

MEMORANDUM OF UNDERSTANDING

Between

Heating, Air-conditioning and Refrigeration Distributors International (HARDI)

And

Diversitech Corporation

April 14, 2020

I. Purpose

The current COVID-19 crisis has created unprecedented risk to contractor service technicians and wholesale distributor customer-facing personnel; both of which are in a channel that has not traditionally had significant need for safety equipment such as masks, gloves, and hand sanitizers. This MOU is designed to provide immediate supply of these essential safety products exclusively for HARDI wholesale distributor members and are intended for Wholesaler's to provide to customers and service technicians to keep them safe.

This agreement will produce the Emergency Safety Supplies Relief Program as a partnership between HARDI and the Diversitech Corporation.

II. Role of the Parties

HARDI will promote and communicate the Emergency Safety Supplies Program (ESSP) to its members, including buying and marketing group entities within its membership, making clear the purpose and priorities of this partnership. HARDI will outline purchasing parameters to its members to ensure all distributors have access to product so long as they purchase only what they need to provide for their most at-risk customer employees and their own employees who are exposed to public contact during the COVID-19 crisis. HARDI will make clear the addition of Hoarding and Price Gouging of these supplies procured through this partnership as specific violations of HARDI's Ethics Clause and terms for expulsion from HARDI membership, as well as failure to compensate Diversitech Corporation in a timely manner for such products received under the terms of this agreement.

HARDI will co-brand the ESSP with Diversitech Corporation in recognition of the risk and costs it will be incurring to execute this agreement. HARDI will not be involved with any direct purchasing negotiations or transactions between Diversitech Corporation and any HARDI member but HARDI will ask both parties to attest to the Hoarding and Price Gouging terms of this agreement prior to completing any purchase. HARDI will not serve any collections role for unpaid purchases, however failure by HARDI members to pay invoices in a timely manner under the terms of this agreement will be grounds for expulsion from HARDI.

Diversitech Corporation will procure, stock, and redistribute 500,000 safety masks for HARDI distributors at DiversiTech's net cost including freight and handling as fast as possible for the

duration of this agreement, and will reject orders in excess of 1,250 (25 packs) masks per wholesaler.
Diversitech Corporation will be responsible for receivables and any excess inventory.

III. MOU Duration

This agreement between HARDI and Diversitech Corporation will remain in effect for emergency safety supply purchases by HARDI distributor members while under state or locally mandated Stay-at-Home or Shelter-in-Place orders remain in effect, while supplies last or Purchases of safety supplies after such orders have been lifted are no longer covered by terms of this agreement.

Signed: 

Name: Talbot H. Gee, CEO

Organization: HARDI

Signed: 

Name: Bud Sjogren

Organization: Diversitech