



Terms and Conditions of Direct Sale of Equipment and Service

- 1. Terms of the Sale.** "Company" herein means Daikin Applied Americas Inc. operating through its subsidiaries in Florida and Latin America. The Company, through this document, offers this quote ("Quote") to buyer ("Buyer") for the sale of equipment, parts, supplies, and materials (jointly referred to as "Products" or "Equipment") under the brand names of McQuay, Daikin McQuay, Daikin, and Goodman ("Trademarks"), as well as services, such as of installation, start-up, maintenance, and repairs, (jointly referred to as "Services"), both, only under the Terms and Conditions stated herein, unless the parties otherwise agree in writing on the attached Quote. Submittal of any further purchase documents by Buyer, and/or execution of this Quote by Buyer, and/or allowing Company to commence work, and/or ordering services and/or the production of Equipment under this Quote, shall be deemed an acceptance of this Quote and will be considered a "Contract." Any of the referenced events above will be considered as the commencement date of the Contract. The effective termination date shall be when both these events have occurred: Buyer completes all payments to Company due under this Contract with all funds cleared in Company's financial accounts and Company completes delivery of all Equipment and/or service. Any additional purchases will require the negotiation of a separate and independent Contract. Any additional or differing terms and conditions contained on any documents prepared or submitted by Buyer (whether or not such terms materially alter this Quote, are hereby rejected by Company and shall not become part of the Contract between Buyer and Company unless expressly consented to in writing by Company. Buyer acknowledges that these Terms and Conditions may be updated from time to time and hereby agrees to be responsible to stay apprised with said updates as these are published in Company's website.
- 2. Pricing Policy:** The Contract price set forth in this Quote ("Price") does not include start-up of Equipment unless agreed otherwise in writing on the Quote and is only valid for thirty (30) days after the date of the Quote. All prices are subject to increase upon notice, due to such events as announced increases in the Company's list prices, or increases in labor or material costs. "Per Unit" prices shown are for reference only and are based upon the purchase of the totality of the quoted Products, and strictly by Buyer. Buyer will pay in their local currency for sales billed locally, and in U.S. Dollars for those sales invoiced through the United States. No claims on pricing will be accepted once this Contract is signed. Buyer is herein voluntarily waiving any legal claims arising from or relating in any way or nature whatsoever, to the Contract Price once it signs this Contract.
- 3. Payment Terms:** Buyer and terms of payment are subject at all times to prior approval of the Company's Credit Department. The standard terms of payment, unless otherwise agreed to in writing by the Company, require a minimum deposit (standard is of 50%) of the sale price when placing the order and the remaining balance two (2) weeks before production of the Products is completed at the factory. Payment must be made by wire transfer, credit card, or cash, as agreed in writing. At any time during the Term of this Contract or during the credit relationship between the Buyer and the Company, the Company shall have the right to determine, in its sole discretion, that the Buyer's financial and credit condition does not justify the continuation of production and/or the shipment and/or delivery of the Products in the payment terms specified in the Contract and/or in the Buyer's terms of credit; in such case, and/or in the case of Buyer's insolvency, the Company, in its sole discretion, may demand full or partial payment in advance and/or, shall have the right to cancel the Contract, stop and/or delay and/or cancel the production and/or shipment and/or delivery of the Products ordered under this Contract or any other Contract between Buyer and Company that remains unpaid. In the event of default in payment, Buyer agrees to pay all costs incurred by Company as a result of late payments and/or collection, including but not limited to, those associated with transportation of Equipment, warehousing, collection agency fees, attorneys' fees, legal expenses, and court costs. All past due amounts shall bear interest at the highest rate allowed by applicable law.
- 4. Shipping Terms:** All shipments of non-inventory Equipment will be shipped FCA point of export, based on a quote through a low cost public freight company. All others will be shipped as agreed in writing. Company may ship the Products in one or more lots; such lots may be separately invoiced and shall be paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any lot shall not relieve Buyer of its obligation to accept remaining deliveries.
- 5. Claims:** Responsibility of Company for all shipments ceases upon delivery of the Products to the carrier; and regardless of shipping terms or freight payment, Buyer shall bear all risk of loss or damage in transit. Any claims for damage or shortage in transit must be filed by Buyer against the carrier, and not Company. Claims for factory shortages will not be considered unless made in writing to Company within ten (10) days after receipt of the Products and accompanied by reference to Company's Bill of Lading and factory order numbers. Company reserves a security interest in the Products until full payment for said Products has cleared at Company's financial institutions.
- 6. Tax:** The amount of any present or future taxes applicable to the Product(s) shall be added to the price contained herein and paid by Buyer in the same manner and with the same effects as if originally added thereto.
- 7. Cancellation and/or Changes:** Accepted orders are not subject to cancellation or amendments without Company, in its own discretion, being: (a) reimbursed for any and all expenses incurred (including overhead); (b) paid a reasonable profit, and; (c) indemnified by Buyer against any and all loss. These conditions shall apply as well in the event of default in the payment. The Company will have no responsibility if the ordered Equipment, once ordered and/or on the line of production, does not fulfill Buyer's intended purpose. Buyer shall bear full responsibility of the consequences of any changes it may make to its order once accepted by Company, error in Buyer's order, design or specifications of the Equipment.
- 8. Shipping Dates:** Buyer acknowledges and agrees that shipping and/or delivery dates are intended to be estimates only, and that delays can be expected for any reason and/or cause beyond Company's control, including but not limited to, disapproval or delays by the Credit Department of the Company based upon the evaluation of Buyer's credit, any act of God, act of Buyer, governmental act, accident, labor unrest, delay in transportation, or inability to obtain necessary labor, materials or manufacturing facilities. No Contract will be made to ship on a specified date, unless stated in a separate writing and signed by an officer of the Company. Buyer acknowledges and agrees that Company shall not be liable for any costs, penalties, and/or damages of any nature whatsoever, as a result or related in any way to any delay or failure to deliver on or around the estimated shipping and/or delivery dates.
- 9. Returns:** Products may not be returned unless Buyer obtains the advanced written permission of an authorized Company official, and when so returned will be subject to handling and transportation charges. Authorized returned Products must be shipped prepaid to the location designated by the authorization.



10. Limited Warranty: Warranty, Services scope, and/or maintenance terms are specified in the text or attachment to the Quote, herein incorporated and made a part of this Quote. Preventive maintenance Services are not guaranteed. All repairs will be at additional cost in accordance with the Service rates described above in this document. The Buyer must inspect and affirmatively reject the Products within 30 days of delivery. All Trademark Equipment Installation and maintenance must be performed by Dakin certified technicians or the Equipment warranty will be void. Buyer's failure to give written notice specifying any claim within the warranty time shall constitute an unqualified acceptance of the Equipment and a waiver of all claims, and Company will not be liable for any damage, warranty or remedy. If not affirmatively rejected, any error or changes in the order, regardless of cause, will be strictly the responsibility of the Buyer. Subject to Sections 11 and 12 of this Contract, for those cases where Company determines, in its discretion, that the Products sold under this Contract and used in Latin America or the Caribbean have a manufacturing defect in some materials or components, Company only warrants that it will send to Buyer, FCA Point of Export, those replacement parts or components it determines in its discretion are covered under the warranty, as follows:

- **Applied and Unitary Products** - Twelve (12) months from start-up or eighteen (18) months from the date of shipment, whichever expires sooner.
- **VRV** - Twelve (12) months from start-up or eighteen (18) months from the date of shipment, whichever expires sooner, and; five (5) years just on the compressor.

Start-Ups and Commissioning - Units with screw compressors, centrifugal, absorption, and magnetic, as well as VRV equipment require that start-ups be performed by Company's certified factory service technicians or by another authorized company. Buyer can perform the start-up and the commissioning for all other units such as units with scroll compressors, roof-tops, and air handlers. In all cases, the Buyer must send the start-up report no later than ten (10) days after the start-up in order to validate the warranty. Replaced parts are warranted for the duration of the original warranty period. **THIS WARRANTY CONSTITUTES BUYER'S SOLE REMEDY. IT IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF TITLE, AGAINST LIENS, INFRINGEMENT, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

No liability shall attach to the Company until the Buyer has paid in full for all Products purchased hereunder. No person (including any agent, sales representative, dealer or distributor) has the authority to extend the obligation of the Company beyond the terms of this express warranty or state that the performance of any product is other than is published by the Company. Company must receive a start-up Registration Form for all Products within ten (10) days of original product start-up, or the start-up date and ship date will be deemed the same for warranty period determination, and the warranty shall expire twelve (12) months from that date.

11. Exclusions of Warranty: Company's warranty set forth in Section 10 does not apply to any Products which: (a) have been opened, disassembled, repaired, or altered by anyone other than Company or its authorized service representative; or (b) have been subjected to misuse, negligence, accidents, damage, or abnormal use or service; or (c) start-up, operation, and/or installation, have been done in a manner contrary to Company's instructions, or (d) have been exposed to the action of the elements such as water, dust, wind, fire, pollutants, corrosive agents, chemicals or minerals, or as a result or effect of the water supply source, or; (e) have not been fully paid for by the Buyer, or; (f) have been damaged during transportation. Refrigerants, fluids, oils and expendable items such as filters are not covered by Company's warranty. For additional consideration, Company will provide an extended warranty on certain Products. The terms of any extended warranty are shown on the Product limited warranty certificate or on a separate extended warranty statement.

12. Limitation of Liability; Compensation: Unless prohibited by local law where the sale is invoiced, the Company's liability with respect to the Products sold hereunder shall be limited to the warranty provided under Section 10, and shall not exceed the lesser of: (a) the cost of repair or replacing defective Products, or; (b) the original purchase price of the Products.

IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO BUYER OR THIRD PARTIES FOR INCIDENTAL, INDIRECT, SPECIAL, CONTINGENT OR CONSEQUENTIAL DAMAGES, FOR ANY REASON WHATSOEVER, WHETHER THE THEORY BE BREACH OF THIS OR ANY OTHER WARRANTY, NEGLIGENCE OR STRICT LIABILITY OR IN TORT, EVEN IF THE DAMAGES WERE OR SHOULD HAVE BEEN FORESEEABLE.

13. Confidentiality and Trademarks: Buyer acknowledges that Company's confidential information such as its customers, prices, related goodwill and trade secrets as well as the Trademarks of the Products sold hereunder ("Confidential Information"), are the property of the Company. Buyer hereby agrees not to disclose Confidential Information without the written consent of the Company, and agrees to use and display the Trademarks only in such manner as previously authorized in writing by Company. Buyer shall not use the Trademarks as part of its corporate or trade name, or in any manner that would suggest that Buyer is associated with Company as a business partner or in a joint venture, or in any manner not authorized by Company. Buyer shall not use the Trademarks as part of a website or Internet domain name or website address, and shall not make any link to the Company website, except in accordance with authorized permission and applicable Company policies at that time for such use. Upon termination of this Contract, all Company previously authorized permissions to use the Trademarks will be rescinded. Furthermore, each party may confidentially disclose to the other proprietary technical plans and drawings ("Technical Information") related to a particular project pertaining to the Products and/or Services subject of this Contract; each party agrees that such Technical Information shall remain the property of the disclosing party, and that the receiving party shall not disclose such Technical Information without the consent of the disclosing party.

14. Disputes and Choice of Law: This Contract and these Terms and Conditions constitute the entire agreement between Company and Buyer and for all claims (other than collections, in which case Company can enforce through collection agencies and/or in the local courts located wherever Buyer conducts its business and/or has assets), disputes, and controversies arising out of or relating to this Contract or the breach thereof, shall, in lieu of court action, be submitted to the International Court of Arbitration ("ICC"), according to their rules and held in Miami, Florida. Florida law shall be the governing law. In case of conflict of laws, the ICC will apply the United Nations Convention on Contracts for the International Sale of Goods ("CISG"). Any judgment on the award rendered by the arbitrator(s) shall be final and shall be valid in any court having jurisdiction thereof. The parties agree that either party to the arbitration shall be entitled to discovery of the other party, provided, however, that such discovery shall be completed within four (4) months from the date of the request for arbitration. The ICC ruling may be recognized and executed before any competent court.

15. Compliance with Laws - Export, Anti-Corruption, and Anti-Money Laundering: Buyer shall comply and herein represents that it complies with all applicable local, regional, and United States laws, relating to, among others: the conducting of its business, the regulation of



importation and exportation of goods, the prevention of anti-money laundering and terrorism, and anti-corruption laws, and shall inform Company of any local and/or regional changes in said requirements, whether applicable laws and/or regulations that may affect its performance under this Contract and/or in its commercial relationship with Company. Buyer acknowledges and agrees that within its country and/or region there may be other buyers of any of the Products and/or any of Company's products and that these, as well as Buyer, may re-sell these; that re-exporting of the purchased Products to any destination under U.S. sanction or embargo, contrary to U.S. law, and/or any other local or regional export prohibitions, are a violation of this Contract and is strictly forbidden. Buyer acknowledges and agrees the "Foreign Corrupt Practices Act of 1977" or "FCPA" applies to the business transaction subject of this Contract as well as any other local and regional anti-corruption and anti-bribery laws, which may apply to Buyer or the business relationship itself. Buyer grants Company all necessary access to the specific types of information, including the right to interview those needed, and to any documentation relating to their business relationship, which may be relevant to an internal investigation and/or to evaluate the integrity of Buyer's business practices. Buyer acknowledges that this could include access to expense reports, citations issued by governmental authorities, and emails related to any transaction. Company shall have the right to select its auditors who shall decide together, based on their own criteria, the scope and appropriate work plan to verify Buyer's compliance with its obligations under this Contract and applicable laws. Buyer shall deliver all documentation in its original format in an organized manner, and; maintain throughout the term of the Contract and for a further period of five (5) years after the termination thereof, accurate and complete books and records of all activities relative to the business relationship. Buyer represents that it is not being reported in any international or local public list of people under investigation for money laundering, terrorist financing, and asset forfeiture. Buyer agrees that Company will consider any violation of these laws as a serious violation of its ethical obligations as well as its obligations hereunder, which will terminate this Contract immediately. Buyer shall be liable to Company, its affiliates and subsidiaries, their respective officers, directors, employees, and/or agents or representatives, for any and all damages any of the former may incur, of any kind and nature whatsoever, as a result of Buyer's violation of the requirements of this Section, including the costs of any necessary investigation.

16. Services: Buyer will carry out all the preparatory works according to the Technical Information, which will be structurally adequate for the Services of the Company. Buyer will be responsible for providing early access to the project location ("Location") where Services will be performed as well as the necessary conditions for the Company to execute the Services. If Buyer supplies the transportation of the Products to the Location, Buyer shall be responsible for their arrival at the time Buyer specifies. Buyer shall ensure that the Company can begin the Services according to the agreed upon schedule. Company will not render any Services in Locations that, in its discretion, are dangerous or are health hazards. Buyer shall be solely responsible for establishing and maintaining during the Contract any legally required health and safety measures. If so agreed, the Buyer shall provide at no additional charge all cranes and lifting, transport equipment, tools, machinery, materials and supplies (including fuels, oils, fats, gas, water, electricity, steam, compressed air, heating, lighting, measurement tools, property testing). Company will specify its requirements in writing. Buyer shall provide Company at no charge secure storage capacity for any equipment or materials requiring protection from the environment or theft. Buyer shall also provide adequate access routes for the transportation of the materials and Equipment to the Location. Any Equipment testing agreed upon prior to delivery will be carried out only at the factory and according to the technical specifications agreed upon, in accordance with the production schedule and factory policies, and only upon agreed upon prior notice to Company. In the event that Buyer had requested such testing and failed to attend, Buyer shall accept the test protocol provided by Company as accurate and final. For installation and turnkey projects, "Reception" of the Services occurs upon start-up of the Equipment or as otherwise agreed. Minor deficiencies do not preclude Reception. In the absence of an agreement for Reception upon start-up, Reception shall occur on the date of notification by Company. Buyer shall not be entitled to use any part of the benefits resulting from the Services prior to Reception, or else, the Company will consider the Services Received and accepted as satisfactory, in which case, Company will be relieved of its obligation to perform any repairs, even if previously agreed upon. The Services will be considered finalized once Reception has been completed. Absent Force Majeure or modifications, for final delivery timing deadline accounting purposes, the clock shall start running on the date of the execution of the Contract or the Purchase Order, whichever is later.

17. Fortuitous event or Force Majeure. The Buyer and the Company agree that there shall be no liability whatsoever to Company for delay and/or failure to perform and/or deliver the Equipment and/or Service, when such is attributable to circumstances beyond Company's control, acts of God, governmental act, accidents, labor unrest, delay in transportation, or scarcity or inability to obtain necessary labor, materials or manufacturing facilities, pandemics, outbreaks, and similar situations, whether foreseen or unforeseen (jointly "Force Majeure"), and in which case, depending on the magnitude of the Force Majeure, the effects of this Contract shall be partially or totally suspended, as agreed by the parties in writing.

Note: In the event that a provision or specific Term set forth herein be deemed prohibited or invalid under applicable law, such provision or Term shall be ineffective only to the extent of such prohibition or invalidity, without affecting the validity of the remaining Terms hereunder.