



Dealer Agreement

Updated June 2019

Anodyne Electronics Manufacturing Corp. (hereinafter referred to as "AEM"), incorporated under the laws of the Province of British Columbia, Canada, shall review and appoint Dealer applicants as a non-exclusive Dealer (hereinafter referred to as "the Dealer") to sell, install, and support products that are now developed and that may be developed by AEM, and to provide service for such products for which the Dealer meets and maintains service capabilities.

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, Canada, without regard to its conflicts of law provisions.

General

A Dealer must meet the following criteria:

- Maintains an avionics maintenance facility approved by the aviation authority for those countries in which it conducts business or maintains an avionics installation facility or department with an appropriate aviation authority approval, qualified personnel, and sufficient tools for executing installations to meet AEM standards.
- Maintains the required minimum test equipment.
- Maintains a satisfactory level of technical competence for AEM products and a current library of associated service manuals as required for all applicable categories.

AEM commits to the following:

- Provide the Dealer with promotional materials (product literature, posters, advertisement reprints, etc.), as AEM deems appropriate to assist the Dealer in their marketing efforts.
- Provide engineering advice and technical assistance via telephone and e-mail in support of the Dealer's sales and service activities as they relate to products manufactured and sold by AEM.

The Dealer shall commit to the following:

- Install all AEM equipment sold by the Dealer except those products specifically excluded in writing by AEM. The Dealer may, however, sell to other AEM Dealers on a resale basis without installation.
- Establish and maintain a permanent installation facility with a technician who is approved by the applicable national aviation regulatory body to install and repair avionics products.
- Actively promote the sale of AEM avionics products, provide quality support and assist customers with learning and understanding the features of the products.
- Comply with any advertising guidelines set forth in writing by AEM.
- Display sales literature and promotional materials in a prominent position in the Dealer's place of business.



- Be encouraged to display one or more of AEM's current product(s) for sales and demonstration purposes or as required from time to time by AEM.
- Participate in forecasting-related activities specified in writing by AEM.

Product categories

The Dealer shall meet and maintain all requirements as specified for the categories for which AEM has approved the Dealer. Refer to the Dealer Application for approved categories and to our website for a description of each type of equipment listed in each category. The Dealer shall immediately notify AEM, in writing, of any changes that may affect the status of those categories. The Dealer shall permit a representative of AEM to inspect the Dealer's facility to verify that all designated service qualifications are being met.

Qualifications

Qualification for each Authorized Dealer Category can only be established by AEM. The requirements listed for each category covering test equipment, test panels, cables, harnesses, manuals, and training must be completely satisfied prior to receiving full Dealership approval. Once the application has been approved, the Dealer will be notified in writing of same. AEM endeavours to maintain an accurate record of the service capabilities of all its Dealers. Any significant changes in your shop status which affect your capability to service AEM products must be reported to AEM within 30 days of the effective date of the change.

Confidentiality

As used herein the term "Confidential Information" means all know-how, designs, drawings, pricing information, specifications, and other information, whether or not reduced to writing, related to design, manufacture, use, and service of any products of AEM as well as any other information relating to the business of AEM that may be divulged to the Dealer that is not generally known to the public. The Dealer acknowledges that the Confidential Information provided to the Dealer comprises valuable trade secrets and is proprietary to AEM. The Dealer shall hold the Confidential Information in strict confidence and shall not disclose same to any other person, firm or corporation, except as required to perform its obligation under this agreement. The foregoing obligation shall not apply to any information that becomes public through no fault of the Dealer. The Dealer is specifically prohibited from releasing any schematics or other technical information marked "CONFIDENTIAL & PROPRIETARY TO ANODYNE ELECTRONICS MANUFACTURING CORP. (AEM)." or that may be interpreted as sensitive by AEM. The information is provided to assist the Dealer in service work, and any release of said information is grounds for immediate cancellation of this agreement, and any other legal remedy deemed appropriate by AEM.

Warranty

AEM shall warrant all products in accordance with the product warranty statement (see [Standard Terms and Conditions of Sale](#)). The Dealer shall cooperate and assist AEM in warranty administration. Warranty is void unless the product is installed by a qualified AEM Dealer.



Warranty claims

Warranty labour will be reimbursed at a shop rate agreed to with AEM. Claims are accepted only under those categories which have been approved. AEM will authorize up to 1 (one) hour of labour to correct any equipment faults covered by warranty. If the fault cannot be corrected within the first hour, the Dealer must call AEM Customer Service to discuss the problem and if required, be issued an authorization number to continue with the warranty repair(s). No claims in excess of one hour of labour will be accepted without proper authorization.

The warranty claim must be properly documented indicating the AEM model and serial number, customer name, the nature of the problem, and the action taken to correct the fault. No warranty labour will be paid to correct airframe installation problems or remove and replace equipment. The warranty claims should be submitted directly to AEM. No warranty claims will be paid unless AEM has established valid warranty coverage through shipment records.

Sales territory

The Dealer territory shall consist of an area of responsibility for which it can readily and efficiently provide service. AEM reserves the non-exclusive right to market its products directly to all governments, government agencies, airlines, and airframe manufacturers. The Dealer's appointment shall be non-exclusive both inside and outside the sales territory.

Purchasing product

The Dealer shall purchase all AEM products from one of AEM's Distributors when the Dealer's facility is located within a territory serviced by a Distributor. If a territory is not serviced by an AEM Distributor, the Dealer may purchase products directly from AEM.

Price

The price to the Dealer shall be the Dealer discounted price in effect at the time of receipt of order by AEM, or, one of its Distributors for those categories for which the Dealer is approved. Prices for specialized materials, harnesses and custom construction or modification of standard products shall be set by AEM upon order confirmation. A 50% non-refundable deposit may be required by AEM for such orders. All shipments are FCA Kelowna, or, one of its Distributors, as applicable. Pre-approval and a Return Materials Authorization (RMA) number must be obtained from AEM for any products the Dealer wishes to return to AEM for credit. A restocking charge may apply to all standard AEM products that the Dealer returns and will apply to all custom orders.

Payment for products

The Dealer agrees to comply with payment terms established and/or modified periodically by AEM, or its Distributors. The Dealer also agrees to accept all products ordered and scheduled for delivery.



Product orders placed with one of AEM's Distributors are subject to the credit terms and conditions of the Distributor and are not the responsibility of AEM.

The dealer is not an agent

It is expressly understood the Dealer is an independent contractor conducting its own business and does not act as an agent for AEM, nor has any authority to make arrangements, representations, warranties or otherwise which shall obligate AEM in any manner. It is further understood that nothing in this agreement shall be construed to establish a relationship of employer or employee, co-partners, joint ventures, franchiser and franchisee, or licensor and licensee between AEM and the Dealer.

Prior agreements

This agreement supersedes and cancels all prior agreements, verbal or written, between the parties. This agreement cannot be changed, added to, or modified except by a written agreement signed by the General Manager for AEM (or their designate) and by the Dealer.

Termination

Any deviation from or breach of the terms of this agreement by the Dealer shall be cause for immediate termination of this agreement. Termination shall be formalized by written confirmation from AEM to the Dealer. AEM may also immediately terminate this agreement in the event of bankruptcy or insolvency of the Dealer, change in a geographic location of the Dealer, or Dealer misrepresentation of AEM and/or its products and policies. Either party may terminate this agreement for any reason with or without cause by giving 30 days written notice of such termination.

Termination of this agreement by either party for whatever reason shall not relieve the Dealer from any obligation to pay for all products ordered and/or received from AEM prior to such termination provided. However, AEM may, at its option, cancel any unfilled orders from the Dealer for any equipment or spare parts, which are open as at the effective date of termination.

Repurchase option

AEM shall have the right for a period of fifteen (15) days after the effective date of termination, at its option, to repurchase, in whole or in part, any unsold equipment and spare parts in possession of the Dealer at the original purchase price or current Dealer price, whichever is less, minus any costs of repairing, reconditioning, or recertifying such repurchased.

Waiver

The failure of either party to enforce, at any time, any one of the provisions hereof, shall not be construed as a waiver of such provisions or the right of either party thereafter to enforce any such provisions.