**GENERAL TERMS AND CONDITIONS OF SALE**

**1. ENTIRE AGREEMENT.**These Terms and Conditions of Sale (which include any document(s) attached hereto or referencing these Terms and Conditions of Sale) (the "terms") constitute the entire, complete, and exclusive agreement between the parties with respect to goods and/or services (a "deliverable" or the "deliverables") provided by Roberts-Gordon LLC (herein "Seller") to any customer (herein "Buyer") as specified in these terms. If these terms are different from, or contain terms and conditions in addition to, Buyer's purchase order or any other document provided by Buyer (including any modifications thereto) Seller expressly rejects such different or additional terms in Buyer's document, and Seller's provision of the deliverables is expressly conditioned upon Buyer's assent to these terms. Notwithstanding any other acts or omissions of the parties, Buyer's acceptance of a product constitutes Buyer's assent to all of these terms.

**2. QUOTATIONS, APPROVAL AND ACCEPTANCE.**Specifications and any drawings accompanying them are the property of Seller and are subject to recall at any time before a proposal or quote becomes a contract. Any drawings or specifications accompanying a proposal are not to be used for construction or reviewed with Seller's competitors. Seller reserves the right to make suitable substitutions of equal or better materials if the materials as quoted are not available at the time the order is produced. No order received by Seller shall be a contract binding Seller unless accepted by Seller in writing. No commitment by Seller to purchase materials or start production can be made unless Buyer places an order that is accepted by Seller. Buyer is responsible to promptly review and approve system specifications and/or drawings when requested by Seller. In the event of failure of Buyer to respond in a timely manner or to provide components or services that are required to be provided by Buyer in a timely manner, the price of the order may increase, and delivery times may be extended, all to the account of Buyer without liability to Seller. Any product design services, or other labor quoted by Seller is assumed to be performed on a straight time basis. Should Buyer request schedule changes or should schedule changes be necessitated by Buyer's delay or default, Buyer shall be charged Seller's overtime cost plus an administrative fee of 15%.

**3. DELIVERY.** Delivery is F.O.B. Seller's facility. Except as otherwise set forth in a quotation, Buyer assumes full responsibility for deliverables upon Seller's delivery to Buyer's carrier at Seller's facility, including proper arrangement and security for transport. Any dates quoted for delivery are approximate only. In the event of inability for any reason to supply the total demand for deliverables, Seller may allocate its available supply among any or all purchasers, as well as departments and divisions of the Seller, on such basis as it may deem fair and practical, without liability for any failure of performance which may result therefrom.

**4. SERVICES.**Seller will provide such services as may be specifically described in these terms or the quotation of which these terms are a part but shall have no obligation to provide any services unless agreed by Seller in writing. Services are not provided as work-for-hire and Seller retains on an exclusive basis all rights to any intellectual property developed, delivered and/or used in providing services. No installation or start up is included unless specifically set forth in the quotation. If installation, start up or other services are included in the quotation, Buyer takes full responsibility for the safety and suitability of the work site and all costs and expenses of rigging, hookups, special cranes or other means of transport and the like.

**5. PRICE.**Except to the extent Seller provides a signed quotation that states that it is a firm quote for a fixed period of time, all prices provided by Seller, whether in its catalog, pricing software or otherwise, are subject to change and revision by Seller at any time. All orders are deemed made at Seller's prices current at the time of order acceptance and may be accepted by Seller on those terms. The price specified in any quote for deliverables is exclusive of taxes and shipping related costs and is payable only in U.S. currency (at Seller's option sales in Canada may be paid in Canadian Dollars). Price, currency, delivery terms, availability of deliverables and descriptions and specifications of deliverables is subject to change without notice. Buyer shall reimburse Seller for all taxes, shipping related costs or other charges which Seller may be required to pay upon the sale, transportation, or use of the deliverables. The opening and maintenance of a credit account with Seller is subject to Buyer providing satisfactory references and observing all the terms on which credit is given. Seller reserves the right to refuse to extend credit at any time and for any reason.

**6. PAYMENT.**For deliverables other than custom items, the payment terms of this paragraph apply: Normal terms are net 30. At Seller's option the price and any applicable taxes, shipping related costs or other charges are due and payable on or before delivery. Seller may designate a particular deliverable as a custom item, and in such event the payment terms of this paragraph apply: 25% of the price of the deliverables is due with the order, 25% of the price is due with Buyer's approval of engineering drawings, 25% of the price is due thirty (30) days before the scheduled ship date and 25% of the price and any applicable taxes, shipping related costs or other charges is due at least five (5) days before shipment.

If Buyer fails to make payment when due, in addition to Seller's other rights and remedies, (i) Buyer shall pay Seller a late charge equal to the greater of 2%, per month and/or part of a month on the remaining unpaid balance due Seller or the highest lawful amount which may be charged to Buyer and pay all expenses of collection of amounts due Seller from Buyer, including reasonable attorneys' fees and (ii) Seller may suspend performance without responsibility or liability to Buyer for resultant delay. Buyer shall not be entitled to make any deductions or set off of any amounts (including those for alleged damages) against payments due to Seller hereunder. Seller may treat any failure by Buyer to make any payment within 10 days of the due date as an improper cancellation of this order under Section 10 hereof.

**7. SECURITY INTEREST.** Until the entire amount due Seller is paid, Buyer grants Seller a purchase money security interest in all deliverables, including the proceeds thereof, with all rights and remedies of a secured party in any jurisdiction. Buyer authorizes Seller to file financing statements, or such other documents, appropriate to protect Seller's security interest, without Buyer's signature. If Buyer has granted a third party a blanket security interest in the type of collateral of which a deliverable would be characterized under the Uniform Commercial Code or applicable law, Buyer shall notify Seller of such fact in writing prior to shipment of deliverables.

**8. INSPECTION.** Promptly upon delivery, but no later than fifteen (15) days after delivery, Buyer shall (i) examine and inspect all deliverables; and (ii) notify Seller of any defect in material or workmanship or any other fact that causes the deliverables not to conform to the agreement between Buyer and Seller. Failure to so inspect and inform Seller of a defect within the foregoing time period or the use of a deliverable by Buyer at any time shall be conclusive evidence that Seller has satisfactorily tendered delivery and that Buyer has inspected and accepted the deliverables. Buyer agrees that the foregoing time period provides Buyer with a reasonable time to inspect deliverables. Should Buyer properly notify Seller of any defects in deliverables, in addition to any obligations Buyer may have to Seller, Buyer shall re-pack the deliverable into its original packaging and store that deliverable in an environment that will not be detrimental to the deliverable pending instructions from Seller. At Seller's option, Seller may ship and bill to Buyer product replacing a defective deliverable and issue a credit to Buyer only when the rejected deliverable is received by Seller.

**9. DELAYS.**Seller shall not be liable for loss, damage, detention or delay nor be deemed to be in default from causes beyond its reasonable control or from fire, strike, labor difficulties, act or omission of any governmental authority or of Buyer, compliance with import or export regulations, insurrection or riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials or manufacturing facilities from usual sources, failure of supply or from rejection of large work pieces or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of delay due to any such cause, the date of delivery will be postponed by such length of time as may be reasonably necessary to compensate for the delay, without liability to Seller. In no event shall Seller be liable for any production losses due to late delivery or failure of any deliverable whether or not due to any of the foregoing enumerated causes. If Buyer requires delayed shipment of deliverables in order to accommodate a relevant project build schedule, Buyer shall promptly notify Seller. If Seller has adequate factory space, Seller shall store the affected deliverables for up to 10 business days beyond the original acknowledged ship date of the order, free of charge. If the shipment delays continue longer than 10 business days, Seller at its option may (i)continue to store those deliverables for so long as Seller determines and charge Buyer a storage fee at the rate of 0.3% of the price of the stored deliverables per day (which shall be added to the invoice for the Deliverables) or (or when Seller determines to no longer store the deliverables) (ii) ship those deliverables to the jobsite or storage facility as directed by Buyer or, in the absence of Buyer's direction, as determined by Seller upon notice to Buyer. Buyer shall be responsible for shipping costs (F.O.B. Seller's facility) and the fees of any storage facility. Shipment to a storage facility, whether or not at Buyer's direction, shall constitute delivery of the deliverables to Buyer. All storage and shipment of deliverables shall be at Buyer's risk. If shipments otherwise are delayed at Buyer's request, due to Buyer's acts or omissions, or due to circumstances that are not within Seller's control, payment shall be made by Buyer within seven (7) days after Buyer has been notified by Seller that a deliverable is ready for shipment. If shipment is improperly delayed by Buyer, in addition to any other remedy available to Seller, the deliverable may be stored by Seller at Buyer's risk and expense. If an accepted order at any stage is delayed at Buyer's request or due to Buyer's fault for more than 30 days, the order shall, if Seller so elects, be considered improperly cancelled and subject to cancellation charges of the next Section.

**10. RETURNS/CANCELLATION.**No deliverable may be returned except upon Seller's written authorization in Seller's sole discretion. Any authorized return must (i) be in new condition, resalable or usable in Seller's current operations at an undiscounted value, as determined in Seller's sole discretion, and with all its original parts and in original undamaged packaging and (ii) not have been used, installed, modified, rebuilt, reconditioned, repaired, altered, or damaged. If Seller agrees to accept a return Buyer must pay all costs and bear all risk of returning the deliverable to Seller's facility. Buyer shall pay a restocking charge of 25% of the price for all returns of spare parts and such amount as Seller may specify in its discretion but not less than 75% for all other non-warranty returns. Orders accepted by Seller can be cancelled only with the written consent of Seller in Seller's sole discretion and only upon payment of a cancellation charge as Seller may specify in Seller's sole discretion but will be not less than the following: 10% of the order value if cancelled during the first week following order acceptance; 20% of the order value if cancelled during the second week following order acceptance; 30% of the order value if cancelled during the third week following order acceptance; and 75% of the order value if cancelled thereafter. Any cancellation without Seller's consent or other improper cancellation by Buyer shall obligate Buyer to pay cancellation charges of the greater of (1) the cancellation charges specified in the immediately preceding sentence plus an additional 10% of the order value or (2) all costs identified to the order incurred or committed up to the effective date of written notice of termination and all charges incurred by Seller in respect to the termination plus the greater of (a) a fixed sum of 15% of such amounts for disruption in scheduling, production and other fixed costs or (b) Seller's projected gross profit. Any cancellation shall terminate all of Seller's obligations with respect to the order.

**11. BUYER RESPONSIBILITIES.**Unless and only to the extent set forth in the quotation of which these terms are a part, Buyer, its employees and agents will take all necessary steps to ensure that the deliverables will be set-up, assembled, installed and used (whether by Buyer or a third party) in accordance with Seller's instructions, the instruction manual provided as well as all requirements of all applicable governmental authorities pertaining to the installation and operation of the deliverables. Buyer takes sole responsibility for any installation or application that involves utilization of a deliverable that is not a complete product with components or other items not supplied by Seller. Buyer shall be fully responsible for the safety of any worksite at which any services by Seller away from Seller's premises are performed. Buyer shall indemnify, defend and hold harmless Seller against all damages, losses, costs, claims and expenses, including reasonable legal fees incurred by Seller, arising out of any of the foregoing.

**12. TECHNICAL ADVICE.**Upon request, Seller may furnish such technical advice or assistance as it has available in reference to the use of deliverables. It is expressly understood, however, that all such technical advice or assistance is given AS-IS and the Seller assumes no obligation or liability for the advice or assistance given or results obtained, all such advice or assistance being given and accepted at Buyer's risk. Any manual in a language other than English has been translated as a convenience to Buyer, and Seller makes no warranty and accepts no liability with respect to any such translation.

**13. LIMITED WARRANTY.**Seller provides such warranty as set forth in any instruction manual provided with the deliverable, or if there is no such warranty or instruction manual, Seller warrants to Buyer that such deliverable will be free from defects in material and workmanship (in either case the "Limited Warranty"). Except as expressly set forth in this section 13 or specifically authorized by an executive officer of Seller in writing, the Limited Warranty is not transferable or assignable and any such transfer or assignment is void. If Buyer is authorized by Seller to be a reseller of deliverables that are goods or an installing contractor, the Limited Warranty may be passed through to Buyer's customer, but Buyer shall not alter the Limited Warranty in any way. Notwithstanding the foregoing, if Buyer re-brands Seller's deliverable or Seller, at Buyer's request, brands the deliverable with a mark not owned by Seller, the Limited Warranty may not be transferred or assigned, and all claims under the Limited Warranty shall be made directly by Buyer to Seller and not by any customer of Buyer.

The Limited Warranty does not cover service trips, service calls, costs of removing and reinstalling components and other labor charges or the cost of shipment of replacement parts. The Limited Warranty excludes damages due to (i) failure to install, operate or maintain deliverables as directed in any instruction manual provided or under applicable law or regulation, (ii) misuse, abuse, neglect or modification of a deliverable or any controls, in any way, (iii) improper service, use of replacement parts or accessories that are not specified by Seller, (iv) improper installation, or any relocation of a deliverable after initial installation, (v) incorrect supply, accident, fire, flood, acts of God or other casualty, (vi) use of a deliverable other than its intended purpose and normal usage, (vii) use of a deliverable in a corrosive atmosphere or any atmosphere containing contaminants, (viii) shipment of a deliverable (all claims must be filed with carrier), (ix) use of a deliverable in the vicinity of combustible or explosive materials, (x) any defect in a deliverable arising from a drawing, design, or specification supplied by or on behalf of Buyer, (xi) failure of parts, components, services or hook-ups not supplied by Seller, (xii) incompatibility with items not supplied by Seller, (xiii) a deliverable not properly installed by a qualified contractor experienced in installing the deliverable, (xiv) inadequate air for combustion, (xv) improper or rapid cycling of the compressor. No warranty coverage is applicable if Buyer cannot prove original purchase date and required annual maintenance history, the data plate and/or serial number on any deliverable is removed, defaced, modified or altered in any way, or Seller is not permitted to inspect the damaged deliverable.

Wear items or consumables such as belts, filters, coolant, refrigerant, etc. are not included under the Limited Warranty. The Limited Warranty does not cover the equipment and materials not manufactured by Seller; the warranty for those items shall be limited to only such warranty as that furnished by the manufacturer thereof as may properly be assigned to Buyer.

No person other than an executive officer of Seller, has authority to change or extend the terms of the Limited Warranty and Buyer confirms that no other warranty terms have been extended by Seller or are applicable to the deliverables. Change or extensions to the terms of the Limited Warranty are binding only if confirmed in writing by Seller's duly authorized executive officer.

**14. LIMITATION ON WARRANTIES/DAMAGES.**Any claim under the Limited Warranty set forth in section 13 must be made within the following time periods or such claim is waived: (a) for gas fired infrared (radiant) heaters, the claim must be made within thirty-six (36) months from the date of purchase by Buyer or forty-two (42) months from date of shipment by Seller, whichever occurs first; and (b) for replacement parts, the claim must be made within the later of twelve (12) months from the date of shipment by Seller or any Limited Warranty period remaining on the deliverable with which the replacement part is used or is intended to be used. For all deliverables (other than replacement parts) that require installation and start-up, the otherwise applicable warranty period shall be extended by an additional four (4) months if (i) the installation and start-up is performed by a contractor on Seller's current list of contractors who have successfully completed Seller's current installation course for that deliverable and (ii) full details of the installation and start-up are provided to Seller at or prior to the time any warranty claim is made.

**Except as set forth in these terms, Seller makes no representation or warranty of any type, express or implied, including any warranty of merchantability, warranty of fitness for a particular purpose or warranty of non-infringement or warranty arising from any course of dealing, course of performance or usage of trade.**

**Seller will not under any circumstances, be liable for any special, indirect, punitive or consequential damages (even if Seller has been notified of the possibility of such damages) resulting from or related to a product including, without limitation, any loss of profits, or loss of opportunity.**Some jurisdictions do not allow limitations on warranties or damages, so this limitation or exclusion may not apply to Buyer.

**15. REMEDY. Seller's sole obligation and Buyer's exclusive remedy with respect to any deliverable, whether arising in contract, tort (including negligence), strict liability, breach of warranty or otherwise, is limited to Seller, at its discretion, replacing or repairing the defective deliverable, providing replacement parts or issuing Buyer a credit equal to the price paid to Seller for such defective deliverable, and in no event will Seller's liability exceed the amounts actually received by Seller for any deliverable.**

This exclusive remedy shall not be deemed to have failed its essential purpose so long as Seller is willing and able to repair or replace a defective deliverable or parts thereof or, also at Seller's option, to refund the price received by Seller for the defective deliverable, within a reasonable time after Buyer demonstrates that a defect exists in accordance with the terms and limitations of the Limited Warranty.

**16. INTELLECTUAL PROPERTY.**Seller is not transferring to Buyer any patent, copyright, trademark or other intellectual property rights in or related to any deliverable, other than the limited license to use the deliverable for Buyer's internal business purposes. The deliverables provided hereunder may be subject to patent, trade secret and other intellectual property rights and Buyer agrees that should the deliverables or certain information relevant thereto be made available to others it would cause irreparable harm to Seller. Therefore, Buyer agrees not to, and not to permit others to, use, disclose, copy or replicate (through for example reverse engineering or other similar process) any deliverable and/or any documentation or information regarding any deliverable.

Should Buyer request that any deliverable conform to a certain specification or description, including but not limited to specifications or descriptions regarding design, performance or labeling and marking of deliverables, Buyer warrants to Seller that Seller's compliance with such specifications or descriptions will not infringe any third-party's intellectual property rights and Buyer shall indemnify, defend and hold Seller harmless from any losses, liabilities, claims, causes of action and expenses (including reasonable attorneys' fees) arising out of Seller's compliance with Buyer's specifications.

**17. LIMITATION OF ACTIONS. Any action against Seller arising out of this transaction shall be commenced within one (1) year from the date such cause of action has accrued, otherwise the same shall be barred.**

**18. EXPORT CONTROL.**If any deliverable is being exported, the commodities, technologies and software are exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to United States Law is prohibited.

**19. GOVERNING LAW.**These terms shall be governed by and construed in accordance with the laws of the State of New York, without regard to its principles of conflicts of laws, and shall not be governed by the provisions of the United Nations Convention on Contracts for International Sales of Goods. The parties agree that all actions or proceedings between them shall be tried and litigated only in the state and federal courts located in the County of Erie, State of New York USA.

**20. TERMINATION.**Seller may terminate these terms, and have no obligation to supply deliverables, immediately upon the bankruptcy or insolvency of Buyer or Buyer's breach of these terms. Buyer will pay the price for any deliverables delivered on or before the date of termination. Seller is not liable for any other costs, expenses, losses, damages or liabilities arising out of such termination. Termination or cancellation will not alter or terminate any of the parties' obligations under any section of the terms that by its nature extends beyond termination or cancellation.

**21. ASSIGNMENT/SUBCONTRACT.**Buyer may not delegate or assign any duties or rights under these terms without Seller's prior written consent which may be withheld for any or no reason. Any such delegation or assignment in violation of this section is void.

**22. SEVERABILITY/REVISION.**Should any provision of these terms be held by a court of law, or other body having proper jurisdiction to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of these terms shall not be affected or impaired thereby and the parties agree that partial enforcement of these terms or revisions of the illegal, invalid or unenforceable provision is appropriate.

**23. NOTICES.**To be effective, all notices and other communications under these terms shall be in writing and sent to the intended recipient by personal delivery, by registered or certified mail, return receipt requested, or recognized overnight courier, at the party's address as set forth in the face of this purchase order. Each party may change its address for receipt of notice by giving notice of such change pursuant to this section. Notice is given immediately upon personal delivery, or three business days following the date on which such notice is mailed in accordance with this section, or the next day following the date on which such notice is sent by overnight courier.

**24. ENTIRE AGREEMENT.**These terms constitute the entire agreement between the parties as to the subject matter thereof, and may be modified, or any right waived, only by a written document signed by the party to be charged that specifically references these terms and the section(s) so modified.

**PURCHASE TERMS AND CONDITIONS**

**1. TERMS AND CONDITIONS**

Unless this order (“Order”) is issued pursuant to an executed procurement agreement between Madison Industries, or the Madison entity issuing the Order (“Madison”) and the person or entity identified as seller (“Seller”), this Order and any attachments are the sole agreement between Madison and Seller with respect to the goods (“Goods”) and /or services (“Services”) specified herein. No other documents, including Seller’s proposals, invoices, quotations or acknowledgements become part of this Order unless approved in writing by Madison. No waiver of a term or condition or modification of this Order shall be binding on either party unless in writing and signed by authorized representative of each party.

**2. PRICES/TAXES, PAYMENT TERMS AND ACCEPTANCE**

2.1 Price. If pricing is not stated on this Order or in an executed procurement agreement, then Seller’s pricing shall not exceed the lowest prices charged by Seller to other similarly situated customers. Except as otherwise provided in this Order, such prices are inclusive of applicable value added tax and other similar taxes (collectively “VAT”), freight charges and duties. Unless stated otherwise in an executed procurement agreement, all prices shall remain firm for a minimum of one year. No price change shall be effective unless agreed to in writing by Madison.

2.2 Taxes. Madison shall be responsible for all taxes with respect to payments made under this Order to the extent such taxes are included in the price. Madison shall not be responsible for any taxes measured by Seller’s net income or taxes imposed through withholding. A) Withholding Taxes. If Madison is required by law to withhold and remit tax relating to an Order, Madison shall be entitled to reduce the payment by the amount of such tax. B) U.S. Sales and Use Tax. For U.S. purposes, and notwithstanding any language to the contrary above, prices are exclusive of Sales and Use tax.

Such taxes, if applicable, shall be added separately in Seller’s invoice, and Madison shall remit such taxes to Seller. Seller will not invoice or otherwise attempt to collect from Madison any taxes with respect to which Madison has provided Seller with (i) a valid resale or exemption certificate, (ii) evidence of direct payment authority, or (iii) other evidence, reasonably acceptable to Seller, that such taxes do not apply.

2.3 Payment Terms. Madison will initiate payment for valid invoices collected ninety  
(90) days following the date Madison receives the invoice. Alternatively, Madison will initiate payment by pCard sixty (60) days following invoice receipt. Any agreed-upon prompt payment discount will be calculated from the date a valid invoice is received by Madison. Payment will be in U.S. currency unless otherwise stated in the Order. Payment will not constitute acceptance of Goods and/or Services or impair Madison’s right to inspect. Acceptance shall be when Madison deems the Goods and/or Services to meet Madison criteria (“Acceptance”). Madison, at its option, and without prior notice to Seller, shall have the right to setoff or deduct from any Seller invoice, any credits, refunds or claims of any kind due Madison.

2.4 Invoicing. Where allowed under the relevant laws, Seller shall invoice Madison electronically, at Seller’s sole expense. Otherwise, hard copy invoices are required. If VAT or U.S. Sales and Use taxes are applicable, Seller will separately state such taxes on Seller’s invoice to Madison. Seller shall also ensure that its invoices to Madison (whether electronically or otherwise) meet the requirements for deduction of VAT by Madison, where applicable. Seller shall, submit invoices and required information as directed by Madison. Madison may utilize contractors to facilitate Madison’s order processing. Such use may entail disclosure or Seller information.

**3. SHIPMENT, DELIVERY AND IMPORT/EXPORT**

3.1 Late Delivery. Seller shall give Madison prompt notice of any prospective failure to ship Goods or provide Services on the delivery date specified by Madison (the “Delivery Date”).

3.2 Portion of Goods/Services Available. If only a portion of Goods and/or Services is available for shipment or performance to meet the Delivery Date, Seller shall promptly notify Madison and proceed unless otherwise directed by Madison. Seller shall be responsible for any cost increase in the shipment of Goods due to its failure to meet the Delivery Date and/or if such method does not comply with Madison’s shipping instructions.

3.3 Non-Compliant Delivery. Over shipments and/or early deliveries may be returned at Seller’s sole expense, or Madison may delay processing the early delivery invoice until the Delivery Date.

**4. CHANGES**

4.1 Change or Cancellation. Madison may, without charge, change or cancel any portion of this Order including, without limitation, quantity required, Madison designs or specifications prior to shipment provided Madison gives Seller notice. If Madison changes or cancels any portion of this Order as provided above, Seller shall provide Madison with a written claim  
for adjustment prior to shipment which contemplates Seller’s actual costs incurred as a direct result of such change or cancellation which are not recoverable by either: (i) the sale of Goods or provision of Services to other parties within a reasonable time or (ii) the exercise by Seller, in a commercially reasonable manner, of other mitigation measures. If the parties are unable to agree on the adjustment amount, Madison may, without any liability to Seller, terminate this Order as to all Goods and/or Services affected.

4.2 No Process or Design Changes. Seller shall not make any process or design changes affecting Goods or Services without Madison’s prior written consent.

4.3 Forecasts. Any forecasts provided by Madison shall not constitute a commitment of any type  
by Madison.

4.4 Discontinuance of Goods. Seller shall provide at least twelve (12) months written notice to Madison prior to Seller’s discontinuance of manufacturing any Goods. Such notice shall include, at a minimum, Madison part numbers, substitutions, and last date that orders will be accepted for such Goods.

**5. QUALITY AND CONTINUOUS IMPROVEMENT**

5.1 Quality System. Seller shall maintain a quality system that ensures compliance that all Goods and/or Services set forth in this Order, or otherwise supplied to Madison, will meet the standards specified in Seller’s quality system. If requested, Seller shall provide Madison with a copy of Seller’s quality system and supporting test documentation.

5.2 Continuous Improvement. Seller shall diligently and continuously strive to improve its performance in all areas, including but not limited to quality, delivery time, and pricing. Seller shall continuously evaluate opportunities for cost/price reductions on the Goods and Services and communicate them promptly to Buyer. In the event that implementation of any improvements leads to cost reductions in the development, manufacture, and supply of Goods or Services, such cost reductions shall be shared with Buyer.

**6. WARRANTY**

6.1 Warranties. Seller warrants that all Goods will (i) be manufactured, processed, and assembled by Seller or its authorized subcontractors; (ii) be free from defects in design, material and workmanship; (iii) conform Madison’s specifications and any requirements and certifications regarding any rules, regulations or laws pursuant to the return of hazardous material; (iv) be new and contain first-quality components and parts; (v) be free and clear of all liens, encumbrances, restrictions, and claims against title or ownership; and (vi) not infringe any patent, trademark, copyright or other intellectual property right of a third party, and (vii) all Services will be performed in a professional manner.

6.2 Survival of Warranties. Except for non-infringement in Section 6.1 (vi). above which shall survive indefinitely, all other warranties specified herein shall: (i) survive any inspection, delivery, Acceptance, or payment by Madison (ii) be in effect for the longer of Seller’s normal warranty period or the one (1) year period following the date of Acceptance of the Goods and/or Services by Madison and (iii) extend to Madison and its successors, assigns, and customers.

6.3 Epidemic Failure Warranty. Seller warrants all Goods against Epidemic Failure for a period of three years after Madison’s Acceptance. Epidemic Failure means the occurrence of the same failure, defect, or non-conformity with an Order in 2% or more of Goods within any three-month period.

6.4 Madison’s Right to Inspect. Madison may, at any time, inspect the Goods and associated manufacturing processes, at Seller’s plant or subcontractor’s plant. Seller will inform its vendors and subcontractors of Madison’s right to inspect and shall secure that right for Madison if necessary.

**7. NON-COMPLYING GOODS AND/OR SERVICES**

7.1 Non-Compliance. Any Goods or Services that are not in conformity with the requirements of an Order (“Non-Complying Goods” and “Non-Complying Services”, respectively), may be returned at Madison’s option at Seller’s risk and expense. Madison may procure similar Goods or Services in substitution for the Non-Complying Goods or Services, and Seller shall refund the cost of the

Non-Complying Goods and Service and reimburse Madison upon demand for all additional costs incurred by Madison.  
7.2 Epidemic Failure Remedy. If an Epidemic Failure occurs, all costs, including but not limited to, replacement Goods, parts, upgrades, materials, labor, transportation and inventory replacement arising from an Epidemic Failure shall be borne by Seller, regardless of whether Madison initiates a field stocking recall or customer based recall or retrofit, including Goods in distributor inventory and Madison’s installed base. Seller, at its expense, will ensure that such Goods, parts or upgrades have the highest shipping priority. Madison reserves the right to procure, upon terms it deems appropriate, similar goods to substitute the affected Goods, and Seller shall promptly reimburse Madison for all costs, charges, prices and fees paid in purchasing the substitute goods.

**8. DEFAULT**

8.1 If Seller fails to perform or breaches any provision of this Order, or any other order or agreement with Madison, Madison may terminate the whole or any part of this Order, unless Seller cures the breach within ten (10) business days after receipt of Madison’s notice of breach. The term “breach” shall include, without limitation, any: (i) proceeding, whether voluntary or involuntary, in bankruptcy or insolvency by or against Seller; (ii) appointment, with or without Seller’s consent, of a receiver or an assignee for the benefit of creditors; (iii) failure to provide Madison with reasonable assurances of performance on Madison’s request; or (iv) other failure to comply with this Order. In the event that Madison terminates this Order in whole or in part as provided in Section 7.1, Madison may procure, Goods or Services similar to the Goods or Services as to which this Order is terminated. Seller shall reimburse Madison upon demand for all additional costs incurred.

**9. INDEMNIFICATION, INSURANCE, AND CONFIDENTIAL INFORMATION**

9.1 General Indemnification. Seller agrees to protect, defend, indemnify and save Madison harmless from all sums, costs and expenses as a result of any and all loss, expense, damage, liability, claims, demands, either at law or in equity, resulting from any personal injury or death, or damages to property resulting directly or indirectly from the performance of Seller hereunder.

9.2 Intellectual Property Indemnification. Seller agrees to defend, indemnify, and hold harmless Madison and its affiliates, subsidiaries, assigns, agents, subcontractors, distributors and customers (collectively “Indemnitees”) from and against all claims, losses, demands, fees, damages, liabilities, costs, expenses, obligations, causes of action, suits, or injuries, of any kind or nature, arising from: (i) any claim that Seller’s Goods or Services, or the use, sale or importation of them, infringes any intellectual property right. Without limiting the foregoing, Seller will pay all costs, damages and expenses (including reasonable attorneys’ fees) incurred by Madison and/or its Indemnitees and will pay any award with respect to any such claim or agreed to in settlement of that claim.

9.3 Infringing Goods or Services. If the use of any Goods or Services is enjoined (collectively, “Infringing Goods”), Seller shall at its expense procure the right for Madison to continue using or receiving the Infringing Goods. If Seller is unable to do so, Seller shall at its expense (and at Indemnitees’ option): (i) replace the Infringing Goods with non- infringing Goods or Services of equivalent form, function and performance; or (ii) modify the Infringing Goods to be non-infringing without detracting from form, function or performance; or (iii) if unable to replace or modify the Infringing Goods, refund in full all monies paid by Madison for the Infringing Goods and pay all reasonable costs incurred by Madison in replacing the Infringing Goods.

9.4 Removal of Madison’s Trademarks. Seller shall remove from all Goods rejected, returned or not purchased by Madison, Madison’s name and any of Madison’s trademarks, trade names, insignia, part numbers, symbols, and decorative designs, prior to any other sale, use, or disposition of such Goods by Seller.

9.5 Insurance. During the performance of this Order, Seller will maintain in full force and effect, at Seller’s expense, Workers’ Compensation insurance as required by law or regulation, having jurisdiction over Seller’s employees. If Workers’ Compensation is through a Social Scheme, which is any compulsory insurance program administered and enforced by government, Seller agrees to be in full compliance with such laws. Employer’s Liability insurance in amounts not less than the local currency equivalent of  
U.S. $1,000,000. Where permitted by law, such policies will contain a waiver of the insurer’s subrogation rights against Madison. In addition, Seller shall maintain, at its expense, a Comprehensive General Liability insurance policy covering claims of bodily injury, including death, products and completed operations, contractual liability, and property damage that may arise out of use of the Goods or acts of omission of Seller under this Order, and containing such other provisions as may be required by Madison. Such policy or policies shall provide a coverage minimum of U.S. $1,000,000 per occurrence. Each policy shall name Madison, its officers, directors, and employees as additional insureds. All such policies shall provide that the coverage thereunder shall not be terminable without at least thirty (30) days prior written notice to Madison. Upon demand by Madison, Seller shall promptly supply Madison with certificates of insurance of such policies. In no event will the coverage or limits of any insurance maintained by Seller under this Order, or the lack or unavailability of any other insurance, limit or diminish in any way Seller’s obligations or liability to Madison hereunder.  
9.6 Confidential Information and Publicity. This section shall apply unless Seller has a separate written confidentiality agreement in place with Madison that covers the same subject matter as this agreement. “Confidential Information” includes all information designated by Madison as confidential, the existence and the terms and conditions of this Order, and including but not limited to, all information or data concerning the Goods and/or Services, general business plans, customers, costs, forecasts, and profits. Except as required for Seller’s performance of this Order, Seller shall not use or disclose any Confidential Information obtained from Madison or otherwise prepared or discovered by either Seller or Madison and shall protect the confidentiality of Confidential Information with the same degree of care as Seller uses for its own similar information, but no less than reasonable care. Publicity. Seller shall not make or authorize any news release, advertisement, or other disclosure to any third party which shall deny or confirm the existence of this Order or reveal the terms of this Order without prior written consent of Madison.

9.7 Personal Data. Seller agrees to comply with all applicable export and personal data protection laws, regulations and rules when collecting, storing, transferring, sharing and/or otherwise processing any Personal Data in connection with this Order. “Personal Data” shall mean any information related to any identified or identifiable natural or legal person, including but not limited to Madison employees and customers, and any other additional data deemed as personal data under any applicable personal data protection laws. Unless expressly agreed otherwise, any Madison employee or customer Personal Data Madison discloses to Seller may only be used by Seller to perform its obligation under this Order, and must not be sold, rented or leased to anyone.

**10. GOVERNMENTAL COMPLIANCE**

10.1 General. Seller will at all times comply with all federal, state, local and foreign laws, rules and regulations applicable to its obligations under this Order and, if applicable its manufacture of Goods. Seller shall furnish to Madison all information required to enable Madison to comply with such laws, rules, and regulations in its use of the Goods and Services or reasonably requested.

**11. TOXIC SUBSTANCES AND MATERIAL DATA SAFETY SHEETS**

11.1 Chemical Substances. Seller warrants that: (i) each chemical substance contained in Goods is on the inventory of chemical substances compiled and published by the Environmental Protection Agency pursuant to the Toxic Substances Control Act and (ii) all Material Safety Data Sheets required to be provided by Seller for Goods shall be provided to Madison prior to shipment of the Goods and shall be complete and accurate.

**12. MISCELLANEOUS**

12.1 No Assignment. Seller shall not delegate or assign its rights or obligation without Madison’s prior written consent. Any attempted delegation or assignment by Seller without such consent shall be void.

12.2 Choice of Law. This Order shall be interpreted and governed by the domestic laws of the state of Delaware or the province or country where the Goods or Services are delivered or performed.

12.3 LIMITATION OF LIABILITY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL MADISON, INCLUDING ITS SUBSIDIARIES, BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES. IN NO EVENT SHALL MADISON’S LIABLITY EXCEED THE AMOUNTS PAID BY MADISON TO SELLER IN THE SIX MONTHS PRIOR TO THE CLAIM.

12.4 Non-Restrictive Relationship. Madison shall not be precluded from independently developing, acquiring from other third parties, distributing or marketing other Goods or Services which may perform the same or similar functions as the Goods or Services provided under this Order.

12.5 Code of Conduct.  The Supplier agrees that the Buyer (i) desires to conduct business with suppliers that conduct business in accordance with Buyer’s ethical values as stated in the MIAQ Supplier Code of Conduct.

**SUPPLIER CODE OF CONDUCT**

**PURPOSE: ETHICAL BEHAVIOR – A SHARED COMMITMENT**  
This Supplier Code of Conduct from Madison Indoor Air Quality, together with its subsidiaries (collectively, “MIAQ” or the “Company”) sets forth the principles and ethical standards we strive to achieve and describes our expectations for supplier adherence to the same standards. We are committed to operating our business with integrity, respect, accountability, and honor. Ethical business practices are expected every day at MIAQ. Our Core Values define who we are, what we do, and how we do it and guide our actions and interactions each day. Accordingly, we choose to do business with suppliers who demonstrate a strong commitment to ethical behavior.  
  
**1. Code of Conduct and Corporate Social Responsibility Standards**  
1.1. Code of Conduct The Supplier acknowledges that the Buyer (i) desires to conduct business with suppliers that conduct business in accordance with Buyer’s ethical values, (ii) has a no tolerance policy towards bribery and corruption and (ii) Buyer has adopted a code of Business Conduct and Ethics which, as amended from time to time, addresses many important ethical issues, such as gifts, entertainment, business courtesies, Supplier paid travel expenses, conflicts of interest, and anti-corruption laws. These standards extend to all Buyer’s business dealings and transactions in all countries in which it or its affiliates or associates operate.  
1.2. Supplier hereby covenants, represents, and warrants that:  
1.2.1. It has read and understands the code of conduct  
1.2.2. It will not engage in any conduct that violates the code  
1.2.3. Will not encourage or tempt any employee or agent of Buyer to violate the code  
1.3. Social Responsibility Standards In addition to any other obligation that the Supplier may have pursuant to this Agreement or otherwise, Supplier represents, warrants and covenants that the products that it provides to Buyer will be manufactured only in accordance with Buyer’s social accountability standards including, but not limited to the following:  
1.3.1. No Child Labor: All employees engaged in the production of products for Buyer must be at least 16 years of age, or the age required by the applicable law if higher.  
1.3.2. No Forced Labor: Supplier will not use forced or involuntary labor.  
1.3.3. No Harassment or Abuse: Supplier will not tolerate or condone physical, sexual, psychological, or verbal harassment or abuse of any Supplier employee.  
1.3.4. No Discrimination: Supplier employees must be employed, paid, promoted, and terminated based on occupational availability and not based on personal characteristics and beliefs.  
1.3.5. Fair Compensation: Supplier will fairly compensate its employees, providing wages and benefits that comply with the local and country laws.  
1.3.6. Appropriate Working Hours: Supplier will comply with all applicable legal limits for working hours.  
1.3.7. Commitment to Health and Safety: Supplier will demonstrate commitment to the health and safety of employees to prevent accidents and injury occurring in the course of work.  
1.3.8. Safe Housing: If Supplier provides residential housing for employees, Supplier must ensure the housing is healthy and safe.  
1.3.9. Environmental: Suppliers recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.  
  
**2. Supplier/Service Provider Code of Conduct**  
Supplier must pass pre-qualification evaluation and comply with all local labor laws in region of factory location. Failure to support the Code of Conduct could result in ‘auto-failure’ as noted below.

**Employee Rights:  
Discrimination**  
Suppliers/Service Providers shall not discriminate against any worker based on race, color, ethnicity, age, gender, sexual orientation, disability, religion, political affiliation, union membership or marital status in hiring and employment practices such as job assignments, promotions, rewards, training, wages, benefits, discipline and termination.

**Harassment**  
Suppliers/Service Providers shall provide a work environment free of harassment. The work environment shall be free of or threats of harsh or inhumane treatment, sexual harassment, sexual abuse, corporal punishment, mental coercion, verbal abuse, or unreasonable restrictions on entering or leaving the work site.

**Involuntary Labor (failure to support will result in auto-fail)**  
Suppliers/Service Providers shall not use any form of forced, bonded, indentured, or prison labor.

**Child Labor (failure to support will result in auto-fail)**  
Suppliers/Service Providers shall not use child labor. The minimum allowable age shall be the oldest age allowable under the local, regional, or federal legal statute. Legal documentation is required for proof of age of all employees.

**Health and Safety**  
Prevention of Injury/Illness  
Suppliers/Service Providers shall provide a safe and clean work environment.

**Security**  
Suppliers/Service Providers must have physical and procedural controls at all facilities to provide a safe work environment for all employees. The physical and procedural controls must prevent the introduction of non-manifested cargo from entering our supply chain. MIAQ will communicate with Supplier (factory) on the following in support of C-TPAT:  
1) Supplier requirements for C-TPAT compliance,  
2) Risk assessment survey  
3) Supplier survey

**Environmental**  
Suppliers/Service Providers must comply with any applicable federal, regional, or local laws regarding the purchase, use and disposal of hazardous chemicals. Suppliers recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001, the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.  
The environmental standards are:  
1) Environmental Permits and Reporting:  
All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.  
2) Pollution Prevention and Resource Reduction:  
Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.  
3) Hazardous Substances:  
Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.  
4) Wastewater and Solid Waste:  
Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled, and treated as required prior to discharge or disposal.  
5) Responsible Sourcing of Minerals:  
Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.  
6) Air Emissions:  
Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled, and treated as required prior to discharge.  
7) Product Content Restrictions:  
Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.  
  
**Ethics**  
Suppliers/Service Providers shall not engage in any corruption, extortion, embezzlement, or bribery in any form. Violations will result in immediate termination of business.

**Protection & Complaints**  
Suppliers/Service Providers who are approached by any party (including MIAQ employees, customers, third party auditors, etc.) and requested to provide a service (monetary, meal, lodging, transportation, etc.) in order to obtain a favorable event or ruling should immediately contact:  
**Michelle Mycek**  
Human Resources Manager  
Michelle.Mycek@rg-inc.com