

INTERNATIONAL DISTRIBUTOR AGREEMENT

BETWEEN

GARRETT ELECTRONICS INC.

AND

TECNODATA

COUNTRIES: CHILE

OCTOBER 23 2024

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24.10.2024

INTERNATIONAL DISTRIBUTOR AGREEMENT

This Agreement by and between **GARRETT ELECTRONICS (DBA GARRETT METAL DETECTORS)**, a company incorporated under the laws of the State of Texas (USA) and having its registered office at 1881 W. State Street Garland, Texas 75042 (hereinafter, “**Garrett**” or “**Company**”)

and

TECNODATA (hereinafter called “Distributor”), organized and existing under the laws of Chile with the registered offices at Paseo Bulnes N° 80, Oficina 103 Comuna de Santiago, 8331042 Ciudad de Santiago, WHEREAS, Distributor has confirmed to Company that it has the expertise to market, promote, and sell Company’s Products in the territory specified in Appendix A (hereinafter called “Territory”).

WHEREAS, Company desires to retain Distributor to provide such marketing, promoting, and selling of Products in the Territory, and Distributor desires to offer Company such service.

NOW, THEREFORE, in consideration of the promises and mutual obligations hereinafter set forth the parties hereto agree as follows:

1. APPOINTMENT OF DISTRIBUTOR

- A. Subject to the terms and conditions and for the duration of this Agreement, Company appoints Distributor as an independent distributor for purchase and resale of the products listed in the Territory set forth in Appendix A hereto, (the “Products” and the “Territory” respectively).
- B. Distributor acknowledges that the appointment is non-exclusive. Company reserves the right to appoint consultants, representatives or additional distributors for the promotion or sale of the Products to customers in the Territory.

2. TERM OF AGREEMENT

This Agreement, unless terminated in accordance with the provisions of Article 11 hereof, shall become effective upon execution by all parties and shall remain effective for the term set forth in Appendix A.

3. REPRESENTATIONS AND WARRANTIES OF DISTRIBUTOR

Distributor represents and warrants to Company that:

- A. Distributor (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation identified on Page 1 hereof; (ii) currently has a place of business located at its address set forth on Page 1 hereof; (iii) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents, and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (iv) is qualified to do business and is in good standing in all jurisdictions in which the services required to be performed by it under this Agreement makes such qualifications necessary.
- B. All written and oral information supplied by Distributor is and will be complete, truthful and accurate, and that Distributor shall not obtain on Company’s behalf or provide to Company any information which is not legally available in the Territory, or which is procurement sensitive, proprietary or classified where there is reason to believe that possession of such information is unauthorized, illegal or unethical.

- C. Distributor agrees, in performing the duties required under this Agreement, to comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities of the Territory (except to the extent inconsistent with, or penalized under, U.S. law) and shall take no action which would subject Company to penalties under U.S. or Territory laws.
- D. In connection with its distribution of Company Products hereunder, it has not and will not make any payments or gifts or any offers or promises of payments or gifts of any kind, directly or indirectly, to any official of any Territory government or any agency or instrumentality thereof; to any foreign political party or official thereof or any candidate for foreign political office; or to any person while knowing (or being aware of a high probability) that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any foreign official, any foreign political party or official thereof, or any candidate for foreign political office in violation of the United States Foreign Corrupt Practices Act or the laws of the Territory.
- E. Distributor has not and will not pay or tender, directly or indirectly, any commission or finders or referral fees to any person or firm in connection with its activities on behalf of Company without the prior written approval of Company.
- F. In respect of any business, it may assist or may have assisted in obtaining for Company, either directly or indirectly, under this Agreement or otherwise, it has not paid, offered, or agreed to pay any political contributions.
- G. Distributor is familiar with and shall comply in all respects with U.S. laws, regulations, and administrative requirements applicable to Company's relationship with Distributor including, but not limited to the Foreign Corrupt Practices Act (FCPA); International Traffic In Arms Regulations (ITAR); Export Administration Regulations, as amended (EAR); the Antiboycott Regulations and Guidelines issued under the Export Administration Act, as amended; Section 999 of the Internal Revenue Code (Antiboycott Regulations); and the Office of Foreign Assets Control (OFAC) Regulations.
- H. At all times Distributor shall act in the best interest of Company and shall take no actions which are or may be detrimental to Company.
- I. Distributor agrees, in performing this Agreement, to comply with applicable laws and regulations of the U.S. and Distributor's domicile country (Distributor shall notify the Company of any conflicts or inconsistencies it believes exist between the applicable laws and regulations) and to not make or permit to be made or knowingly allow a third party to make any improper payments, or to perform an unlawful act.

4. REPRESENTATIONS AND WARRANTIES OF COMPANY

Company warrants that it will not request any service or action by Distributor that would or might constitute a violation of the Foreign Corrupt Practices Act or any other law, regulation or administrative requirement of the United States, or Distributor's domicile country.

5. DISTRIBUTOR'S RESPONSIBILITY

Distributor shall, for the duration of this Agreement and at its sole expense:

- A. Exercise its best efforts to promote the use and sale of Products in the Territory.

- B. Maintain (i) satisfactory office space and facilities for the sale and servicing of Products, (ii) a staff sufficient in numbers and skill to successfully perform promotion, sales, technical support and servicing functions; and (iii) a suitable stock of Products, related spare parts and equipment and Company's current sales materials and samples.
- C. Keep records of the Products installation locations supplied by the Distributor and present such records to the Company on request.
- D. Keep records of Products and Spare Parts stock kept at its premises and present such information to the company before the end of each calendar quarter end.
- E. Notify Company in writing within three (3) days of Distributor's receipt of any notice of threatened or actual litigation for claims made by Distributor's customers or other parties involving the Products sold to Distributor hereunder.

6. DISTRIBUTION RIGHTS FOR PRODUCTS

Subject to the terms and conditions of this Agreement, Company will sell Products to Distributor for resale by Distributor for its own account. Company's sale of such Products will be at the discounts set forth in Appendix A hereto. Such discounts will apply to Product list prices in effect on the date of order acceptance by Company. Prices and discounts are subject to change, and any Product may be discontinued at any time, at the sole discretion of Company. Company will endeavor to give sixty (60) days written notice to Distributor of any change in previously specified prices and/or discounts but shall have no liability for any failure to do so.

7. COMPANY ACCEPTANCE AND TERMS OF SALE

- A. No order shall be binding on Company until duly accepted in writing by an authorized signatory of Company outside the Territory. Company shall have no obligation to accept any order submitted by Distributor and shall have no obligation to ship an accepted order unless the terms of payment and any extension of credit by Company are satisfactory to Company, in its sole discretion, at the time for shipment. Company's obligations hereunder are subject to applicable U.S. and foreign laws and regulations, including the applicable U.S. export control laws. Distributor shall comply with all such applicable laws upon resale, retransfer, or other disposition of the Products.
- B. Distributor shall make payment to Company in accordance with payment terms specified by Company in writing.
- C. All sales to Distributor shall be subject to Company's standard warranty in effect at the time of shipment. Distributor shall provide Company's warranty to customers in connection with sales of the Products, provided, however, that such warranty shall only apply where Products have not been altered and where Products are used in strict conformance with Company's specifications. Company shall have no liability, with respect to any warranty given by Distributor (i) with respect to Products that have been altered without Company's prior written authorization or (ii) that differs in any respect from Company's standard warranty in effect at the time of sale to the customer.

8. CONFLICT OF INTEREST

Distributor shall not provide nor promote, market, offer, sell, nor represent the products of any Person within the Territory, which are or could be competitive with Company's Products for which Distributor provides Products hereunder, unless any alternative arrangement is agreed by the parties in writing. For purposes of this Agreement, the term "Person" means any individual, corporation, company, voluntary association, partnership,

joint venture, trust, unincorporated organization, or government (or any agency, instrumentality, or political subdivision thereof).

Distributor shall not promote, market, offer, sell, nor represent the Products outside of the Territory specified in Appendix A, unless agreed by the Parties in writing. The Distributor shall keep adequate records to monitor equipment deployment within the Territory and prevent resale of Products outside of the Territory by any third party.

Distributor is authorized to offer Products exclusively through its owned web store/portal. Distributor agrees not to list or sell Products through alternate online and e-commerce channels (i.e. Amazon, E-Bay, etc.) unless an alternative arrangement is approved in advance by Company in writing. Failure to adhere to this policy will result in immediate termination of the Agreement.

9. LIMITATION OF LIABILITY

Company's liability for costs or damages allegedly incurred by distributor arising out of, or in connection with distributor's performance of its duties under this agreement shall be strictly limited to purchase order value of product purchased by distributor from company during the current year of this agreement. In no event shall company be liable for lost profits, or any other consequential, indirect, incidental, or punitive damages arising out of, or in connection with claims made against company, whether such claims are alleged to arise in contract or in tort.

10. NON-DISCLOSURE OF PROPRIETARY OR CONFIDENTIAL INFORMATION

- A. Each party agrees not to disclose to others without the prior written consent of Company, either during or subsequent to the term of this Agreement, any proprietary or confidential information, knowledge or data of Company which Distributor may receive or have access to during the term of this Agreement, including proprietary or confidential information of Company, such as, but not limited to, business plans, marketing information, cost estimates, forecasts, bid and proposal data, financial data, formulae, compositions, Products, processes, procedures, inventions, systems, or designs. Except as may strictly be required by its obligations under this Agreement, Distributor shall not use or reproduce any information or data furnished by Company hereunder.
- B. Distributor may not release any information with respect to this Agreement or the subject matter thereof without the prior express written approval of Company. Distributor shall not disseminate press releases, responses to press, advertisements, brochures, etc. which have not been authorized by the Company for public release.
- C. All materials to which Distributor has access or which were furnished or otherwise made available by Company to Distributor shall be and remain the property of Company. Upon expiration or termination of this Agreement or upon request of Company, Distributor shall return to Company all such materials, documents, and information, including any proprietary data, and all reproductions thereof then in Distributor's possession or control; and Distributor shall surrender all information or proprietary data developed by Distributor in connection with this Agreement, unless the information has been certified as having been destroyed or the retention of the information is authorized in writing by Company. Any logos, trademarked materials, website designs, and all intellectual properties shall remain the exclusive property of Company.

- D. Each party's obligations of confidentiality under this Article and Agreement shall survive termination or expiration of this Agreement for three (3) years from the date thereof.

11. TERMINATION

- A. This Agreement shall become effective upon execution by all parties and, unless earlier terminated in accordance with the provisions of this Article 11, shall automatically expire without written notice on the date specified in Appendix A and may thereafter be renewed only upon the written agreement of both parties.
- B. Company may terminate this agreement at will, based on market conditions or product line changes, upon ninety (90) days written notice to Distributor.
- C. If one or more of the following events shall occur, Company may terminate this Agreement upon written notice to Distributor, and the Agreement shall automatically terminate on the date of Distributor's receipt of such notice:
- (I) Insolvency or bankruptcy of Distributor; or the termination, dissolution or liquidation (as a matter of law or otherwise) of Distributor;
 - (II) The filing or commencement by or against Distributor of a petition or proceeding seeking its reorganization, liquidation, dissolution, arrangement or winding-up or the composition or readjustment of its debts or other relief under the laws of insolvency or bankruptcy or any country or jurisdiction; or the commencement of any proceeding by any Person seeking the termination, dissolution or liquidation of Distributor;
 - (III) The merger of Distributor with or into another Person, or any other transaction effecting a substantial change in control or ownership of Distributor;
 - (IV) Distributor's loss of the services for a period of three months or more of any person designated as Key Personnel in Appendix A hereto;
 - (V) Breach by Distributor of any other provision hereof; or in the event that any other representation, warranty or certification made or deemed made by Distributor herein shall have been false or misleading as of the time made or furnished or shall be false or misleading at anytime;

12. FULL DISCLOSURE

Subject to U.S. laws and regulations, Distributor agrees that full disclosure of the existence and terms of this Agreement, including the compensation provisions, may be made at any time and for any reason to whomever Company determines has a legitimate need to know such terms, including, without limitation U.S. and Territory government organizations.

13. INDEPENDENT CONTRACTOR

Distributor is and shall be considered for all purposes to be an independent contractor in relation to Company under this Agreement. This Agreement does not make either party the agent or legal representative of the other for any purpose or grant any right or authority to assume or create, directly or indirectly, any obligation or responsibility, expressed or implied, on behalf or in the name of the other, or to bind the other in any manner.

14. RIGHT OF SET-OFF

Company shall be entitled at all times to set off any amount owing or damages due at any time from Distributor to Company against any amount payable at any time by Company to Distributor in connection with this Agreement.

15. CHOICE OF LAW

This Agreement shall be governed by, subject to, and interpreted according to the laws of the State of Texas, U. S. A., without regard to its conflict of law rules.

16. COOPERATION

In the event a dispute arises between Company on the one hand and a customer or any other person on the other concerning any of the Products covered by this Agreement, Distributor agrees to provide to Company any assistance that may be required, including but not limited to the provision of such documents and testimony as may be reasonably requested by Company. Such obligation shall continue after the expiration or termination of this agreement.

17. INDEMNIFICATION

Distributor hereby agrees to indemnify and hold harmless Company, its employees, customers, assigns and others as to any claim asserted against Company or its employees, customers, assigns, or others alleging any liability arising out of any negligent or intentional wrongful acts of Distributor or its employees, agents, associates, or assigns that occur during the term of this Agreement. Such liability shall include, but is not limited to, damages (including punitive damages), costs, fees, and expenses.

18. NOTICE

All formal notices or communications hereunder shall be sent by facsimile transmission or email, followed by a signed copy sent by commercial mail or courier, and shall be deemed to have been given when transmitted.

Notice to Company shall be addressed to:

GARRETT ELECTRONICS INC. (DBA GARRETT METAL DETECTORS)

1881 W. State Street

Garland, Texas 75042

Phone: +1-972-494-6151

Email: leo_zelenkevich@garrett.com and
steven@garrett.com

Notice to Distributor shall be addressed to:

Company Name: **TECNODATA LTDA.**

Attn: Alfredo Giacoman A

Address: Paseo Bulnes N° 80, Oficina 103 Comuna de Santiago

Phone: +56997996667

Email: alfredo.giacoman@tecnodata.cl

Written notification of change in address, telephone, fax or contact person is required to be provided by either party to the other party.

19. INTEGRATION

This Agreement incorporates all prior negotiations of the parties, constitutes the full understanding and entire agreement between the parties and supersedes any and all prior oral and written statements, understandings, and agreements with respect to the rendering of distribution services. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement shall be binding unless set forth in writing and signed by the party to be charged. Both parties hereby waive the right to assert any claim against the other, its employees, customers, or assigns based upon any oral representation, statement, promise or agreement whether made before or after the date of this Agreement. Neither party has relied upon any representations or statements of the other except as stated hereinafter. This Agreement provides for full payment for all services to be rendered by Distributor to Company, and Company shall not be liable to Distributor other than to the extent and in the amount expressly provided herein.

20. FORCE MAJEURE

Neither party shall be responsible for any failure to comply with the terms of this Agreement due to causes beyond its control for the period the effects of such causes continue. These causes shall include but shall not be restricted to: fire, storm, flood, earthquake, explosion, accident, acts of a public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor disputes, transportation embargoes or delays, acts of God, failure of the United States or any other government to grant export or import licenses or permits for relevant goods and materials or technical data.

21. COMPANY CONTACT

The individual designated in the applicable Appendix A shall be Distributor's primary point of contact with Company and is responsible for reviewing Distributor's performance hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative.

Garrett Electronics INC.

Signature

Name: Leo Zelenkevich

Title: Director, International Security Sales

Telephone: +44 7476 826 556

Email: leo_zelenkevich@garrett.com

Type text here
24.10.2024

TECNODATA

Signature

Name Alfredo Giacoman A

Title CEO & General Manager

Telephone: +56997996667

Email: alfredo.giacoman@tecnodata.cl

Date October 23, 2024

APPENDIX A

PRODUCTS' DISCOUNTS DEFINED:

Subject to the conditions of this Agreement, Products and the discount at which such Products are sold to Distributor and Distributor's minimum required purchase volume under this Agreement shall be:

- **Category I** **50% Discount off MSRP price level (EXW USA)**

Conditions:

- Company approved authorization.
- Needs to have a proposal for specific registered projects
- Must make arrangements for after-sales servicing of Garrett products.
- Additional discounts could be provided based on a specific project need

PAYMENT TERMS:

- 100% payment with the Purchase Order before dispatch of the goods.
- Payment methods:
 - Wire Transfer
 - Irrevocable Letter of Credit (subject to terms and conditions, any Letter of Credit draft is to be approved by Garrett accounting department prior to issuance)

PRODUCTS:

1. Paragon
2. PD 6500i
3. MultiZone
4. SuperScanner
5. SuperScanner V
6. SuperWand
7. THD
8. Pro Pointer II
9. SmartScan

Accessories and spare parts related to the above list of Products are included and covered by this Distribution Agreement.

TERRITORY DEFINED:

Distributor's Territory shall be: **CHILE**

TERM:

The term of this Agreement shall be 2 (two) years from date of final execution or until such earlier termination of Distributor's Agreement as provided herein.

5. DISTRIBUTOR KEY PERSONNEL IDENTIFIED: NAME(S)

Alfredo Giacomani A

