

## AIR QUALITY ENGINEERING, INC. (“AQE”) – INTERNATIONAL DISTRIBUTOR TERMS AND CONDITIONS

**Distributor Expenses:** Reseller is responsible for all expenses and taxes incurred in selling goods or performing services by or on behalf of Reseller in connection with the distribution of the Products for which Reseller is selling.

**Purchase Orders:** Reseller’s submission of purchase orders and AQE’s acceptance thereof is acknowledgment of Reseller’s acceptance of these Terms and Conditions. Fulfillment of purchase orders is contingent on AQE’s acceptance of said purchase order. AQE reserves the right to cancel purchase orders at its own discretion from time to time. AQE reserves the right to appoint agents or exclusive distributors of its products to fulfill purchase orders which are submitted directly to AQE.

**Billing:** AQE will invoice Reseller under the payment terms outlined below. Reseller is to remit payment to AQE, 7140 Northland Drive North, Brooklyn Park, MN 55428. Reseller, as a purchaser of product for resale, is solely responsible for invoicing and collecting payments from their customers.

**Returns:** Returned product(s) will only be accepted upon written prior approval by AQE. Returns are considered on standard product(s) purchased within ninety (90) days of the original invoice. AQE reserves the right to access a 20% restocking fee and shipping charges for returned items. Material Data Safety Sheet (MSDS) of contaminant must be supplied to AQE when requesting a return of any used equipment. There are no returns on custom products; large volume orders (to be defined by AQE on an order by order basis); and parts. Reseller shall be solely responsible for all freight and shipping charges, including but not limited to risk of loss during shipment, for returned products. AQE will not accept a return of any media or carbon filters.

**Distributor Receipt of Product:** Agents of Reseller will inspect all Products before any freight bill or delivery sheet is signed. Reseller will promptly notify the AQE of any defects in the Products delivered to it. Freight claims are to be filed with the appropriate freight carrier by Reseller.

**Trademarks:** The AQE Products will bear only the trademarks, service marks or other marks designated by AQE from time to time. To protect AQE’s Trademarks, Reseller agrees to comply with all reasonable instructions or requests of AQE respecting AQE’s Trademarks including those related to promotional materials. Reseller acknowledges that AQE has the sole right, title and interest in the AQE Trademarks, patents and know-how relating to the Products.

**Confidentiality:** Reseller will treat as confidential, during and after the term of this Program, all information identified or treated as confidential and pertaining to the Products or AQE, its pricing, business or assets including any confidential memorandums, manuals or customer lists provided by AQE (collectively, “Confidential Information”). Reseller will use the Confidential Information only to perform its duties under this Program, and will not disclose the Confidential Information to any third parties. Upon termination of this Program, Reseller will return to AQE all copies of the Confidential Information, in whatever form, and refrain after the term from any use of the Confidential Information. Reseller agrees to also immediately delete any

electronic storage of any Confidential Information, including but not limited to any information saved on Reseller’s computers.

**Reseller Relationship:** Reseller is an independent contractor and not an agent, franchisee, partner or joint venture of AQE. Neither Reseller nor its agents are authorized to enter into or execute any contract, order, or other commitment and will have no authority to otherwise obligate AQE.

**Warranties:** AQE makes no warranties, express or implied, to Reseller as to the Products except as stated within AQE’s Owner’s Manuals. In addition, any warranties shall become immediately null and void if the Products are altered, modified, tampered with or used in a manner not specifically approved in writing by AQE. Reseller represents and agrees that it will make all statements, representations and warranties with respect to the Products in strict compliance with any such warranty and will not deviate there from except upon written authorization of AQE. With respect to claims by a customer of AQE based upon a defect in the Products, the sole and exclusive remedy of the customer and (if applicable) Reseller, as well as the sole and exclusive liability of AQE, will be limited to repair or replacement at AQE’s sole option of any Products which are defective in material workmanship and returned to AQE in accordance with AQE’s applicable standard service rules provided to Reseller from time to time. AQE will not be liable for indirect, special, incidental or consequential damages or losses or loss of profits as a result thereof. AQE assumes no duties or obligations beyond these specified in this Program.

THE ABOVE MENTIONED WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

AQE makes no claim of design or warranty on installation services and/or duct work design/installation performed by Reseller, its agents, the end user or the agents of the end user.

Further, AQE makes no warranties to those defined as consumers in the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act.

Reseller shall not expand, modify or alter any warranties of AQE to any customers of Reseller, and shall only resale new products.

If Reseller is requesting any products to be returned or serviced under applicable warranties, Reseller must submit the product serial number of the unit to AQE in order for AQE to evaluate and process a warranty request.

**Indemnification:** Reseller agrees to indemnify AQE for and to hold it harmless against any loss, liability or expense, including costs and expenses of investigating any claim, and reasonable attorney’s fees arising out of or in connection with (a) any acts or failure to act by Reseller or its agents in connection with this Agreement; (b) any acts or failure to act by Reseller to comply with any applicable laws, codes, regulations or ordinances in the geographic area where Reseller sells the Products; (c) any modifications or alternations Reseller or any third parties make to

the Products; and (d) Reseller's or a third-party's installation of the Products for Reseller. Reseller also agrees to discharge and to hold AQE harmless on account of any taxes imposed upon the AQE with respect to any transactions hereunder or any income earned or payments received Reseller hereunder. Reseller also agrees to indemnify AQE for and hold it harmless against any loss, liability or expense, including reasonable attorney's fees arising out of or in connection with a or b above.

**Injunctive Relief:** Reseller acknowledges that any failure to comply with the requirements related to Confidentiality; Trademarks will cause AQE irreparable injury. Reseller, therefore, agrees that AQE may, in addition to all other rights or remedies permitted, seek an order by any court of competent jurisdiction for the specific performance of or an injunction against violation of the requirements of such provisions. Reseller consents to the jurisdiction of the U.S. District Court of Minnesota and Hennepin County, Minnesota State District Court and agrees that any litigation between the parties may be brought in either of such courts.

**Notices:** All notices, correspondence and payments will be in writing and will be (a) mailed by certified mail postage prepaid; (b) sent by fax to the respective party to the address stated above; or (c) sent electronically by email to the last known email with a confirmation of receipt. Any notice by certified mail will be deemed to have been given five (5) days after the date of mailing. Any notice by fax or email will be deemed to have been given two (2) days after receipt.

**Miscellaneous:** These terms and conditions replace all prior programs, agencies, authorizations, agreements, promises or representations, either direct or implied, between the Reseller and AQE. These terms and conditions can be amended by AQE at any time without notice. These terms and conditions are personal to Reseller and cannot be assigned by it without AQE's prior written consent, which AQE shall not unreasonably withhold.

**Governing Law; Severability:** All purchase orders will be governed by and enforced in accordance with the laws of the State of Minnesota. If any provisions or terms of this purchase are held to be unlawful or unenforceable, the remainder of the provision will remain in full force and effect and will not be affected, impaired or invalidated. Any waiver or failure by AQE to enforce any breach of these terms and conditions shall not operate as a waiver of any future breach.

**Arbitration:** Subject to *Injunctive Relief*, any dispute arising under terms and conditions shall be submitted to binding arbitration in Minneapolis, Minnesota in accordance with the Commercial Arbitration Rules of the American Arbitration Association which Rules with respect to matters not regulated by them shall incorporate the UNCITRAL arbitration rules by one or

### **Payment Terms:**

- Payment Terms: Provide by AQE prior to order being placed.
- Shipping is Ex-Works Collect. Customer to provide routing is 5 days prior to the AQE assigned ship date.
- Reseller is responsible for shipping to site, rigging, and installation.
- Reseller is responsible for meeting all applicable local and national zoning and building, codes, rules and regulations.
- Pricing does not include shipping and applicable taxes
- Reseller agrees to accept ownership of the Products upon shipment from AQE's facility in Minnesota, and Reseller agrees to bear all risk of damage or loss upon shipment of Products from AQE's facility.

more arbitrators appointed in accordance with said Rules applying these Terms and Conditions and consistent provisions of the internal laws (except conflict of law rules) of the State of Minnesota, USA. The non-prevailing party shall pay the reasonable fees and expenses of the arbitrator.

**Collection:** In the event AQE resorts to collection of any amounts due from Reseller, the parties agree that AQE shall be entitled to recover all costs and expenses of collection, including but not limited to, reasonable attorney's fees.

**Country of Importation:** Reseller represents that it is purchasing AQE products for the purpose of exporting them from the United States and importing them to the country specified in Reseller's purchase order. Reseller agrees that AQE's products will be shipped to that destination in compliance with the laws of such country, and that there will be no re-export or diversion. If requested by AQE, Reseller shall provide documentation satisfactory to AQE verifying delivery at the designated port of entry.

### **Restrictions on End Use and Resale to Certain End Users**

End User acknowledges and agrees to refrain from using or modifying any of AQE products for any military purpose or any other unauthorized purposes without the express prior written permission of AQE. End User also agrees to refrain from reselling the AQE products to any companies or into to any countries that are restricted per the U.S. Bureau of Industry and Security, U.S. Department of Commerce, which includes but is not limited to any countries under sanctions by the U.S. government or any other countries.

**Foreign Corrupt Practices Act:** Reseller acknowledges that it is not the agent of AQE, and Reseller represents and warrants that it has not and covenants that it will not pay anything of value to any government employee in connection with the resale of AQE products.

**Export and Import Licenses; Permits and Freight Forwarder:** Unless expressly agreed otherwise, Reseller shall be responsible for obtaining and paying for any permits, licenses, or other governmental authorization(s) necessary for the exportation or importation of AQE's products into the designated country of importation. Reseller shall comply with all laws and regulations thereof. Reseller shall select and pay the freight forwarder who shall solely be the Reseller's agent. The freight forwarder's actions shall not be deemed authorized by, or binding upon AQE, unless expressly agreed to by AQE. Reseller shall be responsible for any fees, taxes, or expenses in connection with the importation of AQE products to Reseller's country.