



KVC INDUSTRIES TERMS AND CONDITIONS OF SALE

EFFECTIVE Jan 1, 2024

APPLICATIONS: These general terms and conditions shall apply to all purchases of products (hereinafter defined) from KVC notwithstanding the terms of any purchase order or contract used for the purchase of products from KVC unless KVC otherwise agrees in writing. KVC reserves the right to amend, delete and add to these terms and conditions, which amendments, deletions and additions shall be effective 30 days after notice thereof is given.

PRICES: All prices of products are subject to change by KVC without notice. All orders for products will be invoiced at the prices in effect at the agreed time of shipment, provided that if through no fault on the part of KVC, there is a delay in shipment, then the order will be invoiced at the higher of the prices that are in effect at the stipulated time of shipment or the actual time of shipment.

FREIGHT TERMS: All products are shipped F.O.B. (Free on Board) the warehouse designated by KVC. The purchaser shall be solely responsible for the difference, if any, between any freight allowance set by KVC and the actual freight paid where the purchaser specifies a carrier more expensive than that determined by KVC.

TAXES: The purchaser shall pay all taxes, levies, charges and duties imposed upon the purchaser or any agent of the purchaser (the "TAXES") by any government, government agency or other taxing authority in connection with the production, transportation, consumption, purchase or sale of the products, or those usually paid by a purchaser pursuant to usual trade practices or terms, including, but not limited to. Goods and Services Tax (GST), provincial sales taxes, municipal taxes and sales and use taxes. The purchase price for products does not include the Taxes unless KVC specifies in writing that it does.

TRANSFER OF TITLE/RISK OF LOSS: Title to products and all risks of loss or damage to the products shall pass to the purchaser upon acceptance for loading of the products by the carrier at a KVC warehouse notwithstanding that KVC may be bearing in whole or in part the cost of freight and/or other costs and fees.

TERMS OF PAYMENT: The purchaser shall fully pay the purchase price within 30 calendar days from the date of invoice (the "Due Date") to the account designated by KVC. If the purchaser fails to fully pay the purchase price to KVC by the Due Date, interest shall accrue on the unpaid balance of the purchase price outstanding from time to time at the rate of 18% per annum compounded monthly until the purchase price is paid in full.

CREDIT CARD PAYMENTS: All payments made using a credit card will be subject to a 3.75% credit card surcharge. This surcharge is in addition to the purchase price of the products and will be added to the total amount due at the time of invoicing. The purchaser is responsible for paying this surcharge as part of their payment obligation under these terms and conditions. This surcharge helps us cover the cost associated with credit card processing fees. Please note that this surcharge is non-refundable, even in the event of a return or cancellation.

QUOTATIONS: Possession of a price list or quotation shall not obligate KVC to sell or offer goods listed therein to anyone. KVC reserves the right to withdraw any quotation without notice prior to its acceptance in writing. Price and projected delivery times may be adjusted for design specifications and/or service conditions unknown at the time of quotation.

CREDIT APPROVAL: The acceptance of orders is subject to the satisfactory credit approval of the purchaser by KVC in its sole discretion, and KVC may at its sole discretion require payment in advance.

DELIVERIES: Products quoted as being available from KVC inventory are subject to prior sale and may not be available for immediate shipment. Deferred or redirected deliveries are at the sole discretion of KVC and are not binding on KVC unless KVC agrees in writing. KVC shall not be liable for any direct, indirect or consequential damages or loss caused by delay in delivery or failure to deliver, regardless of the cause of the delay or failure and whether it results from fire, flood, accidents, riots, the negligence of KVC or any of its employees or agents, strikes, transportation delays, labour or material shortages or any other cause.

RETURNED GOODS: The purchaser shall not have the right to return any product unless; (a) KVC in its sole discretion agrees and evidences that agreement in writing and issues to the purchaser a Returned Goods Authorization Number (RGA#); (b) the product is in good and resalable condition; and (c) the product is returned within the manufacturer's warranty period. Notwithstanding the foregoing, the following products will not be accepted for return under any circumstances: (a) special order items; (b) non-stock products; and (c) obsolete or used products. If KVC decides in its sole discretion, the reasonableness of which is not subject to any inquiry or questioning by the purchaser or any third party, to take back the products, the purchaser shall package the products to be returned in a manner that will completely protect them from damage. Despite its prior consent to the return, KVC has the right either to reject the returned products or to charge fees if in the opinion of KVC the products sought to be returned are damaged from any cause whatsoever including without limitation improper packaging. The purchaser shall pay all expenses and costs arising out of the return of any products including all transportation charges and other expenditures directly or indirectly incurred by KVC. In addition, the purchaser shall pay to KVC an amount equal to:

- (a) up to 3 months – no re-stocking fee
- (b) after 3 months and up to 6 months – 25% of the purchase price as a re-stocking fee
- (c) after 6 months and up to 9 months – 35% of the purchase price as a re-stocking fee
- (d) after 9 months and up to 12 months – 50% of the purchase price as a re-stocking fee

Additionally, if refurbishing is required, the purchaser shall pay KVC an amount determined by KVC in addition to the re-stocking fee.



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EFFECTIVE July 1, 2019

CLAIMS FOR SHORTAGES: The purchaser shall make all claims for shortages in writing (which includes the particulars of the shortage) within 2 calendar days after receipt of the products at the purchaser's warehouse. If notice specifying the particulars of the alleged shortage is not received by KVC within 2 calendar days after receipt of the products by the purchaser at the purchaser's warehouse, the purchaser shall be deemed to have received in good condition all products that were invoiced by KVC as being part of that shipment, and the purchaser shall be barred from making any claims in connection therewith.

GOVERNING LAW: The KVC Agreement shall be governed by, and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.

WARRANTY: Products found to be defective due to faulty workmanship or material shall be replaced without charge, provided that in each case, KVC, acting reasonably, is satisfied that the product has been properly installed, that the product was used in the service for which KVC and the manufacturer of the product recommended and that written notice specifying the alleged defects is presented to KVC within one year from the date of installation or 18 months from the date of purchase, whichever occurs first (the "Warranty Period"). The liability of KVC under the warranty provided herein is in the nature of liquidated damages to which the purchaser might otherwise be entitled at law or in equity, and in particular the purchaser hereby agrees that in lieu of any action for fundamental breach of contract or during the Warranty Period or after the Warranty Period for any claims for labour, installation costs, damages including, but limited to, loss of revenue or profits, or other expenses incurred by reason of any products found to be defective. This warranty shall not apply to any product modified or changed in design or function after leaving a KVC warehouse or to valve operators, components and/or heating products which are subject to the warranty conditions of the manufacturer.

CANCELLATION POLICY: Orders of products accepted by KVC for special alloy valves, valves and fittings and/or heating products not stocked by KVC are not subject to cancellation or change without the prior written consent of KVC (which KVC may give or withhold at its sole discretion) and upon terms which will protect, indemnify and hold KVC harmless from and against all consequential loss or damage.

MODIFICATION: No amendment or modification of these terms and conditions shall be binding upon KVC unless evidenced in a written document signed by an authorized representative of KVC.