

PACE Technologies Distribution Levels

Based on comments from our international sales meeting regarding distribution and especially exclusivity we have put together the following levels of distribution. This description for the level of distribution will replace any pre-existing agreements.

Level 1 – Exclusive distribution for a named region or country

Terms:

1. Exclusivity must be two way. Distributor agrees to only sell the metallographic equipment and consumables supplied by PACE Technologies, any exceptions must be specified and agreed to in writing. This does not include non-metallographic equipment offered by the distributor.
2. Annual sales (defined as 12 consecutive months) >\$500,000-\$1,000,000 depending upon the territory.
3. Distributor attends international sales meeting or visits PACE Technologies Corp headquarters in Tucson, AZ at least once every three years for new product training.
4. Exclusivity does not extend to sales from outside of territory and imported into territory. This is because many companies may purchase equipment from their head office and ship to an outside territory. It would be impossible to monitor and control such sales. Note the distributor will not be responsible for any training, set-up, warranty or repair issues for such sales. There may be also cases where commissions or split commissions may apply. Any conflicts will be arbitrated by PACE Technologies and the remedies by PACE Technologies will be final.
5. Any legal issues arising in the distribution agreement will be settled in the State of Arizona, where PACE Technologies is incorporated.
6. All sales leads sent directly to PACE Technologies will be forwarded to the distributor and if requested by the distributor PACE Technologies will provide assistance.

Level 2 – Official distributor for named region or country

Terms:

1. Non-exclusivity agreement. PACE Technologies will forward all leads to the official distributor, however, PACE Technologies will not discontinue or restrict distribution from other distributors in territory.
2. Distributors will agree not to pursue business in any exclusive territories directly.
3. Distributor agrees to only sell the metallographic equipment and consumables supplied by PACE Technologies, any exceptions must be specified and agreed to in writing. This does not include non-metallographic equipment offered by the distributor.
4. Annual sales – no minimum
5. Any legal issues arising will be settled in the State of Arizona, where PACE Technologies is incorporated.

6. All leads sent to PACE Technologies will be forwarded to the distributor and if requested by the distributor PACE Technologies will provide assistance.

Level 3 – Unofficial distributor for named region or country

Terms:

1. Non-exclusivity agreement. PACE Technologies will allow distributors to sell within distribution area or until otherwise specified.
2. Distributors will agree not to pursue business in any exclusive territories directly.
3. Distributor is not restricted to only offering PACE Technologies metallographic products.
4. Annual sales – no minimum
5. Any legal issues arising will be settled in the State of Arizona, where PACE Technologies is incorporated.