



HYDROPERFECT INTERNATIONAL INC.

1119 Matheson Blvd E, Mississauga
Ontario, L4W 1X3, Canada

TERMS AND CONDITIONS OF SALE

Effective Date: September 1st, 2026

These Terms and Conditions of Sale (“Terms”) apply to all quotations, order acknowledgements, sales, and supplies of products by Hydroperfect International Inc - (“**HPI Canada**”-“**HPI**”) to its customers (“Customer”), unless otherwise expressly agreed in writing by an authorized representative of HPI.

By submitting a purchase order, accepting a quotation, requesting HPI to proceed with an order, or accepting delivery of Products, the Customer agrees to these Terms.

Any additional or conflicting terms contained in a Customer’s purchase order or other document are rejected unless expressly accepted in writing by HPI.

1. QUOTATIONS AND ORDERS

Unless otherwise stated, quotations issued by HPI are valid for the period specified on the quotation and are subject to product availability.

A purchase order submitted by a Customer constitutes an offer to purchase. An order becomes binding upon HPI’s written acceptance, order acknowledgement, or commencement of performance.

HPI reserves the right to correct clerical, typographical, pricing, or calculation errors prior to shipment.

Changes to a confirmed order require HPI’s prior written approval and may result in changes to price, delivery schedule, or other applicable charges.

2. PRICES AND TAXES

Prices are stated in the currency identified on HPI’s quotation, order acknowledgement, or invoice and exclude applicable sales, use, excise, customs, duties, brokerage, and similar taxes or charges unless expressly stated otherwise.

The Customer is responsible for all applicable taxes, duties, customs charges, brokerage charges, and other governmental charges associated with the sale or importation of the Products, except taxes imposed on HPI’s income.



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3. PAYMENT TERMS

Payment is due in accordance with the terms stated on HPI's quotation, order acknowledgement, or invoice.

Unless otherwise agreed in writing, invoices shall be paid without deduction, set-off, withholding, or counterclaim.

For payments made by wire transfer, electronic funds transfer, or other bank transfer, **HPI must receive the full invoiced amount. The Customer is responsible for all fees or charges imposed by the Customer's bank and any intermediary or correspondent bank in connection with the transfer.**

Any payment received for less than the full amount due shall not discharge the Customer's obligation to pay the outstanding balance.

HPI may suspend further deliveries, place orders on hold, modify credit terms, or require advance payment where amounts are past due or where HPI reasonably determines that the Customer's creditworthiness has materially changed.

Overdue amounts may bear interest at the lesser of **1.5% per month (18% per annum)** or the maximum rate permitted by applicable law, calculated from the payment due date until payment is received.

4. ORDER CANCELLATION

Once an order has been accepted by HPI, it may not be cancelled or modified without HPI's prior written consent.

Standard Stock Products

HPI may, at its discretion, accept cancellation of an order for standard stocked Products before shipment. Any approved cancellation may be subject to reasonable costs already incurred by HPI.

Special-Order and Customer-Specific Products

Products specifically ordered, purchased, manufactured, modified, configured, or reserved for a Customer are **non-cancellable** once HPI has committed to their procurement, manufacture, modification, or assembly.

If HPI agrees, at its sole discretion, to accept cancellation of such an order, the Customer shall be responsible for costs and commitments reasonably incurred by HPI as a result of the order and cancellation, including supplier cancellation charges, non-recoverable material costs, freight, labour, and other reasonable costs attributable to the cancelled order.



Where Products or components cannot reasonably be cancelled, returned to the supplier, or resold in the ordinary course of HPI's business, the Customer may remain responsible for the full applicable price.

5. RETURNS

No Product may be returned without HPI's prior written authorization and issuance of a **Return Material Authorization ("RMA")**/Return Good Authorization ("RGA")

Unauthorized returns may be refused and returned to the Customer at the Customer's expense.

Unless otherwise approved by HPI, a return request for standard stocked Products must be submitted within **30 days of delivery**.

To qualify for return, the Product must:

- be unused and uninstalled;
- be in new and resalable condition;
- contain all original components, accessories, manuals, and documentation;
- be returned in its original packaging where reasonably applicable; and
- have been properly stored, handled, and protected from damage or contamination.

Approved returns of standard stocked Products are subject to a **20% restocking fee**, unless the return results from an error by HPI or an accepted warranty claim.

Products returned with damaged, missing, marked, altered, or incomplete packaging or components may be subject to additional charges or may be refused if HPI reasonably determines that the Product cannot be resold as new.

The Customer is responsible for return freight and risk of loss during return transportation unless the return results from an error by HPI or an accepted warranty claim.

Any credit will be issued following receipt and inspection of the returned Product by HPI.

6. NON-RETURNABLE PRODUCTS

Except in the case of an accepted warranty claim, confirmed defect, or error attributable to HPI, the following Products are final sale and non-returnable:

- assembled hydraulic power units or other assembled products;
- Products assembled or configured according to Customer requirements;
- custom or modified Products;
- special-order or non-stock Products specifically procured for the Customer;



- Products that have been installed, used, operated, altered, or damaged after delivery; and
- Products that cannot reasonably be resold as new.

Authorization by HPI to return a Product for inspection does not constitute acceptance of the return or confirmation that a credit will be issued.

7. SHIPPING AND DELIVERY

Delivery dates provided by HPI are estimates unless HPI expressly agrees otherwise in writing.

HPI will use commercially reasonable efforts to meet estimated delivery dates but shall not be liable for reasonable delays caused by circumstances outside HPI's control.

Partial shipments may be made and invoiced separately unless otherwise expressly agreed.

Freight, insurance, brokerage, customs clearance, duties, and related transportation costs shall be charged as stated on the applicable quotation or order acknowledgement.

Risk of loss and title shall pass in accordance with the delivery terms specified on HPI's quotation or order acknowledgement. Where no specific delivery term is stated, applicable shipping terms shall be determined in accordance with the agreed shipping arrangement and applicable law.

8. INSPECTION AND SHIPPING DISCREPANCIES

The Customer shall inspect Products promptly following delivery.

Claims relating to shortages, incorrect Products, or visible shipping damage must be reported to HPI in writing within **five (5) business days** after delivery, together with reasonable supporting documentation.

Failure to report an apparent discrepancy within this period may constitute acceptance of the shipment, except for latent defects or rights that cannot legally be waived.

9. PRODUCT SELECTION AND TECHNICAL INFORMATION

The Customer is responsible for determining whether a Product is suitable for its intended application unless HPI has expressly agreed in writing to assume responsibility for the design or selection of the Product for that application.

Technical information, drawings, specifications, calculations, recommendations, and other information supplied by HPI are based on information available to HPI and information provided by the Customer.



The Customer is responsible for providing complete and accurate operating requirements, including, where applicable, pressure, flow, duty cycle, electrical requirements, environmental conditions, mechanical interfaces, and intended application.

10. WARRANTY

Products are subject to the applicable HPI manufacturer warranty or other warranty expressly stated by HPI in writing.

Warranty claims are subject to inspection and verification by HPI and/or the applicable manufacturer.

Warranty coverage does not apply to damage or failure resulting from misuse, improper installation, improper maintenance, contamination, unauthorized modification or repair, operation outside published specifications, normal wear, accident, or other causes unrelated to a defect in material or workmanship.

No Product shall be returned for warranty evaluation without prior authorization from HPI.

Nothing in these Terms excludes any warranty or remedy that cannot lawfully be excluded under applicable law.

11. LIMITATION OF LIABILITY

To the maximum extent permitted by applicable law, HPI shall not be liable for indirect, incidental, special, exemplary, punitive, or consequential damages, including loss of profit, loss of production, loss of business, loss of use, or downtime, arising from or relating to the sale, supply, use, or performance of Products.

To the maximum extent permitted by applicable law, HPI's aggregate liability arising from a Product shall not exceed the amount paid to HPI for the Product giving rise to the claim.

These limitations shall apply only to the extent permitted by applicable law.

12. FORCE MAJEURE

HPI shall not be responsible for delay or failure to perform caused by circumstances beyond its reasonable control, including natural disasters, fire, flood, severe weather, war, terrorism, civil disturbance, labour disputes, government actions, tariffs or trade restrictions, transportation interruptions, supplier failures, shortages of materials or components, utility interruptions, epidemics, or similar events.

HPI's obligations shall be extended for a reasonable period corresponding to the duration and effect of the event.



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13. COMPLIANCE WITH LAWS

The Customer is responsible for complying with laws and regulations applicable to the Customer's use, installation, operation, resale, export, or re-export of the Products.

The Customer shall not export, re-export, transfer, or use Products in violation of applicable Canadian, United States, or other applicable export control, sanctions, or trade laws.

14. GOVERNING LAW

Unless otherwise expressly agreed in writing, all transactions with HPI shall be governed by the laws of the **Province of Ontario and the federal laws of Canada applicable therein**, without regard to conflict-of-law principles.

The parties submit to the jurisdiction of the courts located in Ontario, Canada, subject to any rights or remedies that cannot lawfully be excluded.

The **United Nations Convention on Contracts for the International Sale of Goods (CISG)** shall not apply to transactions governed by these Terms.

15. GENERAL

If any provision of these Terms is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

HPI's failure to enforce any provision on one occasion shall not constitute a waiver of that provision or HPI's right to enforce it in the future.

These Terms, together with HPI's applicable quotation, order acknowledgement, and invoice, constitute the terms governing the applicable sale unless otherwise expressly agreed in writing by an authorized representative of HPI.

In the event of a conflict between these Terms and a specific written agreement signed by an authorized representative of HPI, the signed written agreement shall prevail.