

Terms and Conditions of Direct Sale of Equipment and Service

1. Terms of the Agreement: "Company" herein means Daikin Applied Americas Inc. operating through its subsidiaries in Florida and Latin America. The Company offers buyer ("Buyer") the sale of equipment, services, materials, and parts (jointly referred to as "Products" or "Equipment") under the brand names of McQuay, Daikin McQuay, Daikin, and Goodman ("Trademarks"), by providing an individual quote ("Quote"), only under the Terms and Conditions stated herein, unless the parties otherwise agree in writing attached to the same Quote. Submittal of any further purchase documents by Buyer, or execution of the Quote by Buyer, or allowing Company to commence work, and/or ordering the production of the Equipment, shall be deemed an acceptance of the Quote and will be considered a "Contract." Any of these events will be considered as the commencement date of the Contract and the termination date shall be when both these events have occurred: all payments have been made and all Equipment and/or service have been delivered and/or completed. 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 the 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 that is responsible to stay apprised with said revisions as these are published in Company's website.

2. Pricing Policy: Prices stated in the Quote do not include start-up of equipment and are 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. No claims on pricing will be accepted once this Contract is signed.

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 of 50% of the sale price when placing the order and the remaining 50% balance one (1) week before shipment. Payment must be made by wire transfer, credit card, or cash. If at any time the financial condition of Buyer or any other circumstance affecting the credit decision does not, in Company's opinion, justify continuance of production of Products or shipment of Products on the terms of payment specified, Company may require full or partial payment in advance, or may at its sole discretion stop or delay production or shipment of Products. In the event of default in payment, Buyer agrees to pay all costs of collection incurred by Company, including but not limited to, 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 are FCA point of export, based on a quote through a low cost public freight company. 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.

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 being: (a) reimbursed for any and all expenses (including overhead); (b) paid a reasonable profit, and; (c) indemnified by Buyer against any and all loss. The Company will have no responsibility if the ordered Equipment, once manufactured, does not fulfill Buyer's intended purpose. Buyer shall bear full responsibility of the consequences of any error in Buyer's order, design or specifications of the Equipment.

8. Shipping Dates: Shipping dates are estimates only. 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. Company shall not be liable for any damages as a result of any delay or failure to deliver due to the disapproval of the Credit Department of the Company or due to any cause beyond Company's reasonable control, including without limitation, 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.

9. Returns: Products may not be returned unless Buyer obtains the advance 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 repair services, maintenance and/or inspection are specified in the text of the quote. The Buyer must inspect and affirmatively reject the goods within 30 days of receipt, or they will be deemed accepted. 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. THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR 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, WHETHER THE THEORY BE BREACH OF THIS OR ANY OTHER WARRANTY, NEGLIGENCE OR STRICT LIABILITY OR IN TORT, EVEN IF THE DAMAGES WERE 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.

14. Disputes and Choice of Law: This Contract and these Terms and Conditions constitute the entire agreement between Company and Buyer and all claims, 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. 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.

15. Compliance with Laws - Export, Anti-Corruption, and Anti-Money Laundering: Buyer shall comply 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. Buyer acknowledges and agrees that within its region there may be other buyers of 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 relationship 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 his 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.

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.