STANDARD TERMS & CONDITIONS OF SALE

Master Commercial Terms for Quotations, Proposals, Orders and Invoices

HVAC Specialties Inc.
Newfoundland and Labrador, Canada

Effective Date:	June 23 2026
Applies To:	All quotations, proposals, sales orders, purchase orders, invoices, deliveries, products and services
Payment Structure:	50% upon release of order / 20% upon shipment / 30% Net 30 From Date of Delivery unless otherwise stated
Overdue Interest:	2.0% per month (24% per annum), calculated monthly on overdue balances
Governing Law:	Province of Newfoundland and Labrador and applicable federal laws of Canada

IMPORTANT: These Terms and Conditions are intended to be attached to, incorporated into, and form part of all quotations, proposals, order acknowledgments and invoices issued by HVAC Specialties Inc. For multi-million dollar or high-risk projects, legal counsel should review project-specific terms, security requirements, bonding, insurance, lien rights and PPSA/PMSI registrations before release of order.

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These Standard Terms and Conditions of Sale (the "Terms") govern every quotation, proposal, sales order, purchase order, order acknowledgement, invoice, delivery, product, material, equipment package, system, service and transaction between HVAC Specialties Inc. ("Seller") and the purchaser, contractor, owner, customer, or receiving party ("Buyer"), unless expressly modified in a written agreement signed by an authorized officer of Seller.

1. Application and Acceptance

These Terms apply to all transactions with Seller. Acceptance of a quotation, issuance of a purchase order, release of an order, payment of a deposit, acceptance of delivery, payment of an invoice, use of the goods, or continuation of business dealings with Seller constitutes acceptance of these Terms.

Any terms appearing on Buyer purchase orders, tender documents, specifications, acknowledgements, portals or other documents that are inconsistent with, additional to, or different from these Terms are rejected unless expressly accepted in writing by Seller. Seller's performance, shipment or acceptance of payment shall not constitute acceptance of Buyer's conflicting terms.

Where a project-specific written agreement signed by Seller conflicts with these Terms, the signed project-specific agreement governs only to the extent of the conflict.

2. Quotations, Pricing and Validity

All prices are quoted in Canadian dollars unless otherwise stated. Quotations are valid for thirty (30) days from date of issue unless a different validity period is stated in writing.

Pricing is based on manufacturer costs, supplier costs, exchange rates, tariffs, duties, freight rates, insurance rates, taxes, surcharges and market conditions in effect at the time of quotation. Seller may adjust pricing for manufacturer increases, exchange rate fluctuations, tariffs, duties, freight increases, taxes, surcharges, regulatory charges, or other costs beyond Seller's control occurring after the quotation date and before shipment or completion.

Quotations are based on the scope, quantities, drawings, schedules, specifications and assumptions stated in the quotation. Changes to scope, quantities, delivery requirements, site conditions, specifications, approvals, submittals, phasing, or project requirements may result in price, freight, lead-time and payment-term adjustments.

3. Taxes, Duties, Tariffs and Government Charges

All applicable GST, HST, PST, environmental fees, customs charges, brokerage fees, duties, tariffs, levies, regulatory charges and governmental charges are extra unless expressly stated as included. Buyer is responsible for all such amounts and Seller may add them to invoices where applicable.

4. Payment Terms

Unless otherwise agreed in writing by Seller, payment terms are: fifty percent (50%) deposit due upon release of order; twenty percent (20%) due upon shipment; and thirty percent (30%) due Net 30 days from delivery to the project site, contractor, owner, Buyer or designated receiving party.

No equipment, materials, products, systems or special-order items shall be ordered, released, manufactured, fabricated, scheduled, imported, shipped or procured until the required deposit and any required credit approvals have been received by Seller.

Time is of the essence for all payment obligations. Seller may suspend procurement, manufacturing, release, shipment, delivery, commissioning assistance, startup assistance, technical support, warranty administration, submittal support, documentation release or other services until payment obligations have been satisfied.

Payment shall not be withheld due to back-charges, disputed work by others, owner payment delays, consultant review, project holdback, deficiency lists, unrelated disputes, commissioning delays, or any matter not directly caused by Seller and accepted in writing by Seller.

5. Project Payment Protection and Credit Approval

For custom-manufactured equipment, engineered systems, imported products, special-order products, long-lead items, high-value equipment packages, or transactions where Seller's exposure is material, Seller may require additional payment protection before release of order, during procurement, prior to shipment, or before delivery.

Seller may require additional deposits, progress payments, payment before shipment, payment bonds, letters of credit, joint cheque agreements, escrow arrangements, corporate guarantees, project-specific credit approval, evidence of owner funding, or other security acceptable to Seller.

Failure to provide requested security or payment assurance may result in suspension or cancellation of procurement, manufacturing, shipment, delivery, or support services without liability to Seller.

6. Overdue Accounts and Interest

Any amount not paid when due shall bear interest at the rate of 2.0% per month (24% per annum), calculated monthly on all overdue balances until paid in full.

Interest shall accrue from the due date until the date Seller receives cleared funds. Acceptance of partial payment shall not waive Seller's right to collect interest, collection costs, legal fees, or any remaining balance.

7. Acceleration of Debt

If any invoice becomes overdue, if Buyer defaults under any agreement with Seller, if Buyer becomes insolvent, or if Seller reasonably believes payment may be impaired, all outstanding amounts owing by Buyer to Seller, whether due or not yet due, may at Seller's option become immediately due and payable without further notice.

8. Collection Costs and Enforcement Expenses

Buyer shall indemnify and reimburse Seller for all reasonable costs incurred in collecting overdue accounts or enforcing Seller's rights, including legal fees, solicitor-client legal fees where recoverable by law, collection agency fees, court costs, filing fees, PPSA registration and search costs, Mechanics' Lien registration and discharge costs, enforcement costs, administrative costs, and expenses incurred in recovering, preserving, storing, insuring, selling or otherwise dealing with goods or collateral.

9. Credit Hold, Suspension and Financial Insecurity

If any account becomes overdue, credit limit is exceeded, Buyer refuses to provide requested information, or Seller reasonably believes Buyer's financial condition has deteriorated or payment may be impaired, Seller may place Buyer on credit hold, suspend deliveries, cancel or delay shipments, suspend technical support, revoke credit privileges, require payment in advance, require additional deposits, or require additional security.

Seller shall not be liable for project delays, labour costs, acceleration costs, liquidated damages, loss of profits, business interruption, loss of use, penalties, or consequential damages arising from any credit hold, suspension, cancellation or delayed shipment resulting from Buyer's non-payment, credit risk or failure to provide requested security.

10. Retention of Title and Security Interest

Notwithstanding delivery, possession, installation, incorporation into a project, commissioning assistance, startup assistance, technical support, partial payment, progress billing, or issuance of project certificates, legal and beneficial title to all goods supplied by Seller shall remain vested in Seller until all amounts owing under the applicable quotation, proposal, sales order, purchase order, invoice, contract, change order, or related transaction have been paid in full.

Possession of goods shall not constitute transfer of ownership. Until title passes, Buyer shall maintain the goods in good condition, protect them from loss or damage, keep them insured where reasonably required, and shall not knowingly take any action that may adversely affect Seller's ownership interest or security interest.

To secure payment of all amounts owing, Buyer grants Seller a continuing purchase money security interest and security interest in all goods supplied by Seller, all accessories, attachments, replacements, substitutions and additions, and all proceeds arising from sale, lease, transfer, insurance claim or other disposition of such goods.

11. PPSA/PMSI Registration

Buyer authorizes Seller to register, maintain, amend, renew, continue, assign or discharge financing statements, financing change statements, notices, registrations and related documents under the Personal Property Security Act or similar legislation without further notice to Buyer.

Buyer shall provide all information and execute all documents reasonably required by Seller to perfect, maintain, enforce or preserve Seller's security interests. Buyer waives receipt of copies of financing statements, financing change statements and verification statements to the extent permitted by law.

Where goods become affixed to real property, incorporated into a construction project, or become fixtures, Seller reserves all rights available under applicable PPSA, Mechanics' Lien, trust, holdback, construction, insolvency and other legislation.

12. Mechanics' Lien, Trust and Statutory Rights

Nothing in these Terms limits or prejudices Seller's right to preserve, register, enforce, continue, assign or otherwise pursue Mechanics' Liens pursuant to applicable Newfoundland and Labrador legislation, trust claims, holdback claims, PPSA remedies, contractual claims, unjust enrichment claims, or any other remedy available at law, in equity, or under statute.

Buyer acknowledges that funds received from an owner, contractor, developer, consultant, government body or third party relating to goods supplied by Seller are intended to be applied toward payment of Seller's invoices before distribution to unrelated creditors, to the extent permitted by law.

13. Public Sector, Crown, Healthcare and Government Projects

Where goods or services are supplied for a project owned, funded or administered by the Crown, a Crown agency, a municipality, a school board, a health authority, a government department, a public body, or a publicly funded institution, Seller reserves all payment rights, statutory remedies, contractual rights, trust remedies, PPSA rights and other remedies available at law.

Buyer acknowledges that certain lien rights may be restricted or modified by legislation or project structure on public-sector projects. No provision of these Terms shall be interpreted as a waiver by Seller of any available statutory, contractual, equitable or common law remedy.

14. Special Order and Custom Products

Custom-manufactured, engineered, imported, fabricated, assembled-to-order, non-stock, project-specific, special-order, modified, tagged, labelled, configured, submittal-approved, or non-standard products are non-cancellable, non-returnable and non-refundable once released to a manufacturer, supplier, fabricator, carrier or procurement process.

Buyer remains responsible for the full purchase price and all related freight, storage, cancellation, restocking, administrative, financing and handling costs once an order is released. Deposits may be applied to costs incurred and may be non-refundable where Seller has committed to the manufacturer, supplier or carrier.

15. Freight, Delivery, Insurance and Risk of Loss

Unless otherwise stated in writing, quoted freight is included only where all products and materials included in the quotation are shipped in one complete shipment to a single delivery location and accepted by Buyer at one time.

If Buyer requests, requires or causes multiple shipments, partial shipments, staged deliveries, delayed deliveries, split shipments, multiple delivery locations, site-specific delivery scheduling, expedited delivery, special handling, limited-access delivery, after-hours delivery, delivery appointments, storage, redirection, reconsignment, or any delivery arrangement other than one complete shipment, Seller may charge additional freight, handling, coordination, storage, financing, administration and related costs.

Freight and logistics charges may include reasonable markups applied by Seller to recover freight procurement and management, administrative and project coordination, financing costs, inventory carrying costs, warehousing, storage, risk management, carrier management, documentation, and additional handling services.

Shipment insurance, cargo insurance, transportation insurance, project-specific insurance, additional declared value, or special shipping protection is not included unless specifically identified in writing by Seller. Any such insurance or additional protection requested or required by Buyer shall be at Buyer's expense and may be subject to administrative and coordination charges.

Protective crating, custom packaging, climate-controlled transportation, shock monitoring, white-glove delivery, inside delivery, offloading, lifting, rigging, site-specific packaging, special carrier requirements, or shipping protection beyond standard manufacturer practices is extra unless expressly included in writing.

16. Delayed Shipment, Storage and Carrying Costs

If products are available for shipment and Buyer requests delayed shipment, deferred delivery, project hold status, delayed release, delayed site acceptance, or storage by Seller or a supplier, Seller may invoice the products as though shipped and Buyer shall pay in accordance with the invoice terms.

Seller may charge storage fees, handling fees, inventory carrying costs, financing costs, insurance costs, warehouse costs, manufacturer storage charges, demurrage, detention, re-delivery, reconsignment, carrier charges, and additional freight or logistics costs arising from delayed shipment or delayed acceptance.

17. Delivery Dates and Force Majeure

Delivery dates, lead times and ship dates are estimates only and are not guaranteed unless expressly stated in a written agreement signed by Seller. Delivery delays shall not relieve Buyer of payment obligations.

Seller shall not be liable for delay or failure to perform caused by manufacturer delays, supplier delays, labour disruptions, material shortages, transportation interruptions, customs delays, government actions, tariffs, regulatory changes, weather events, natural disasters, pandemics, utility failures, cyber incidents affecting suppliers or carriers, war, civil unrest, force majeure events, or other circumstances beyond Seller's reasonable control.

18. Inspection, Shortages, Damage and Claims

Buyer shall inspect all goods immediately upon receipt. Claims for shortages, visible damage, shipping damage, concealed damage discoverable by reasonable inspection, incorrect items or discrepancies must be submitted in writing within forty-eight (48) hours of delivery, together with photographs, carrier paperwork and supporting documentation where applicable.

Failure to provide timely written notice constitutes acceptance of the goods. Buyer shall preserve all packaging and cooperate with Seller, manufacturer and carrier claim procedures. Seller is not responsible for freight damage or loss after risk has transferred except to the extent expressly accepted in writing by Seller.

19. Returns, Cancellations and Restocking

No products may be returned without prior written authorization from Seller. Authorized returns may be subject to manufacturer approval, restocking fees, freight charges, inspection fees, handling fees, administrative charges and deductions for damage, missing parts, opened packaging or diminished value.

Orders may not be cancelled without Seller's written consent. Any approved cancellation may be subject to manufacturer cancellation charges, restocking fees, freight charges, administrative costs, financing costs, engineering costs, submittal costs, storage costs, and all costs incurred by Seller up to the date of cancellation.

Custom, engineered, imported, fabricated, assembled-to-order, special-order, modified, project-specific and non-stock products are not eligible for return or cancellation once released.

20. Warranty and Manufacturer Support

Seller shall pass through applicable manufacturer warranties to the extent available and assignable. Warranty coverage, remedies, procedures, exclusions, labour allowances and approval requirements are determined by the manufacturer, not Seller, unless Seller expressly provides a separate written warranty.

Except as expressly stated in writing, Seller makes no warranty, representation or condition, express or implied, including any warranty of merchantability, fitness for a particular purpose, durability, performance, suitability, energy savings, water savings, compatibility, corrosion resistance, code compliance or system performance.

Warranty claims do not suspend payment obligations. Seller may suspend non-warranty services, technical support, commissioning assistance and future deliveries where Buyer's account is overdue.

21. Limitation of Liability and Exclusion of Damages

Seller's total liability arising from or relating to any transaction shall not exceed the amount actually paid by Buyer to Seller for the specific goods giving rise to the claim.

Under no circumstances shall Seller be liable for consequential, indirect, special, incidental, punitive or exemplary damages; lost profits; loss of revenue; business interruption; loss of use; project delays; labour costs; acceleration costs; replacement power or utilities; loss of production; liquidated damages; back-charges; third-party penalties; consultant costs; owner claims; or damages arising from installation, design, maintenance, commissioning or operation by others.

Buyer is responsible for confirming that products are suitable for the intended application, project requirements, specifications, site conditions, water chemistry, air quality, controls integration, code requirements and operating conditions unless Seller has expressly accepted design responsibility in writing.

22. Right to Apply Payments

Seller may apply payments received from Buyer to any outstanding invoice, interest charge, collection cost, legal cost, freight charge, storage charge, or other indebtedness owed by Buyer to Seller, regardless of any notation, remittance advice, allocation, instruction or direction provided by Buyer.

23. Confidentiality and Technical Information

Quotations, pricing, discounts, technical proposals, layouts, selections, calculations, submittals, product recommendations, supplier information and commercial terms provided by Seller are confidential and may not be disclosed to third parties or used for competitive bidding, substitution, reverse engineering, procurement through others, or purposes unrelated to the project without Seller's written consent.

Seller retains ownership of its drawings, selections, calculations, proposals, submittals, technical recommendations, pricing methods and intellectual property unless expressly transferred in writing.

24. Compliance, Export, Site and Safety Requirements

Buyer is responsible for obtaining permits, approvals, engineering sign-off, code review, site access, lifting, rigging, storage, installation, electrical work, plumbing work, controls work, commissioning access, safety orientations, and site-specific requirements unless expressly included in Seller's written scope.

Buyer shall comply with applicable laws, export controls, sanctions, import requirements, site safety rules, handling requirements and manufacturer instructions. Buyer shall not resell, export or use goods in violation of applicable law.

25. Default and Remedies

An event of default includes failure to pay when due, insolvency, bankruptcy, receivership, proposal to creditors, assignment for benefit of creditors, creditor protection filing, material adverse change in financial condition, failure to provide requested security, breach of these Terms, or misrepresentation in credit information.

Upon default, Seller may exercise any remedy available at law, in equity or under statute, including suspension, cancellation, acceleration, legal action, PPSA enforcement, lien preservation, set-off, collection proceedings, recovery of goods where permitted by law, and claim for damages and costs.

26. Governing Law and Jurisdiction

These Terms and all transactions with Seller shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein. Buyer irrevocably attorns to the jurisdiction of the courts of Newfoundland and Labrador.

27. Entire Agreement, Priority and Amendments

These Terms, together with Seller's quotation, order acknowledgement, invoice, and any signed project-specific agreement, constitute the entire agreement between the parties regarding the sale of goods and services. No amendment, waiver or modification is binding unless in writing and signed by an authorized representative of Seller.

In the event of conflict, documents shall govern in the following order unless otherwise stated in a signed agreement: (1) signed project-specific agreement; (2) Seller's quotation and written clarifications; (3) Seller's order acknowledgement; (4) these Terms; (5) Seller's invoice. Buyer purchase order terms do not override these Terms unless expressly accepted in writing by Seller.

28. Severability, Waiver and Survival

If any provision of these Terms is held invalid, illegal or unenforceable, the remaining provisions shall remain in full force and effect. Seller's failure to enforce any provision shall not constitute a waiver of future enforcement.

Payment obligations, interest, collection costs, retention of title, security interests, lien rights, warranty limitations, limitation of liability, confidentiality, governing law and all provisions intended to survive shall survive delivery, installation, payment, termination, cancellation and completion of the transaction.

29. Electronic Documents and Counterparts

Quotations, invoices, statements, purchase orders, order acknowledgements, credit applications, emails, electronic signatures, scanned signatures, portal submissions, and electronic communications are admissible and enforceable to the same extent as original paper documents, subject to applicable law.

30. Notice to Purchaser and Acknowledgement

Title to all goods remains with HVAC Specialties Inc. until paid in full. Overdue accounts are subject to interest at 2.0% per month (24% per annum), calculated monthly on overdue balances. Buyer agrees to reimburse Seller for reasonable collection costs, legal fees, lien costs, PPSA costs, and enforcement expenses. Freight is included only as expressly stated and generally assumes one complete shipment to one location. Special-order products are non-cancellable, non-returnable and non-refundable once released.

By accepting a quotation, issuing a purchase order, paying a deposit, accepting delivery, paying an invoice, or using goods supplied by Seller, Buyer acknowledges that these Terms form part of the transaction and are binding on Buyer.

PURCHASER ACKNOWLEDGEMENT (OPTIONAL FOR SIGNED QUOTES / CREDIT PACKAGES)

Buyer Legal Name:	____ _
Project / PO Number:	____ _
Authorized Signatory:	____ _
Title:	____ _
Signature:	____ _
Date:	____ _