

Channel Partner Agreement

This **CHANNEL PARTNER AGREEMENT** (the "**Agreement**") is effective as of the Effective Date (as defined herein) by and between **RITTAL NORTH AMERICA LLC**, a Delaware limited liability company, and its subsidiaries and affiliates (collectively "**RITTAL**"), and CP ("**Channel Partner**").

RITTAL and Channel Partner hereinafter collectively referred to as the "**Parties**" and each individually as the "**Party**".

WHEREAS, RITTAL wishes to develop a customer-oriented sales, support, service and engineering network of Channel Partners.

WHEREAS, RITTAL has developed and is implementing a world-wide network of channel partners to optimize and further the quality of service to its customers and to provide access to technical information and support to partners willing to actively promote the products of Rittal.

WHEREAS, RITTAL wishes to authorize Channel Partner to be a non-exclusive channel partner for certain products and/or services within the United States of America (the "**Territory**").

WHEREAS, Channel Partner has agreed to accept such authorization upon, and subject to, the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises, representations, and agreements hereinafter contained, RITTAL and Channel Partner agree as follows:

1. RITTAL Partnership Program

1.1. RITTAL currently has two classifications of channel partners: (i) RITTAL Certified Partner and (ii) RITTAL Premium Partner. The classification of any given channel partner depends on the business model and business integration of such channel partner. A detailed description of the two classifications is included in the attached **Schedule 1**.

1.2. Channel Partner shall initially be classified as either a RITTAL Certified Partner or a RITTAL Premium Partner, as mutually agreed upon by the Parties. The Parties may mutually amend the initial classification of Channel Partner via a written agreement signed by both Parties (including, but not limited to, the most recent Business Plan executed by the Parties in accordance with Section 8).

2. Scope of the Agreement

2.1 RITTAL hereby authorizes Channel Partner to be a channel partner of Rittal and hereby appoints Channel Partner to sell on its own account, in its own name, and on its own responsibility and liability the products listed in **Schedule 2** (such products hereinafter collectively referred to as the "**Products**") and to provide services to customers in the areas of sales, installation, support, service, maintenance, repair and/or engineering specified within **Schedule 2** (such services hereinafter collectively referred to as the "**Services**") on a non-exclusive basis for end customers. Channel Partner hereby agrees and acknowledges that such authorization and appointment as a channel partner is non-exclusive and that the Products and/or Services may be sold or provided to end customers by RITTAL or other channel partners of RITTAL, within the Territory or otherwise.

2.2 RITTAL may amend **Schedule 2** and the Products and/or Services set forth therein at any time and in the sole discretion of RITTAL.

2.3 It is understood between the Parties that Channel Partner (i) shall be independent from RITTAL and (ii) shall not be an agent or representative of, or in any way be entitled to act on behalf or in the name of, RITTAL in connection with the sale of the Products or the rendering of Services.

2.4 Except as expressly provided in this Agreement, (i) Channel Partner agrees and acknowledges that any and all Products and/or Services provided by RITTAL shall be governed by, and in accordance with, the General Terms and Conditions of Sale of RITTAL (the "**Commercial Terms**"), a copy of which is attached as **Schedule 3** and incorporated herein by reference, and (ii) the applicable Commercial Terms of RITTAL shall apply to all transactions between RITTAL and Channel Partner or its customers. In the case of any conflicting terms or conditions between this Agreement and the Commercial Terms, the terms of this Agreement shall govern. RITTAL shall be entitled to amend **Schedule 3** and the Commercial Terms therein, at any time and

in the sole discretion of RITTAL, during the term of this Agreement. RITTAL shall notify Channel Partner of any changes or amendment to **Schedule 3**. Upon prior written approval and acceptance by RITTAL, the Parties may mutually agree to deviate from the Commercial Terms.

2.5 RITTAL does not acknowledge or agree to any general terms and conditions of Channel Partner, and the Parties agree that the Commercial Terms of RITTAL shall have priority over, supersede, and/or replace any general terms and conditions of the Channel Partner. Even if a purchase contract is performed without reservation in the knowledge of conflicting or deviating terms and conditions of Channel Partner, this shall not constitute the consent of RITTAL to their application.

3. Services/Support from RITTAL

3.1. RITTAL shall answer, as soon as reasonably practicable, any technical queries concerning the Products which are made by Channel Partner or its customers and which are otherwise properly made by Channel Partner or its customers in accordance with the standard business procedures of RITTAL for making such technical queries.

4. Supply of the Products and Services

4.1. Channel Partner shall submit any and all Product orders in accordance with the standard business procedures of RITTAL for placing such Product orders. RITTAL shall acknowledge all Product orders properly submitted by Channel Partner during the term of this Agreement. The acknowledgment from RITTAL of an order shall indicate acceptance of such order and the anticipated date of shipment thereof or rejection of such order. RITTAL may, in the sole discretion of RITTAL and without liability to Channel Partner, reject any order that (i) RITTAL cannot reasonably supply as requested, (ii) RITTAL believes violates the terms of this Agreement, the Commercial Terms, and/or applicable law, (iii) is not properly submitted to RITTAL in accordance with the standard business procedures of RITTAL for placing such orders, or (iv) is submitted at a time that RITTAL believes Channel Partner to be in breach of this Agreement.

4.2. Channel Partner shall, in respect to each Product order submitted to RITTAL, be responsible for:

(i) ensuring the accuracy of the order;

(ii) providing RITTAL with any and all information which is necessary in order to enable RITTAL to fulfill the order; and

(iii) to the extent the Products are being purchased by Channel Partner on behalf of a customer of Channel Partner, refraining from modifying the Products in any way so that they no longer comply with the labeling, marketing and other applicable legal requirements in the Territory.

5. Shipping; Invoicing; Payment; Annual Incentive Rebate

5.1. The shipment of all Products to Channel Partner shall be F.O.B. RITTAL location of shipment (if outside the United States, INCOTERMS 2010: Ex works), and RITTAL may, in its discretion, ship from any of its locations within the United States. Accordingly, Channel Partner shall, in addition to the purchase price, be liable for arranging and paying all costs of transport and insurance with respect to the Products. At the time and location of the shipment of Products, Channel Partner assumes all risk, responsibility, and liability for any loss, damage, or destruction with respect to the Products. Where RITTAL otherwise agrees in writing to arrange for transport and/or insurance of a Product, the Channel Partner shall reimburse to RITTAL its full costs and expenses for such transportation and/or insurance, and RITTAL shall not be liable to Channel Partner for any loss, damage, or destruction with respect to the Products.

5.2. The list prices for all Products and Services to be supplied under this Agreement shall be available on the RITTAL online web portal for channel partners (the "**Partner Portal**").

5.3. RITTAL shall be entitled to review and adjust the list prices for any Product or Service at any time and in the absolute discretion of RITTAL. Any list price change pursuant to this section shall apply to all orders for Products or Services received by RITTAL after written notice to Channel Partner of the list price change has occurred.

5.4. All list prices are exclusive of any applicable value added or any other sales tax for which the Channel Partner shall be additionally liable.

5.5. Unless otherwise agreed to by the Parties, Channel Partner shall pay to RITTAL any invoiced amount(s) in full, without any deduction, within thirty (30) days of the invoice date.

5.6. If Channel Partner is either (i) a RITTAL Premium Partner or (ii) a RITTAL Certified Partner who properly executes an

annual Business Plan (as defined in this Agreement) with RITTAL in accordance with the terms and conditions herein, then Channel Partner may be eligible to receive an annual incentive rebate (the "Annual Rebate") based on the Products and/or Services sold by RITTAL to Channel Partner during a given calendar year ("Applicable Purchases"). Channel Partner shall only be entitled to receive an Annual Rebate in a given calendar year if the Channel Partner meets or exceeds its Sales Target (as defined in Section 9) for such calendar year. If Channel Partner is a RITTAL Certified Partner and does not elect to enter into a Business Plan with RITTAL, then Channel Partner shall not be entitled to receive an Annual Rebate for any given year in which a Business Plan is not signed.

If Channel Partner meets or exceeds its Sales Target and is otherwise entitled to receive an Annual Rebate, then the Annual Rebate shall equal:

(i) If the Channel Partner is a RITTAL Certified Partner: 2% of the total purchase price of all Applicable Purchases invoiced by RITTAL and shipped during the given calendar year; or

(ii) If the Channel Partner is a RITTAL Premium Partner: 3% of the total purchase price of all Applicable Purchases invoiced by RITTAL and shipped during the given calendar year.

If Channel Partner is otherwise entitled to receive an Annual Rebate for a given calendar year, then RITTAL shall pay the Annual Rebate to Channel Partner within forty-five (45) days after the end of the calendar year. Notwithstanding the foregoing, Channel Partner shall not otherwise be entitled to payment of the Annual Rebate if Channel Partner breaches (a) this Agreement or (b) any applicable Commercial Terms relating to a sold Product and/or Service, unless otherwise agreed to by RITTAL in writing.

6. Transfer of Risk of Loss and Title

6.1. The risk of loss or damage of Products sold to Channel Partner shall pass from RITTAL to the Channel Partner in accordance with Section 5.1. of this Agreement.

6.2. Notwithstanding the risk of loss provisions of Section 5.1 and Section 6.1, title to Products sold to Channel Partner shall pass from RITTAL to the Channel Partner on the earlier of (i) delivery and acceptance of the Products by Channel Partner, or (ii) payment, in full, of the Products.

7. Marketing of the Products

7.1. Channel Partner shall use its best efforts (i) to promote the sale of the Products and/or Services throughout the Territory and (ii) subject to compliance by RITTAL with its obligations under Section 4.1. of this Agreement, to satisfy market demand for such Products and/or Services. Channel Partner shall take reasonable measures to safeguard the interests of RITTAL as set forth in this Agreement. Channel Partner shall prominently advertise that it is either a RITTAL Certified Partner or RITTAL Premium Partner, whatever the case may be, or advertise such other designation as agreed to by the Parties. Subject to the review and approval of RITTAL, Channel Partner hereby agrees to display the appropriate RITTAL partner logo on its website for marketing purposes.

7.2. In connection with the promotion and marketing of the Products and/or Services, the Channel Partner shall, at its own cost:

(i) make clear, in all dealings with customers and prospective customers, that it is acting as an independent provider of the Products or Services, and is not acting as an agent or representative of RITTAL;

(ii) comply with any and all federal, state, and local statutes, rules, regulations, and ordinances relating to the advertisement, storage, delivery, sale, export, and installation of the Products or Services;

(iii) provide to RITTAL, for prior formal written approval, draft copies of all sales or marketing materials, including press releases press invitations, catalogues, brochures, pamphlets, or manuals, used by the Channel Partner which otherwise include or relate to the Products or Services;

(iv) reasonably participate in all RITTAL-related branding, promotions, and/or campaigns related to the Products or Services;

(v) maintain an active and suitably trained sales force and ensure that such sales force is continually trained with current technological developments relevant to the Products or Services;

(vi) to the extent such service(s) are detailed in Schedule 2 relating to the Products and/or Services, provide an adequate

after-sales service for customers in relation to the Products, including training and customer service;

(vii) forward to RITTAL any customer warranty and service requests relating to the Products and/or Services as soon as received;

(viii) seek prior written approval from RITTAL (with such approval not to be unreasonably withheld) in relation to any online content, including websites and promotional material, which relates to the Products or Services. Channel Partner shall comply with any brand guidelines submitted by RITTAL from time to time. Upon the request of RITTAL, Channel Partner shall use the standard platform, template or other formatting of RITTAL in relation to the online content;

(ix) not promote or sell the Products from any medium whose content, domain name, or other affiliation is likely to degrade, as determined by RITTAL in its sole discretion, the reputation or goodwill of RITTAL and its Products or Services;

(x) seek prior written approval from RITTAL in relation to any proposed uses of copyrighted images or content owned or held by RITTAL; and

(xi) not use any images to promote the Products or Services, other than those images supplied or otherwise approved by RITTAL.

7.3. Channel Partner shall provide, upon reasonable request, project and customer-related information to RITTAL for projects undertaken by both the Channel Partner and RITTAL relating to the Products and/or Services.

8. Business Plan; Reporting and Information Exchange; Partner Manager; Other Benefits

8.1. If Channel Partner is a RITTAL Premium Partner, then Channel Partner and RITTAL shall enter into a "Rittal Channel Partner Business Plan" (the "**Business Plan**"), in the form attached hereto as **Schedule 4**, for each calendar year during the term of this Agreement. If Channel Partner is a RITTAL Certified Partner, then Channel Partner shall not be required to enter into an annual Business Plan with RITTAL; provided, however, that if Channel Partner does not enter into an annual Business Plan, then Channel Partner shall not be eligible to receive an Annual Rebate as set forth in Section 5.6 for that given calendar year. If Channel Partner is a RITTAL Premium Partner and does not otherwise (i) enter into an annual Business Plan as required hereunder, or (ii) perform any other duties required by a RITTAL Premium Partner hereunder, then such Channel Partner shall automatically be reclassified as a RITTAL Certified Partner and may not otherwise be entitled to an Annual Rebate. RITTAL may amend the form of the Business Plan as set forth in **Schedule 4** from time to time in its sole discretion.

8.2. Upon execution of this Agreement, Channel Partner and RITTAL shall enter into a Business Plan for the calendar year in which this Agreement was initially executed, if applicable to Channel Partner. Thereafter, Channel Partner and RITTAL shall enter into a new Business Plan, as applicable, for each subsequent calendar year no later than thirty (30) days after the start of such calendar year (the "**Business Plan Deadline**"). Each executed Business Plan between Channel Partner and RITTAL shall be attached to this Agreement and incorporated herein. As applicable based on the status of Channel Partner as a RITTAL Certified Partner or a RITTAL Premium Partner, Channel Partner shall submit to RITTAL the reports detailed in each Business Plan. Such reports shall be submitted on a quarterly basis, unless otherwise specified in the Business Plan.

8.3. RITTAL shall designate a "**RITTAL Partner Manager**" to Channel Partner. The RITTAL Partner Manager will act as the primary point of contact between RITTAL and Channel Partner and otherwise help develop the business relationship between Channel Partner and RITTAL. RITTAL may change the designated RITTAL Partner Manager for Channel Partner at any time in the sole discretion of RITTAL.

8.4. If Channel Partner is a RITTAL Premium Partner, Channel Partner shall meet, either in person or in some other fashion as agreed to by RITTAL, on a quarterly basis with its designated RITTAL Partner Manager for a business review meeting. The quarterly business review meeting shall encompass reviewing the previous quarter results along with the expected performance for the upcoming quarters. The meeting will also provide the basis to discuss and plan joint marketing activities, assess current projects, set strategic actions, and further develop the relationship between the Parties.

8.5. By being a channel partner of RITTAL, Channel Partner may be entitled to certain benefits set forth in **Schedule 1**, a copy of which is attached to this Agreement. Channel Partner agrees and acknowledges that the classifications, descriptions, and benefits set forth in **Schedule 1** are subject to modification, addition, and/or termination at any time during the term of this Agreement at the sole and absolute discretion of RITTAL; provided, however, that RITTAL shall provide any and all benefits to Channel Partner which are expressly provided in this Agreement in accordance with the terms and conditions set forth herein; provided, further, that any modification of the classifications, descriptions, and benefits set forth in **Schedule 1** by RITTAL shall not go into effect until the beginning of the next renewal term of this Agreement.

9. Sales Targets

9.1. For each Business Plan executed by Channel Partner and RITTAL, the Parties shall negotiate in good faith and use their best efforts to mutually agree on a sales target for Channel Partner to achieve in the calendar year to which the Business Plan relates (the “**Sales Target**”). For the initial Business Plan between Channel Partner and RITTAL, the Parties shall negotiate a prorated Sales Target, which shall take into account the duration of the remaining calendar year. The Sales Target shall be stated as a dollar amount and be used by the Parties to determine whether Channel Partner is entitled to an Annual Rebate in accordance with Section 5.6. In determining whether Channel Partner has met its Sales Target for a given calendar year, RITTAL shall calculate the total purchase price of all Applicable Purchases (as defined in Section 5.6.) invoiced by RITTAL and shipped in the given year, and then compare such number to the applicable Sales Target.

9.2. In order to assess whether Channel Partner has met or exceeded its Sales Target for a given calendar year, Channel Partner agrees to make available to RITTAL and its authorized representatives such information as RITTAL may reasonably require to make such assessment.

10. No General Exclusivity or Obligation of Non-Compete

10.1. Channel Partner is not subject to any obligation of non-compete and may distribute similar products from other manufacturers. However, if RITTAL specifically refers a customer and/or customer project to Channel Partner, then Channel Partner shall not offer competing products to such customers or projects. If the Channel Partner deems that one of more of the Products or Services is not suitable for the customer opportunity, then the Channel Partner shall promptly notify RITTAL to discuss an alternative solution mutually agreeable to both Parties.

10.2. RITTAL and its subsidiaries and affiliates may actively and passively distribute the Products and Services either on their own or through other channel partners, sales representatives, or agents both inside and outside of the Territory without any restrictions. RITTAL shall not be restricted in any way from doing business with any third-party or making a third-party a channel partner of RITTAL, even if such third-party is a direct competitor with Channel Partner.

11. Confidentiality

11.1. “ **Confidential Information** ” means, whether provided orally, in writing or electronically, and whether or not such information is expressly stated to be confidential or marked as such: (i) any knowledge, information, or data that is proprietary or confidential to a Party or its business, and (ii) any information that is disclosed by a Party to the other Party pursuant to or in connection with this Agreement, including but not limited to any and all Business Plans executed between the Parties and the information contained therein or disclosed thereto. Unless otherwise provided in writing to the receiving Party, “**Confidential Information**” shall not refer to any promotional or marketing material relating to the Products and/or Services that is disclosed to Party specifically for distribution or release to third-parties, including customers, vendors, or the public at large.

11.2. Except as provided by Section 11.4, the Parties shall, at all times during the term of this Agreement, and for a period of five (5) years after its termination:

(a) keep all Confidential Information confidential and not disclose any Confidential Information to any third-party except to the officers, employees, consultants, or agents of the receiving Party who have a need to know the Confidential Information and who are otherwise under an obligation to keep such Confidential Information confidential; and

(b) not use any Confidential Information for any purpose other than for the performance of the obligations of the Party under this Agreement.

Notwithstanding the foregoing, if any Confidential Information contains or is comprised of any trade secret (as defined under the Uniform Trade Secrets Act), then the receiving Party shall not disclose, or permit to be disclosed, such Confidential Information for a period of five (5) years or until such Confidential Information no longer contains or is comprised of a trade secret, whichever is later.

11.3. The Parties shall keep all Confidential Information strictly confidential by using a reasonable degree of care, but not less than the degree of care used by it in safeguarding its own Confidential Information. If a receiving Party makes copies of Confidential Information, then such copies shall also constitute Confidential Information. Neither Party shall reverse engineer, disassemble, or decompile any Confidential Information.

11.4. The Confidential Information disclosed by a Party shall remain confidential under the terms of this Agreement unless, and then only to the extent that:

(a) It is established that the Confidential Information is in the public domain for reasons other than as a result of a breach of

this Agreement by the receiving Party; or

(b) The Confidential Information is supplied to the receiving Party by a third party as a matter of right and not in violation of any confidential relationship or obligation with the disclosing Party; or

(c) The Confidential Information is in the possession of the receiving Party before the receipt from the disclosing Party, as evidenced by written documents or records of the receiving Party; or

(d) The Confidential Information is required to be disclosed in a judicial or administrative proceeding pursuant to a court order by a court of competent jurisdiction, or is otherwise requested or required to be disclosed by law or regulation; provided, however, that the receiving Party shall promptly notify the disclosing Party of such disclosure, and, upon written request of the disclosing Party, shall cooperate in all reasonable respects to contest or limit such disclosure or otherwise obtain a protective order; or

(e) Disclosure of the Confidential Information by the receiving Party is authorized in writing by the disclosing Party.

11.5 Each receiving Party shall, upon termination or conclusion of this Agreement, or at any earlier time upon the request of the disclosing Party, immediately return or destroy all Confidential Information received from the disclosing Party, and information developed therefrom and copies thereof, and retain none for its files.

11.6 Each Party shall be completely responsible for maintaining the secrecy and confidentiality of the Confidential Information conveyed to it by the other Party in accordance with the terms of this Agreement. Each Party shall be responsible in this regard for the actions and activities of all of its officers, employees or agents working with or otherwise having access to the Confidential Information received hereunder and shall take reasonable measures, including requiring the execution of appropriate confidentiality agreements, to protect against unauthorized use or disclosure of Confidential Information belonging to the other Party.

12. IP Rights/Trademarks

12.1. Except as expressly provided in this Agreement, Channel Partner shall not have any express or implied rights or license under any patent, invention, trade secret, trademark, copyright, domain name, or other designations or know-how owned or held by RITTAL. All intellectual property rights relating to the Products and Services, existing now or in the future, including patents, copyrights, trademarks, and other know-how, shall be the property of RITTAL.

12.2. Channel Partner agrees that it will not contest the intellectual property rights of RITTAL, either directly or indirectly through a third-party.

12.3. Channel Partner may not in its name obtain protection for or register trademarks, trade names or other designations of RITTAL or such trademarks, trade names or other designations which are identical or similar to those of RITTAL. Accordingly, Channel Partner is likewise not entitled to adopt and register the aforesaid intellectual property rights and/or designations as part of its business name or domain name or in the commercial register, any other public register or any other certification center. Channel Partner is prohibited from using the trademarks, trade names, symbols, advertising slogans, or other designations belonging to RITTAL, except as otherwise provided in this Agreement or agreed to in writing by RITTAL.

12.4. If Channel Partner becomes aware of any third party infringement of the intellectual property rights of RITTAL, then Channel Partner shall inform RITTAL of such infringement immediately. Channel Partner shall cooperate with RITTAL in relation to any such infringement and shall take all action reasonably requested by RITTAL. If the infringement has not been caused directly or indirectly by the Channel Partner, then RITTAL shall bear the costs of any action undertaken by Channel Partner requested by RITTAL.

13. Warranties; Indemnification

13.1 To the extent that Channel Partner resells the Products to its customers, Channel Partner may assign, without modification, any warranties and representations relating to the Products given by RITTAL to Channel Partner, to the extent that such warranties and representations are either set forth in the Commercial Terms or otherwise provided to Channel Partner in a writing signed by RITTAL, to the customers of Channel Partner. However, Channel Partner shall be solely responsible for any and all additional warranties or representations given by Channel Partner to its customers as it relates to the Products and/or Services.

13.2 Channel Partner hereby agrees to defend, indemnify, and hold harmless RITTAL and its officers, managers, members,

employees, contractors, agents, affiliates, representatives, successors, and assigns (collectively, the "**RITTAL Agents**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses (paid, assumed or incurred) of whatever kind (including reasonable attorney fees) asserted or made against the RITTAL Agents (collectively, the "**Claims**") that may arise from or relate to, directly or indirectly, in whole or in part: (i) the acts or omissions of Channel Partner or its officers, managers, owners, employees, contractors, agents, affiliates, representatives, successors, and assigns, including but not limited to the selling of the Products and/or Services by Channel Partner; (ii) any and all additional warranties or representations given by Channel Partner to its customers relating to the Products and/or Services pursuant to Section 13.1; (iii) the relationship of Channel Partner with its customers, vendors, or suppliers other than RITTAL; or (iv) any material breach of this Agreement by Channel Partner. The obligations of Channel Partner under this Section to defend, indemnify, and hold harmless will apply regardless of whether Claim arises in tort, negligence, contract, warranty, strict liability, statute, or otherwise.

14. Duration and Termination

14.1. The term of this Agreement shall begin as of the Effective Date (as defined herein) and shall remain in effect until the end of the then-current calendar year, unless sooner terminated as provided pursuant to this Section 14. The term of this Agreement shall then automatically renew for subsequent one-year terms (based on calendar years), unless a Party gives a written notice of non-renewal to the other Party no less than thirty (30) days prior to the end of the then-current term. If a Party properly gives a notice of non-renewal, then the Agreement shall naturally conclude at the end of the then-current term.

14.2. Notwithstanding Section 14.1, either Party may, upon written notice, immediately terminate this Agreement for Cause. For the purposes of this Agreement, the term "**Cause**" shall refer to the following events:

- (a) The other Party is in breach of this Agreement and such breach is not cured or substantially cured within thirty (30) days after written notice of such breach; or
- (b) The other Party becomes bankrupt or insolvent; has a receiver or liquidator appointed (other than for the purpose of amalgamation or reconstruction); or ceases or threatens to cease to carry on its business.

Additionally, the term "**Cause**" shall also refer to the following as it relates to the right of RITTAL to terminate the Agreement:

- (c) There is a significant or material change in the operational management or ownership of Channel Partner;
- (d) Channel Partner fails to timely pay invoices received from RITTAL for the Products and/or Services when they become due, either in accordance with this Agreement or any other payment terms mutually agreed upon by RITTAL in writing;
- (e) Channel Partner fails, as determined by RITTAL in its reasonable discretion, to remain technically-qualified, competent, and/or certified with respect to the Products and/or Services; or
- (f) Channel Partner engages in act(s), or is being investigated for engaging in act(s), that are likely to degrade the reputation or goodwill of RITTAL and its Products or Services, as determined by RITTAL in its reasonable discretion.

14.3. Any notice of non-renewal or termination must be given in writing to the other Party in order to be valid.

15. Consequences of Termination

15.1. Upon termination or conclusion of this Agreement and subject to the following provisions, Channel Partner shall pay RITTAL for orders received and accepted by RITTAL prior to the effective date of such termination or conclusion ("**Accepted Orders**"), and RITTAL shall, upon receipt of such payment, deliver such Accepted Orders in accordance with the terms of this Agreement.

15.2. If a notice of non-renewal is given pursuant to Section 14.1, then the following shall apply:

- (a) RITTAL shall, until the conclusion of the Agreement, continue to fill Accepted Orders. All orders Channel Partner submits to RITTAL after such notice of non-renewal is given must be in response to firm written Product or Service orders submitted to Channel Partner by its customers. After a notice of non-renewal is given, RITTAL will not accept Product orders that are intended to supplement the inventory of the Products held by Channel Partner.
- (b) Upon the conclusion of the Agreement, RITTAL shall pay to Channel Partner any Annual Rebate to which it may otherwise be entitled pursuant to the terms and conditions of this Agreement. Such Annual Rebate, if applicable, shall be

paid in accordance with the provisions of Section 5 of this Agreement.

15.3. If a notice of termination is given for Cause by RITTAL, then the following shall apply:

(a) RITTAL shall be entitled to rescind individual contracts of sale for Products which were received and accepted by RITTAL prior to termination for Cause and which have not yet been shipped.

(b) Upon such termination, Channel Partner shall not be entitled to any payment of an Annual Rebate to which it may otherwise be entitled for the calendar year in which the termination took place, and Channel Partner forfeits its right to such Annual Rebate.

15.4. Except as expressly set forth in this Agreement, Channel Partner shall not be entitled to any compensation, indemnification, damages or other payment for reason of termination or conclusion of this Agreement.

16. No Assignments or Transfer of Rights

16.1. Each Party represents and warrants to the other Party that this Agreement has been duly executed and delivered, and constitutes the legal, valid, and binding obligations of such Party enforceable against such Party in accordance with its terms.

16.2. Channel Partner shall not assign its rights and obligations under this Agreement to any third-party without the prior written consent of RITTAL.

16.3. During the term of this Agreement, Channel Partner shall promptly notify RITTAL of any significant or material change in the operational management or ownership of Channel Partner that may occur, including, without limitation, any material change in the managers, directors, or owners of Channel Partner that arises as a result of new owners joining or present owners leaving its company.

17. Applicable Law; Equitable Relief

17.1. This Agreement shall be governed by the substantive internal laws of the State of Delaware without reference to or application of its choice of law or conflict of law rules or principles. The United Nations Convention on Contracts for the International Sale of Goods ("CISG") shall not apply to this Agreement.

17.2. Each Party agrees that a material breach by the other Party of this Agreement may cause the non-breaching Party irreparable injury for which it would have no adequate remedy at law, and that such non-breaching Party shall be entitled to specific performance or preliminary or other injunctive relief in addition to any and all remedies the non-breaching Party may otherwise be entitled to at law, in equity, or pursuant to this Agreement.

18. Notices and Service

18.1 Any notice or other documents to be given under this Agreement shall be in writing and delivered either (i) electronically, (ii) in person, postmarked, stamped and sent by certified mail, postage prepaid, or (iii) sent and delivered by common overnight courier, to the Party concerned at the address or electronic address as one Party may from time to time designate to the other Party.

19. Miscellaneous

19.1. Each Party acknowledges that, in entering into this Agreement, it does not do so on the basis of and does not rely on any representation, warranty or other provision except as expressly provided in this Agreement.

19.2. Insofar as is necessary for the handling of RITTAL business, RITTAL is entitled to store and process the data of Channel Partner in electronic form to the extent permitted by data protection laws; provided, however, that RITTAL shall be subject to the confidentiality provisions of this Agreement.

19.3. The obligations of the Parties (as applicable) under Sections 11, 13.2, and 15 shall survive the conclusion or termination of this Agreement.

19.4. Each Party agrees to comply promptly and fully with every federal, state, local, and municipal law, rule, regulation, order, code, and ordinance which directly or indirectly regulates or affects such Party as it relates to this Agreement and which are to be complied with by such Party.

19.5. This Agreement is intended for the exclusive benefit of the Parties to this Agreement. Nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third-party.

19.6. No Party shall be deemed to be in violation of this Agreement if prevented from performing any obligations hereunder by reason of acts of God or other acts of war, flood, storm, strikes, terrorism, epidemics, and the like beyond the control of such Party, nor shall a Party be required to act in violation of law or regulation.

19.7. This Agreement contains the entire agreement between the Parties with respect to its subject matter, and supersedes and cancels all prior agreements between them whether oral, written or implied.

19.8. No amendment or addition to this Agreement shall be binding on the Parties unless it is in writing and is signed on behalf of each of the Parties by their duly authorized representatives.

19.9. If any provision of this Agreement, or any part of any provision, is held to be invalid or unenforceable, that provision is deemed to be amended to apply to the extent enforceable and the balance of the Agreement shall be valid and binding.

19.10. No failure of either Party to enforce any provision of this Agreement shall be construed as waiver of such provision or of a right of such Party thereafter to enforce same. Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision of it.

19.11. Except where expressly so provided, nothing in this Agreement shall create, or be deemed to create, a joint venture, franchise, partnership or the relationship of principal and agent or employer and employee between the Parties.

19.12. The headings in this Agreement are for convenience only and shall not affect its interpretation.

19.13. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same document.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on 2019/10/15 (the "**Effective Date**").

RITTAL NORTH AMERICA LLC

CHANNEL PARTNER

Name: CP

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Schedules:

Schedule 1 – Partner Benefits & Classifications

Schedule 2 – Products and Services

Schedule 3 – Commercial Terms

Schedule 4 – Partner Business Plan