



American Fireworks Standards Laboratory

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DISPLAY FIREWORKS PARTICIPATING IMPORTER AGREEMENT

THIS AGREEMENT is entered into by and between the American Fireworks Standards Laboratory (“AFSL”) and _____ (“**Participating Importer**”) to set forth the funding and participation arrangements for the AFSL Display Fireworks Certification Program.

“Participating Importer” shall include all of the participating importer’s parent, subsidiary and related companies and other affiliates. Affiliates shall include all persons who control, are controlled by, or are under common control with the participating importer or its officers or directors.

WHEREAS, AFSL exists to develop voluntary safety and quality standards, to work with manufacturers, shippers and importers to improve fireworks safety and quality, and to provide a testing and certification program for the benefit of American fireworks importers;

WHEREAS, the U.S. Display Fireworks industry has recognized the need to establish standards and develop a certification program for Display Fireworks, and AFSL has expressed a willingness to develop standards for Display Fireworks and to establish Testing Protocols to verify conformance with such standards; and

WHEREAS, in a serious effort to enhance the quality and safety in transportation and assure compliance with U.S. federal regulations for Display Fireworks, certain Participating Importers and AFSL have voluntarily agreed that AFSL will test, certify, and supervise the container loading of all Display Fireworks produced in China and intended for shipment to or ultimate sale in the United States of America;

NOW THEREFORE, the parties agree as follows:

Term of Agreement – This Agreement becomes effective upon execution by the parties hereto and continues for so long as the Participating Importer participates in the program or until the AFSL terminates this Agreement.

Fireworks Testing – Fireworks designated by AFSL as Professional Display Fireworks will be independently testing in China under the AFSL Display Fireworks Certification Program, a copy of which is attached as **Appendix A** and incorporated herein by reference. **Exhibit I** of the program contains a

current list of the categories of Professional Display Fireworks that are subject to this program. This list is subject to change at AFSL's discretion.

Certification Program Funding – AFSL will incur certain costs in administering its product certification program. To support the program, Participating Importers have authorized Display Fireworks Certification Fee on all shipments of certified fireworks shipped to the United States to be assessed on them by the shipper. The amount of the Certification Fee is established at U.S. \$0.75 per carton for fireworks covered by the program. These fees will be reviewed annually and may be adjusted based on the projected program requirements.

Participating Importer Duties – As a participant in the AFSL program, Participating Importer agrees that it will cause to be certified through AFSL's certification program all Display fireworks identified in **Exhibit I**, described above, that it imports into the United States from China. Participating Importer agrees to cause the Shipper to promptly pay the Certification Fee for each carton of Display Fireworks imported.

Participating Importer agrees that it must remain a member in good standing of AFSL in order to participate in this Display Fireworks Certification Program.

AFSL Duties – AFSL will provide shippers with a list of Participating Importers by the fifteenth (15th) of each month, effective for the month following. AFSL agrees to accept requests for testing of, and to test and certify, shipments submitted by participating shippers on behalf of Participating Importers, provided the shipper satisfies all its obligations under its agreements with AFSL.

Remedies Upon Breach – In the event AFSL determines that the Participating Importer has breached a provision of this Agreement, AFSL may seek remedies or corrective action including, but not limited to, termination of this Agreement.

Arbitration – Any disputes arising under this Agreement that cannot be resolved by discussion among the parties shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association.

Revisions – This Agreement may be revised by the mutual written agreement of the parties.

American Fireworks Standards Laboratory

Participating Importer

John D. Rogers

Date

Importer's Authorized Signature

Date