrees that Energy Recovery exclusively owns all right, title and interest in and to all VorTeq Licensed Technology, and SLB, on behalf of itself and its Related Entities, claim no right, and shall not assert or claim any right, of license, ownership or otherwise in or to any of same and shall not challenge Energy Recovery's exclusive ownership, or the validity or enforceability of same unless Energy Recovery asserts an intellectual property infringement claim under VorTeq Licensed Technology against SLB. SLB agrees, on behalf of itself and on behalf of its Related Parties, successors and assigns not to assert any SLB patent families or rights developed under Article 9.2 of the License Agreement against Energy Recovery and its Related Parties, only to the extent such rights are necessary for the sale, manufacturing or use of the VorTeq Licensed Technology. A list of such SLB patent families is provided in Exhibit A of this Agreement, and SLB, based on its current knowledge and belief after conducting a reasonable review, represents and warrants that such list is complete and accurate, and that neither SLB nor any of its Related Parties developed, owns or controls, and covenants that none of such persons or entities will develop, own or control for a period of nineteen (19) months from the Effective Date, any other patent rights relating to, claiming or disclosing VorTeq Licensed Technology. For the avoidance of doubt, SLB has full discretion as to the prosecution, maintenance, and abandonment of these patent families, and is under no obligation whatsoever to keep any of the patent families in force.

7. COSTS

Each Party shall bear its own legal costs in relation to this Agreement.

8. WARRANTIES AND AUTHORITY

8.1 Each Party warrants and represents that, as of the Effective Date, it has not sold, transferred, assigned or otherwise disposed of its interest in the Released Claims.

8.2 Each Party warrants and represents to the other with respect to itself that it has the full right, power and authority to execute, deliver and perform this Agreement.

9. INDEMNITIES

Each Party (the "indemnifying Party") shall, at its own cost and expense, defend, indemnify, and hold harmless the other Party (the "indemnified Party"), including paying all liabilities, losses, damages costs and damages (including reasonable attorneys' fees), from any claim, suit, action, demand or proceeding brought against the indemnified Party by any of the indemnifying Party's Related Entities in respect of any of the Released Claims.



10. NO ADMISSION

This Agreement is entered into in connection with the compromise of disputed matters and in the light of other considerations. It is not, and shall not be represented or construed by the Parties as, an admission of liability or wrongdoing on the part of either Party to this Agreement or any other person or entity.

11. SEVERABILITY

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

12. ENTIRE AGREEMENT & NON-DISPARAGEMENT

12.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

12.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

12.3 This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and assigns.

12.4 For the avoidance of doubt, that certain Non-Disclosure Agreement executed by the Parties on January 13, 2015 is unaffected by this Agreement.

12.5 In order to protect the legitimate business interests of the Parties, the Parties agree that they shall not, at any time after termination of the License Agreement, disparage one another or make adverse comments to any third party which may be harmful to the reputation of the other.

13. GOVERNING LAW

This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales without giving effect to the principles of conflicts of laws thereof.

14. DISPUTE RESOLUTION

If the Parties fail to resolve any dispute relating to this Agreement by the mutual agreement of the Parties within ninety (90) days of notice of the dispute, then either Party may initiate final and binding arbitration that shall be held in English language in London unless the Parties



mutually agree to another location. Such arbitration shall be in accordance with the rules of conciliation and arbitration of the International Chamber of Commerce (“ICC”). Nothing herein shall, however, prohibit a Party from seeking temporary or preliminary injunctive relief in a court of competent jurisdiction. The Parties expressly consent to arbitration and waive any right of appeal to any court from any arbitral award (which shall be final and binding upon the Parties). In the event of arbitration, or other legal action relating to this Agreement, the substantially prevailing Party in such arbitration or action shall be entitled to recover from the other Party its reasonable outside attorneys’ fees and costs, including, without limitation, all fees and costs incurred at the trial and appellate levels and in any bankruptcy, reorganization, insolvency or similar proceeding.

15. CO-OPERATION

The Parties shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary or desirable, and shall take any other action reasonably requested by the other Party for the purpose of putting this Agreement into effect.

16. COUNTERPARTS

16.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one Agreement. For the purposes of completion, signatures by the Parties' legal advisers shall be binding.

16.2 Transmission of an executed counterpart of this Agreement (but for the avoidance of doubt not just a signature page) by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of this Agreement thus made, each Party shall provide the others with the original of such counterpart within one week of completion.

16.3 No counterpart shall be effective until each Party has executed and delivered at least one counterpart.

17. LIMITATION OF LIABILITY

Except for damages caused by a Party’s breach of Clause 12.5 or SLB’s breach of Clause 6.3, neither Party shall be liable to the other Party for any indirect, incidental, special or consequential damages on any basis, in contract, tort or otherwise, of any kind and nature whatsoever, arising out of or in connection with this Agreement, howsoever caused.

18. VARIATION

No variation of or amendment to this Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

[Signatures on Next Page.]



This Agreement has been entered into, effective as of the Effective Date.

Signed by Danny Rosso for
and on behalf of ERI Energy
Recovery Ireland Ltd.

Signed by Donald Ross for
and on behalf of
Schlumberger Technology
Corporation

DocuSigned by:
Danny Rosso
.....6E9XESF7EC98498...
Director

6/23/2020
.....
Date

DocuSigned by:
Donald Ross
.....6E9XESF7EC98498...
Director

24-Jun-20
.....
Date



EXHIBIT A
SLB Patent Families

SLB Docket No.	Publication No.	Title
IS16.0686	US20190257323	Pressure exchanger with pressure ratio
IS16.0688	US20200072025	Pressure exchanger pressure oscillation source
IS16.1054	US20190271331	Split stream operations with pressure exchangers
IS16.1055	US20190278306	Pressure exchanger manifold resonance reduction
IS16.1056	US20190277110	Pressure exchanger wear prevention
IS16.1057	US20200063545	Pressure exchanger low pressure flow control
IS16.0610	US20190145237	Pressure exchanger manifolding





Energy Recovery Announces Exit From VorTeq™ Exclusive Licensing Agreement with Schlumberger

SAN LEANDRO, Calif. — June 29, 2020 — Energy Recovery, Inc. (NASDAQ: ERII) today announced an agreement with Schlumberger to exit its 15-year licensing deal for Schlumberger's exclusive use of Energy Recovery's VorTeq hydraulic pumping system. Under the terms of the new agreement, no further payments will be made by either party. Energy Recovery will now be fully responsible for commercialization of the VorTeq technology globally.

"At this time, the two parties have different strategic perspectives as to the path to VorTeq commercialization," said Robert Mao, Energy Recovery Chairman of the Board, President and CEO. "We believe this to be a positive outcome for all parties and are grateful to Schlumberger for their partnership through the years."

Conference Call

The Company will also hold a conference call to discuss the VorTeq technology and business model on Tuesday, June 30, 2020 at 5:30 AM PDT / 8:30 AM EDT. Robert Mao, Chairman of the Board of Directors and President and Chief Executive Officer, and Joshua Ballard, Chief Financial Officer, will host the conference call and take analyst questions after prepared remarks. Investors can also access relevant business updates at ir.energyrecovery.com.

LIVE CONFERENCE CALL

Tuesday, June 30, 2020, 5:30 AM PDT / 8:30 AM EDT
Listen-only, US / Canada Toll-Free: +1 (877) 709-8150
Listen-only, Local / International Toll: +1 (201) 689-8354
Access code: 13706150

CONFERENCE CALL REPLAY

Expiration: Thursday, July 30, 2020
US / Canada Toll-Free: +1 (877) 660-6853
Local / International Toll: +1 (201) 612-7415
Access code: 13706150

Investors may also access the live call or the replay over the internet at ir.energyrecovery.com. The replay will be available approximately three hours after the live call concludes.

About Energy Recovery

For more than 20 years, Energy Recovery, Inc. (NASDAQ: ERII) has created technologies that solve complex challenges in industrial fluid-flow markets. We design and manufacture solutions that reduce waste, improve operational efficiencies, and lower the production costs of clean water and oil and gas. What began as a game-changing invention for water desalination has grown into a global business delivering solutions that enable more affordable access to these critical resources. Headquartered in the San Francisco Bay Area, Energy Recovery has manufacturing, research, and development facilities across California and Texas. In addition, our worldwide sales and technical service organization provides on-site support for our line of water solutions. For more information, please visit www.energyrecovery.com.

Contact

Investor Relations
ir@energyrecovery.com
+1 (281) 962-8105

Press Inquiries
pr@energyrecovery.com
+1 (510) 219-8462

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