

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 30, 2021**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period From _____ to _____

Commission File Number **001-36378**

PROFIRE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)
321 South 1250 West, Suite 1
Lindon, Utah
(Address of principal executive offices)

20-0019425
(I.R.S. Employer Identification No.)

84042
(Zip Code)

(801) 796-5127
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated Filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common, \$0.001 Par Value	PFIE	NASDAQ

As of August 2, 2021, the registrant had 51,651,386 shares of common stock issued and 48,239,008 shares of common stock outstanding, par value \$0.001.

PROFIRE ENERGY, INC.
FORM 10-Q
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PART I. FINANCIAL INFORMATION
Item 1 Financial Information
PROFIRE ENERGY, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	As of	
	June 30, 2021	December 31, 2020
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,921,375	\$ 9,148,312
Short-term investments	2,087,332	2,388,601
Accounts receivable, net	3,787,084	3,719,508
Inventories, net (note 3)	7,911,996	8,414,772
Prepaid expenses and other current assets (note 4)	773,146	1,678,428
Income tax receivable	785,590	486,154
Total Current Assets	25,266,523	25,835,775
LONG-TERM ASSETS		
Long-term investments	7,132,675	6,064,294
Financing right-of-use asset	28,758	50,094
Property and equipment, net	11,721,692	12,021,811
Intangible assets, net	1,660,504	1,771,870
Goodwill	2,579,381	2,579,381
Total Long-Term Assets	23,123,010	22,487,450
TOTAL ASSETS	\$ 48,389,533	\$ 48,323,225
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,257,437	\$ 1,178,979
Accrued liabilities (note 5)	1,486,578	1,196,870
Current financing lease liability (note 6)	30,238	39,451
Total Current Liabilities	2,774,253	2,415,300
LONG-TERM LIABILITIES		
Net deferred income tax liability	601,616	522,870
Long-term financing lease liability (note 6)	—	12,669
TOTAL LIABILITIES	3,375,869	2,950,839
STOCKHOLDERS' EQUITY (note 7)		
Preferred stock: \$0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding	—	—
Common stock: \$0.001 par value, 100,000,000 shares authorized: 51,651,386 issued and 48,239,008 outstanding at June 30, 2021, and 51,384,961 issued and 47,972,583 outstanding at December 31, 2020	51,651	51,385
Treasury stock, at cost	(5,353,019)	(5,353,019)
Additional paid-in capital	30,582,504	30,293,472
Accumulated other comprehensive loss	(1,798,278)	(2,148,924)
Retained earnings	21,530,806	22,529,472
TOTAL STOCKHOLDERS' EQUITY	45,013,664	45,372,386
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 48,389,533	\$ 48,323,225

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
REVENUES (note 8)				
Sales of goods, net	\$ 5,374,539	\$ 3,999,139	\$ 10,032,074	\$ 10,860,097
Sales of services, net	659,744	360,340	1,094,558	946,524
Total Revenues	<u>6,034,283</u>	<u>4,359,479</u>	<u>11,126,632</u>	<u>11,806,621</u>
COST OF SALES				
Cost of goods sold-product	2,910,879	1,944,389	5,448,513	5,778,071
Cost of goods sold-services	465,672	328,225	845,700	777,009
Total Cost of Goods Sold	<u>3,376,551</u>	<u>2,272,614</u>	<u>6,294,213</u>	<u>6,555,080</u>
GROSS PROFIT	<u>2,657,732</u>	<u>2,086,865</u>	<u>4,832,419</u>	<u>5,251,541</u>
OPERATING EXPENSES				
General and administrative expenses	2,783,872	2,753,773	5,338,408	6,026,311
Research and development	301,445	229,548	558,336	639,274
Depreciation and amortization expense	166,852	180,997	334,337	328,469
Total Operating Expenses	<u>3,252,169</u>	<u>3,164,318</u>	<u>6,231,081</u>	<u>6,994,054</u>
LOSS FROM OPERATIONS	<u>(594,437)</u>	<u>(1,077,453)</u>	<u>(1,398,662)</u>	<u>(1,742,513)</u>
OTHER INCOME (EXPENSE)				
Gain on sale of fixed assets	38,492	157,455	112,393	157,455
Other income (expense)	4,836	(1,665)	4,739	(1,318)
Interest income	28,569	77,532	49,631	151,925
Total Other Income	<u>71,897</u>	<u>233,322</u>	<u>166,763</u>	<u>308,062</u>
LOSS BEFORE INCOME TAXES	<u>(522,540)</u>	<u>(844,131)</u>	<u>(1,231,899)</u>	<u>(1,434,451)</u>
INCOME TAX BENEFIT	<u>125,374</u>	<u>35,628</u>	<u>233,233</u>	<u>260,684</u>
NET LOSS	<u>\$ (397,166)</u>	<u>\$ (808,503)</u>	<u>\$ (998,666)</u>	<u>\$ (1,173,767)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation gain (loss)	\$ 163,485	\$ 375,267	\$ 303,091	\$ (570,156)
Unrealized gains (losses) on investments	55,529	72,875	47,555	(84,479)
Total Other Comprehensive Income (Loss)	<u>219,014</u>	<u>448,142</u>	<u>350,646</u>	<u>(654,635)</u>
COMPREHENSIVE LOSS	<u>\$ (178,152)</u>	<u>\$ (360,361)</u>	<u>\$ (648,020)</u>	<u>\$ (1,828,402)</u>
BASIC LOSS PER SHARE (note 9)	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
FULLY DILUTED LOSS PER SHARE (note 9)	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
BASIC WEIGHTED AVG NUMBER OF SHARES OUTSTANDING	<u>48,054,136</u>	<u>47,723,208</u>	<u>48,022,295</u>	<u>47,607,825</u>
FULLY DILUTED WEIGHTED AVG NUMBER OF SHARES OUTSTANDING	<u>48,054,136</u>	<u>47,723,208</u>	<u>48,022,295</u>	<u>47,607,825</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2020	47,972,583	\$ 51,385	\$ 30,293,472	\$ (2,148,924)	\$ (5,353,019)	\$ 22,529,472	\$ 45,372,386
Stock based compensation	—	—	125,043	—	—	—	125,043
Stock issued in settlement of RSUs	49,113	49	(49)	—	—	—	—
Tax withholdings paid related to stock based compensation	—	—	(26,629)	—	—	—	(26,629)
Foreign currency translation	—	—	—	139,606	—	—	139,606
Unrealized losses on investments	—	—	—	(7,974)	—	—	(7,974)
Net loss	—	—	—	—	—	(601,500)	(601,500)
Balance, March 31, 2021	48,021,696	\$ 51,434	\$ 30,391,837	\$ (2,017,292)	\$ (5,353,019)	\$ 21,927,972	\$ 45,000,932
Stock based compensation	—	—	207,084	—	—	—	207,084
Stock issued in settlement of RSUs	217,312	217	(217)	—	—	—	—
Tax withholdings paid related to stock based compensation	—	—	(16,200)	—	—	—	(16,200)
Foreign currency translation	—	—	—	163,485	—	—	163,485
Unrealized gains on investments	—	—	—	55,529	—	—	55,529
Net loss	—	—	—	—	—	(397,166)	(397,166)
Balance, June 30, 2021	48,239,008	\$ 51,651	\$ 30,582,504	\$ (1,798,278)	\$ (5,353,019)	\$ 21,530,806	\$ 45,013,664

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2019	47,411,977	\$ 50,824	\$ 29,584,172	\$ (2,415,460)	\$ (5,353,019)	\$ 24,705,069	\$ 46,571,586
Stock based compensation	—	—	66,348	—	—	—	66,348
Stock issued in exercise of stock options	2,000	2	2,018	—	—	—	2,020
Stock issued in settlement of RSUs and accrued bonuses	271,684	272	419,101	—	—	—	419,373
Tax withholdings paid related to stock based compensation	—	—	(148,879)	—	—	—	(148,879)
Foreign currency translation	—	—	—	(945,423)	—	—	(945,423)
Unrealized losses on investments	—	—	—	(157,354)	—	—	(157,354)
Net loss	—	—	—	—	—	(365,264)	(365,264)
Balance, March 31, 2020	47,685,661	\$ 51,098	\$ 29,922,760	\$ (3,518,237)	\$ (5,353,019)	\$ 24,339,805	\$ 45,442,407
Stock based compensation	—	—	183,850	—	—	—	183,850
Stock issued in settlement of RSUs	227,454	227	(227)	—	—	—	—
Foreign currency translation	—	—	—	375,267	—	—	375,267
Unrealized gains on investments	—	—	—	72,875	—	—	72,875
Net loss	—	—	—	—	—	(808,503)	(808,503)
Balance, June 30, 2020	47,913,115	\$ 51,325	\$ 30,106,383	\$ (3,070,095)	\$ (5,353,019)	\$ 23,531,302	\$ 45,265,896

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30,	
	2021	2020
OPERATING ACTIVITIES		
Net loss	\$ (998,666)	\$ (1,173,767)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	683,597	566,791
Gain on sale of fixed assets	(112,393)	(153,973)
Bad debt expense	(32,463)	236,005
Stock awards issued for services	332,127	250,198
Changes in operating assets and liabilities:		
Accounts receivable	(7,313)	3,248,693
Income taxes receivable/payable	(299,436)	(1,761)
Inventories	577,341	445,634
Prepaid expenses and other current assets	988,464	168,718
Deferred tax asset/liability	78,746	104,166
Accounts payable and accrued liabilities	345,818	(2,843,685)
Net Cash Provided by Operating Activities	<u>1,555,822</u>	<u>847,019</u>
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	69,484	—
Sale (purchase) of investments	(719,817)	1,057,404
Purchase of property and equipment	(93,049)	(994,410)
Net Cash Provided by (Used in) Investing Activities	<u>(743,382)</u>	<u>62,994</u>
FINANCING ACTIVITIES		
Value of equity awards surrendered by employees for tax liability	(42,829)	(148,879)
Cash received in exercise of stock options	—	2,020
Principal paid towards lease liability	(21,749)	(34,267)
Net Cash Used in Financing Activities	<u>(64,578)</u>	<u>(181,126)</u>
Effect of exchange rate changes on cash	25,201	(65,506)
NET INCREASE IN CASH	<u>773,063</u>	<u>663,381</u>
CASH AT BEGINNING OF PERIOD	<u>9,148,312</u>	<u>7,358,856</u>
CASH AT END OF PERIOD	<u>\$ 9,921,375</u>	<u>\$ 8,022,237</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	\$ 2,353	\$ 4,247
Income taxes	\$ 17,150	\$ —
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Common stock issued in settlement of accrued bonuses	\$ —	\$ 419,373

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2021 and 2020

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

Except where the context otherwise requires, all references herein to the "Company," "Profire," "we," "us," "our," or similar words and phrases are to Profire Energy, Inc. and its wholly owned subsidiaries, taken together.

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, stockholders' equity, and cash flows at June 30, 2021 and for all periods presented herein have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements contained in its annual report on Form 10-K for the year ended December 31, 2020 ("Form 10-K"). The results of operations for the three and six month periods ended June 30, 2021 and 2020 are not necessarily indicative of the operating results for the full years.

NOTE 2 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Line of Business

This Organization and Summary of Significant Accounting Policies of the Company is presented to assist in understanding the Company's condensed consolidated financial statements. The Company's accounting policies conform to "US GAAP."

The Company provides burner-management products, solutions and services for the oil and gas industry primarily in the US and Canadian markets.

Significant Accounting Policies

There have been no changes to the significant accounting policies of the Company from the information provided in Note 1 of the notes to the consolidated financial statements in the Company's most recent Form 10-K.

Recent Accounting Pronouncements

The Company has evaluated all recent accounting pronouncements and determined that the adoption of pronouncements applicable to the Company has not had or is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

NOTE 3 – INVENTORIES

Inventories consisted of the following at each balance sheet date:

	As of	
	June 30, 2021	December 31, 2020
Raw materials	\$ 356,899	\$ 328,772
Finished goods	8,578,380	9,229,298
Work in process	—	—
Subtotal	8,935,279	9,558,070
Reserve for obsolescence	(1,023,283)	(1,143,298)
Total	<u>\$ 7,911,996</u>	<u>\$ 8,414,772</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2021 and 2020

NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at each balance sheet date:

	As of	
	June 30, 2021	December 31, 2020
Assets classified as held for sale	\$ —	\$ 623,805
Prepaid inventory	445,683	542,313
Prepaid insurance	148,396	217,465
Interest receivables	64,604	65,984
Vehicle trade-in credits	6,993	55,733
Other	107,470	173,128
Total	\$ 773,146	\$ 1,678,428

In the table above, the assets classified as "held for sale" consisted of an office building located in Spruce Grove, Alberta, Canada. During the six months ended June 30, 2021, we sold the remaining three bays that were part of the office building, which resulted in a gain of \$2,378 CAD that was recorded during the period.

NOTE 5 – ACCRUED LIABILITIES

Accrued liabilities consisted of the following at each balance sheet date:

	As of	
	June 30, 2021	December 31, 2020
Employee-related payables	\$ 1,160,053	\$ 789,573
Inventory-related payables	154,215	158,519
Warranty liabilities	40,608	71,852
Other	131,702	176,926
Total	\$ 1,486,578	\$ 1,196,870

NOTE 6 – LEASES

We have leases for office equipment and office space. The leases for office equipment are classified as financing leases and the typical term is 36 months. We have the option to extend most office equipment leases, but we do not intend to do so. Accordingly, no extensions have been recognized in the right-of-use asset or lease liability. The office equipment lease payments are not variable and the lease agreements do not include any non-lease components, residual value guarantees, or restrictions. There are no interest rates implicit in the office equipment lease agreements, so we have used our incremental borrowing rate to determine the discount rate to be applied to our financing leases for purposes of determining our lease liabilities. The weighted average discount rate applied to our financing leases is 4.50% and the weighted average remaining lease term is 10.3 months.

The following table shows the components of financing lease cost:

Financing Lease Cost	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Amortization of right-of-use assets	\$ 10,211	\$ 15,121	\$ 21,203	\$ 33,497
Interest on lease liabilities	417	3,375	2,353	4,247
Total financing lease cost	\$ 10,628	\$ 18,496	\$ 23,556	\$ 37,744

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2021 and 2020

The following table reconciles future minimum lease payments to the discounted finance lease liability:

Years ending December 31,	Amount
2021 - remaining	\$ 18,079
2022	12,803
2023	—
2024	—
2025	—
Thereafter	—
Total future minimum lease payments	\$ 30,882
Less: Amount representing interest	644
Present value of future payments	<u>\$ 30,238</u>
Current portion	\$ 30,238
Long-term portion	\$ —

Because our office space leases are substantially all considered to be short-term, we have elected not to recognize them on our balance sheet under the short-term recognition exemption. During the three and six months ended June 30, 2021, we recognized \$19,000 and \$35,263, respectively, in short-term lease costs associated with office space leases.

NOTE 7 – STOCKHOLDERS' EQUITY

As of June 30, 2021, and December 31, 2020, the Company held 3,412,378 shares of its common stock in treasury at a total cost of \$3,353,019, respectively.

As of June 30, 2021, the Company had 361,409 restricted stock units, 480,667 performance based restricted stock units, and 934,700 stock options outstanding with \$846,876 in remaining compensation expense to be recognized over the next 1.9 years.

2021 EIP and LTIP

On May 28, 2021, the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board") approved the 2021 Executive Incentive Plan (the "2021 EIP") for Brenton W. Hatch, the Company's Executive Chairman, Ryan W. Oviatt, the Company's Co-CEO, Co-President, and CFO, Cameron M. Tidball, the Company's Co-CEO and Co-President, Jay G. Fugal, the Company's Vice President of Operations, and Patrick D. Fisher, the Company's Vice President of Product Development. The 2021 EIP provides for the potential award of incentive compensation to the participants based on the Company's financial performance in fiscal 2021. If earned, the incentive compensation will be payable in cash and stock, and the stock portion of the incentive compensation is intended to constitute an award under the Company's 2014 Equity Incentive Plan, as amended (the "Plan").

Under the terms of the 2021 EIP, each participating executive officer has been assigned a target incentive compensation amount for fiscal 2021. The target incentive compensation amount for Mr. Hatch is \$200,000, the target incentive compensation amount for Mr. Oviatt is \$150,000, the target incentive compensation amount for Mr. Tidball is \$150,000, the target incentive compensation for Mr. Fugal is \$54,000, and the target incentive compensation for Mr. Fisher is \$51,000 CAD. Under no circumstance can the participants receive more than two times the assigned target incentive compensation.

Participants will be eligible to receive incentive compensation based upon reaching or exceeding performance goals established by the Compensation Committee for fiscal 2021. The performance goals in the 2021 EIP are based on the Company's total revenue, EBITDA, and a non-financial milestone relating to revenue source diversification. Each of these performance goals will be weighted one third in calculating incentive compensation amounts.

The incentive compensation amounts earned under the 2021 EIP, if any, will be paid 50% in cash and 50% in shares of restricted stock under the Plan. In no event shall the total award exceed 200% of the target incentive compensation amount for each participant, or exceed any limitations otherwise set forth in the Plan. The actual incentive compensation amounts, if

PROFIRE ENERGY, INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2021 and 2020

any, will be determined by the Compensation Committee upon the completion of fiscal 2021 and paid by March 15, 2022, subject to all applicable tax withholding.

In addition to the 2021 EIP, the Board also approved as a long-term incentive plan the grants of a restricted stock unit awards to Messrs. Oviatt, Tidball, Fugal, and Fisher pursuant to the Plan (the "2021 LTIP"). The 2021 LTIP consists of total awards of up to 204,543 restricted stock units ("Units") to Mr. Oviatt, up to 204,543 Units to Mr. Tidball, up to 85,908 Units to Mr. Fugal, and up to 47,973 Units to Mr. Fisher, pursuant to two separate restricted stock unit award agreements (collectively, the "Restricted Stock Unit Award Agreements") between the Company and each participant. One agreement covers 33% of each award recipient's Units that are subject to time-based vesting, and the other agreement covers the remaining 67% of such award recipient's Units that may vest based on performance metrics. Upon vesting, the award agreements entitle the award recipients to receive one share of the Company's common stock for each vested Unit. The vesting period of the 2021 LTIP began on January 1, 2021, and terminates on December 31, 2023 (the "Performance Vesting Date").

The Units subject to time-based vesting, including 68,181 Units to Mr. Oviatt, 68,181 Units for Mr. Tidball, 28,636 Units to Mr. Fugal, and 15,991 Units to Mr. Fisher, will vest in three equal annual installments beginning December 31, 2021 and ending on December 31, 2023 if the award recipients' employment continues with the Company through such dates.

The performance-vesting Units, including up to 136,362 Units for Mr. Oviatt, 136,362 Units for Mr. Tidball, 57,272 Units for Mr. Fugal, and 31,982 Units to Mr. Fisher, are eligible to vest over a three-year performance period beginning January 1, 2021 (the "Performance Period") based upon the following Company performance metrics:

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135%	194%	253%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA as a Percentage of Total Revenue	1/3	10%	15%	20%

One-third of such performance-vesting Units, consisting of 45,454 Units for Mr. Oviatt, 45,454 Units for Mr. Tidball, 19,091 Units for Mr. Fugal, and 10,661 Units for Mr. Fisher, are eligible to vest for each of the three performance metrics identified in the table above. The number of Units that will vest for each performance metric on the Performance Vesting Date shall be determined as follows:

- if the "Target" level for such performance metric is not achieved, none of the Units relating to such performance metric will vest;
- if the "Target" level (but no higher level) for such performance metric is achieved, 50% of the Units relating to such performance metric will vest;
- if the "Above Target" level (but no higher level) for such performance metric is achieved, 75% of the Units relating to such performance metric will vest; and
- if the "Outstanding" level for such performance metric is achieved, 100% of the Units relating to such performance metric will vest.

The foregoing summary of the 2021 EIP, the 2021 LTIP and the Restricted Stock Unit Award Agreements is qualified in its entirety by the text of the 2021 EIP and each of the Restricted Stock Unit Award Agreements, which the Company has filed as an exhibits to this report.

2020 EIP and LTIP

Due to economic uncertainties including those caused by the COVID-19 pandemic, the Board, with the support of the Company's executives, elected not to adopt an executive incentive plan ("2020 EIP") or long-term incentive plan ("2020 LTIP") for 2020. The Board and executives believed this was an appropriate short-term measure that helped align the Company's cost structure with the extraordinary conditions that affected the industry in which we operate.

2021 RSUs

On February 18, 2021, the Board, upon the recommendation of the Compensation Committee, approved a restricted stock award of 8,852 shares of common stock to each of Cameron M. Tidball and Ryan W. Oviatt. Messrs. Tidball and Oviatt entered into Restricted Stock Unit Award Agreements, the forms of which were approved pursuant to the Plan. These

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restricted stock awards, which vested immediately, were settled by the issuance of a total of 27,334 shares of common stock, net of tax withholding and resulted in \$45,999 of compensation expense.

On June 16, 2021, pursuant to the annual renewal of director compensation, the Board approved a grant of 189,471 RSUs to the Company's independent directors. Half of the RSUs vested immediately on the date of grant and the remaining 50% of the RSUs will vest on the first anniversary of the grant date or at the Company's next annual meeting of stockholders, whichever is earlier. The awards will result in total compensation expense of approximately \$216,000 to be recognized over the vesting period.

2020 RSUs

On June 17, 2020, pursuant to the annual renewal of director compensation, the Board approved a grant of 270,966 RSUs to the Company's independent directors. Half of the RSUs vested immediately on the date of grant and the remaining 50% of the RSUs will vest on the first anniversary of the grant date or at the Company's next annual meeting of stockholders, whichever is earlier. The awards will result in total compensation expense of \$252,000 to be recognized over the vesting period.

Mr. Arlen B. Crouch resigned from his position as a member of the Board, effective August 3, 2020. Mr. Crouch's resignation did not result from any disagreements with management or the Board. On the effective date of Mr. Crouch's resignation, all of his unvested RSUs were forfeited. The related compensation expense associated with Mr. Crouch's unvested RSUs will be recaptured. On July 30, 2020, the Board appointed Colleen Larkin Bell to serve as a director to fill the vacancy resulting from Mr. Crouch's resignation, effective August 3, 2020. Ms. Bell was also appointed as Chair of the Nominating Committee and as a member of the Audit and Compensation Committees. As part of her compensation for her service as a director and committee member, on August 21, 2020, the board approved a grant of 92,934 RSUs. Half of the RSUs vested immediately on the date of the grant and the remaining 50% of the RSUs will vest on the first anniversary of the grant date. The awards will result in total compensation expense of \$2,953 to be recognized over the vesting period.

2020 Stock Options

On March 17, 2020 (the "March Grant Date"), the Board approved a grant of options to purchase 15,200 shares of the Company's common stock at a strike price of \$0.81 to various employees (the "March 2020 Options"). The March 2020 Options terminate four years from the March Grant Date and become exercisable as to one-third of the shares of common stock covered thereby on each anniversary of the March Grant Date for the next three years following the March Grant Date. The March 2020 Options resulted in a total compensation expense of \$40,280.

On July 2, 2020 (the "July Grant Date"), upon the recommendation of the Compensation Committee, the Board approved the grant of a non-qualified stock option to purchase 100,000 shares of the Company's common stock to each of Mr. Oviatt and Mr. Tidball under the Plan and pursuant to the standard form of notice of stock option grant and stock option agreement under the plan (the "July 2020 Options"). The exercise price of the July 2020 Options is equal to the closing bid price of the Company's common stock on July 2, 2020, or \$0.8439 per share. The July 2020 Options vest equally over a period of three years from the July Grant Date. Vesting occurs on the anniversary date of the July Grant Date, with one-third of the total shares vesting on each of the first three anniversaries of the July Grant Date. Vesting is contingent upon the executive's continued employment with the Company on each applicable vesting date. The July 2020 Options expire on July 2, 2024. The July 2020 Options will result in a total compensation expense of \$79,431 to be recognized over the vesting period.

On August 21, 2020 (the "August Grant Date"), the Board approved a grant of options to purchase 630,000 shares of the Company's common stock at a strike price of \$0.785 to various employees (the "August 2020 Options"). The August 2020 Options terminate four years from the August Grant Date and become exercisable as to one-third of the shares of common stock covered thereby on each anniversary of the August Grant Date for the next three years following the August Grant Date. The August 2020 Options will result in a total compensation expense of \$233,111 to be recognized over the vesting period.

NOTE 8 – REVENUE

Performance Obligations

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Our performance obligations include providing product and servicing our product. We recognize product revenue performance obligations in most cases when the product is delivered to the customer. Occasionally, if we are shipping the product on a customer's account, we recognize revenue when the product has been shipped. At that point in time, the control of the product is transferred to the customer. When we perform service work, we apply the practical expedient that allows us to recognize service revenue when we have the right to invoice the customer for the work completed. We do not engage in transactions acting as an agent. The time needed to complete our performance obligations varies based on the size of the project; however, we typically satisfy our performance obligations within a few months of entering into the applicable sales contract or service contract.

Our customers have the right to return certain unused and unopened products within 90 days for a restocking fee. We provide a warranty on some of our products ranging from 90 days to 2 years, depending on the product. See [Note 5](#) for the amount accrued for expected returns and warranty claims as of June 30, 2021.

Contract Balances

We have elected to use the practical expedient in ASC 340-40-25-4 (regarding recognition of the incremental costs of obtaining a contract) for costs related to contracts that are estimated to be completed within one year. All of our current sales contracts and service contracts are expected to be completed within one year, and as a result, we have not recognized a contract asset account. If we had chosen not to use this practical expedient, we would not expect a material difference in the contract balances. We also did not have any material contract liabilities because we typically do not receive payments in advance of recognizing revenue.

Disaggregation of Revenue

All revenue recognized in the income statement is considered to be revenue from contracts with customers. The table below shows revenue by category:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Electronics	\$ 2,016,876	\$ 1,644,668	\$ 3,868,675	\$ 4,301,755
Manufactured	324,830	142,234	561,640	543,092
Re-Sell	3,032,833	2,212,237	5,601,759	6,015,250
Service	659,744	360,340	1,094,558	946,524
Total Revenue	\$ 6,034,283	\$ 4,359,479	\$ 11,126,632	\$ 11,806,621

NOTE 9 – BASIC AND DILUTED EARNINGS PER SHARE

The following table is a reconciliation of the numerator and denominators used in the earnings per share calculation:

	For the Three Months Ended June 30,					
	2021			2020		
	Loss (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount	Loss (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount
Basic EPS						
Net loss available to common stockholders	\$ (397,166)	48,054,136	\$ (0.01)	\$ (808,503)	47,723,208	\$ (0.02)
Effect of Dilutive Securities						
Stock options & RSUs	—	—		—	—	
Diluted EPS						
Net loss available to common stockholders + assumed conversions	<u>\$ (397,166)</u>	<u>48,054,136</u>	\$ (0.01)	<u>\$ (808,503)</u>	<u>47,723,208</u>	\$ (0.02)

Stock options and RSUs to purchase 1,776,776 shares of common stock at a weighted average price of \$1.15 per share were outstanding during the three months ended June 30, 2021, but were not included in the computation of diluted EPS because

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the impact of these shares would be antidilutive. These RSUs, which expire between December 2022 and December 2024, were still outstanding at June 30, 2021.

Stock options and RSUs to purchase 534,924 shares of common stock at a weighted average price of \$0.83 per share were outstanding during the three months ended June 30, 2020, but were not included in the computation of diluted EPS because the impact of these shares would be antidilutive. These options, which expire between March 2021 and March 2024, were still outstanding at June 30, 2020.

	For the Six Months Ended June 30,					
	2021			2020		
	Income (loss) (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount	Income (Numerator)	Weighted Average Shares (Denominator)	Per-Share Amount
Basic EPS						
Net income (loss) available to common stockholders	\$ (998,666)	48,022,295	\$ (0.02)	\$ (1,173,767)	47,607,825	\$ (0.02)
Effect of Dilutive Securities						
Stock options & RSUs	—	—		—	—	
Diluted EPS						
Net income (loss) available to common stockholders + assumed conversions	\$ (998,666)	48,022,295	\$ (0.02)	\$ (1,173,767)	47,607,825	\$ (0.02)

Stock options and RSUs to purchase 1,776,776 shares of common stock at a weighted average price of \$1.15 per share were outstanding during the six months ended June 30, 2021, but were not included in the computation of diluted EPS because the impact of these shares would be antidilutive. These RSUs, which expire between December 2022 and December 2024, were still outstanding at June 30, 2021.

Stock options and RSUs to purchase 555,866 shares of common stock at a weighted average price of \$0.98 per share were outstanding during the six months ended June 30, 2020, but were not included in the computation of diluted EPS because the impact of these shares would be antidilutive. These options, which expire between March 2021 and March 2024, were still outstanding at June 30, 2020.

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NOTE 10 – SEGMENT INFORMATION

The Company operates in the United States and Canada. Segment information for these geographic areas is as follows:

Sales	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Canada	\$ 1,035,377	\$ 585,695	\$ 1,863,822	\$ 1,609,417
United States	4,998,906	3,773,784	9,262,810	10,197,204
Total Consolidated	\$ 6,034,283	\$ 4,359,479	\$ 11,126,632	\$ 11,806,621

Profit (Loss)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Canada	\$ (556,713)	\$ (264,163)	\$ (877,475)	\$ (586,232)
United States	159,547	(544,340)	(121,191)	(587,535)
Total Consolidated	\$ (397,166)	\$ (808,503)	\$ (998,666)	\$ (1,173,767)

Long-Lived Assets	As of	
	June 30, 2021	December 31, 2020
Canada	\$ 5,971,607	\$ 6,049,790
United States	5,778,843	6,022,115
Total Consolidated	\$ 11,750,450	\$ 12,071,905

NOTE 11 – SUBSEQUENT EVENTS

In accordance with ASC 855 "Subsequent Events," Company management reviewed all material events through the date this report was issued and there were no subsequent events to report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity, and capital resources during the three and six-month periods ended June 30, 2021 and 2020. This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and notes to the financial statements contained in this quarterly report on Form 10-Q and our annual report on Form 10-K for the year ended December 31, 2020.

Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are based on management's beliefs and assumptions and on information currently available to management. For this purpose, any statement contained in this report that is not a statement of historical fact may be deemed to be forward-looking, including, but not limited to, statements relating to our future actions, intentions, plans, strategies, objectives, results of operations, cash flows and the adequacy of or need to seek additional capital resources and liquidity. Words such as "may," "should," "expect," "project," "plan," "anticipate," "believe," "estimate," "intend," "budget," "forecast," "predict," "potential," "continue," "should," "could," "will," or comparable terminology or the negative of such terms are intended to identify forward-looking statements; however, the absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements by their nature involve known and unknown risks and uncertainties and other factors that may cause actual results and outcomes to differ materially depending on a variety of factors, many of which are not within our control. Such factors include, but are not limited to, economic conditions generally and in the oil and gas industry in which we and our customers participate; competition within our industry; legislative requirements or changes which could render our products or services less competitive or obsolete; our failure to successfully develop new products and/or services or to anticipate current or prospective customers' needs; price increases; limits to employee capabilities; delays, reductions, or cancellations of contracts we have previously entered into; sufficiency of working capital, capital resources and liquidity and other factors detailed herein and in our other filings with the United States Securities and Exchange Commission (the "SEC" or "Commission"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. For a more detailed discussion of the principal factors that could cause actual results to be materially different, you should read our risk factors in [Item 1A. Risk Factors](#), included elsewhere in this report.

Forward-looking statements are based on current industry, financial, and economic information which we have assessed but which by its nature is dynamic and subject to rapid and possibly abrupt changes. Due to risks and uncertainties associated with our business, our actual results could differ materially from those stated or implied by such forward-looking statements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements and we hereby qualify all of our forward-looking statements by these cautionary statements.

Forward-looking statements in this report are based only on information currently available to us and speak only as of the date on which they are made. We undertake no obligation to amend this report or revise publicly these forward-looking statements (other than as required by law) to reflect subsequent events or circumstances, whether as the result of new information, future events or otherwise.

The following discussion should be read in conjunction with our financial statements and the related notes contained elsewhere in this report and in our other filings with the Commission.

Overview

We are a technology company providing solutions that enhance the efficiency, safety, and reliability of industrial combustion appliances while mitigating potential environmental impacts related to the operation of these devices. Our legacy business is primarily focused in the upstream, midstream, and downstream transmission segments of the oil and gas industry; however, we have commenced identifying applications in other industries where we believe our solutions will be applicable as we expand our addressable market over time. We specialize in the engineering and design of burner and combustion management systems and solutions used on a variety of natural and forced draft applications. We sell our products and services primarily throughout North America. Our experienced team of sales and service professionals are strategically positioned across the United States and Canada providing support and service for our products.

Principal Products and Services

Across the energy industry, there are numerous demands for heat generation and control. Applications such as combustors, enclosed flares, gas production units, treaters, glycol and amine reboilers, indirect line-heaters, heated tanks, and process heaters require heat as part of their production and or processing functions. This heat is generated through the process of combustion, which must be controlled, managed, and supervised. Combustion and the resulting generation of heat are integral to the process of separating, treating, storing, incinerating, and transporting oil and gas. Factors such as specific gravity, the presence of hydrates, temperature and hydrogen sulfide content contribute to the need for heat generation in oil and gas production and processing applications. Our burner-management systems ignite, monitor, and manage pilot and burner systems that are utilized in this process. Our technology affords remote operation, reducing the need for employee interaction with the appliance's burner for purposes such as re-ignition or temperature monitoring. In addition, our burner-management systems can help reduce emissions by efficiently reigniting a failed flame, thereby improving efficiencies and up-time. Our extensive service and combustion experience provide customers with solutions that are consistent with industry trends and regulatory requirements to mitigate environmental impacts and reduce emissions through increased efficiency.

Oil and gas companies, including upstream, midstream, downstream, pipeline, and gathering operators, utilize burner-management systems to achieve increased safety, greater operational efficiencies, and improved compliance with industry regulations. Without a burner-management system, a field employee must discover and reignite an extinguished burner flame, then restart the application manually. Therefore, without a proper burner-management system, all application monitoring must be accomplished in-person, directly on-site. This requirement for on-site monitoring, in an environment with limited field personnel, can result in the potential interruption of production for long periods of time and increased risks associated with reigniting a flame, which can lead to site hazards, including explosions and the possibility of venting gas into the atmosphere. In addition, without a burner-management system, burners often operate for longer durations, frequently with lower efficiency, resulting in increased equipment fatigue and greater expense related to fuel consumption. We continue to assess regulatory requirements on behalf of our customers. We believe that burner-management systems and services offer solutions for customers to meet compliance standards where applicable. In addition to product sales, we dispatch specialized service technicians to provide maintenance and installation support throughout the United States and Canada.

We initially developed our first burner-management controller in 2005. Since that time, our systems have become widely adopted throughout the United States and Western Canada. Profire burner-management systems have been designed to comply with widely accepted safety and industrial codes and standards in North America, including those proscribed and certified by the Canadian Standards Association (CSA), Underwriters Laboratories (UL), and Safety Integrity Level (SIL) standards.

Our systems and solutions have been widely adopted by exploration and production companies (E&P), midstream operators, pipeline operators, as well as downstream transmission and utility providers. Our customers include, Antero, ATCO, Cenovus, Chevron, CNRL, Concho Resources, Devon Energy, Dominion Energy, EQT, Hess, Pioneer Natural Resources, Williams, XTO, and others. Our systems have also been sold and installed in other parts of the world including many countries in South America, Europe, Africa, the Middle East, and Asia. Though firmly established and primarily focused on North American oil and gas markets, we continue to invest in expansion efforts in international markets and the broader combustion industries.

Environmental, Social and Governance Focus

As guiding principles and core to our strategy, our products and solutions are developed with a focus on safety, environmental impacts, reliability and efficiency. Protecting human life, protecting the environment, and protecting our customers' investments are key guiding principles. Our products play a key role in supporting our customers' existing and future initiatives regarding improving workplace safety and environmental impacts.

Our burner-management technology is designed to monitor, operate, and manage a wide array of complex industrial heat-applications. Our safety-approved and certified technology, which is purposefully designed and built to meet regulatory requirements and process needs, is a critical component of our customers' safety protocols and initiatives.

Proper burner and combustion management control, coupled with peripheral solutions, increase site and location safety while reducing emissions. Profire technology and solutions are integrated into a variety of applications to significantly reduce the release of methane and volatile organic compounds into the environment.

Profire burner-management controls and complementary solutions provide users with the ability to monitor field equipment remotely. This reduces truck rolls and the need for field personnel to travel to and manually inspect burner malfunctions in remote sites and locations. Our automated solutions help our customers improve safety, reduce emissions, and decrease operating costs.

Operator safety is at the heart of our burner-management solution technology. The use of these systems helps our customers increase the likelihood that their employees perform their job safely and return home each day. Adding greater physical distance between humans and the combustion process, as well as ensuring gas supplies are properly shut off when no flame is present, are two of the critical elements of how our burner-management solutions help protect human life.

Results of Operations

Comparison quarter over quarter

The table below presents certain financial data comparing the most recent quarter to prior quarters:

	For the three months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total Revenues	\$ 6,034,283	\$ 5,092,349	\$ 5,651,883	\$ 4,000,106	\$ 4,359,479
Gross Profit Percentage	44.0 %	42.7 %	48.8 %	38.0 %	47.9 %
Operating Expenses	\$ 3,252,169	\$ 2,978,912	\$ 2,762,437	\$ 2,849,921	\$ 3,164,318
Net Income (Loss)	\$ (397,166)	\$ (601,500)	\$ 55,918	\$ (1,057,748)	\$ (808,503)
Operating Cash Flow	\$ (264,843)	\$ 1,820,665	\$ 141,723	\$ (724,342)	\$ 575,941

Revenues for the quarter ended June 30, 2021, increased by 38% or \$1,674,804 compared to the quarter ended June 30, 2020, which was mostly driven by improved customer demand associated with modest recoveries from the macro industry challenges and the effects of the COVID-19 pandemic. The average oil price during the three months ended June 30, 2021, was \$66.19 per barrel compared to \$27.96 per barrel for the same period of last year, representing an increase of 137%. Additionally, the second quarter of 2021 weekly average rig count for North America was 508 compared to 401 in the same period of last year, which represents an increase of 27%. Although oil prices have recovered from the historic lows of 2020, which was caused by a flood of supply from Russia and Saudi Arabia and a dramatic drop in global demand due to the COVID-19 pandemic, the operating environment in the second quarter of 2021 continued to be characterized by uncertainty surrounding economic recovery from the COVID-19 pandemic and geopolitical factors. This uncertainty continued to create strain in oil supply and demand dynamics. As a result of these extraordinary macro pressures and uncertainties, exploration and production companies have remained cautious and have not invested in new production like they were prior to the pandemic. Until our customers return to higher capital expenditure levels, our business is likely to continue to be adversely affected.

Our gross profit margin for the second quarter of 2021 was down 3.9% from the same quarter of last year and was below our normally expected range. The gross margin percentage normally fluctuates each quarter due to changes in product mix and product related reserves, which contributed to the change in gross profit margin for the second quarter of 2021. During the second quarter of 2021, a larger portion of our revenue was generated from service work which also contributed to the decrease in profit margin compared to the same quarter last year. Fixed costs will continue to impact our gross profit margin until revenues recover.

Operating expenses increased \$87,851 from the same quarter of last year, which reflected a focus on strategic investments in business development and our employees as we seek to recover from the uncertainty caused by the COVID-19 pandemic and the resulting oil market supply and demand imbalance. We expect that our operating expenses, particularly labor and travel costs, will further increase in the second half of 2021 as we position ourselves to respond to the anticipated economic recovery from the pandemic and increased demand for oil and gas production.

Due to the factors discussed above, we reported a net loss of \$397,166 for the quarter ended June 30, 2021, compared to a net loss of \$808,503 for the same quarter in 2020.

Operating cash flows decreased during the second quarter of 2021 compared to the second quarter of 2020, due primarily to changes in customer accounts receivable balances, as well as accounts payable and inventory accounts.

The global COVID-19 pandemic continued to impact our business during the second quarter of 2021 and will likely continue to impact our business in future quarters. However, we remain optimistic that our results of operations will improve as vaccine distribution increases, which we anticipate will result in improved economic conditions and improved demand for oil and gas.

Comparison of the six months ended June 30, 2021 and 2020

The table below presents certain financial data comparing the six months ended June 30, 2021 to the same period ended June 30, 2020:

	For the Six Months Ended June 30,		\$ Change	% Change
	2021	2020		
Total Revenues	\$ 11,126,632	\$ 11,806,621	\$ (679,989)	(5.8)%
Gross Profit Percentage	43.4 %	44.5 %		(1.1)%
Operating Expenses	\$ 6,231,081	\$ 6,994,054	\$ (762,973)	(10.9)%
Net Loss	\$ (998,666)	\$ (1,173,767)	\$ 175,101	(14.9)%
Operating Cash Flow	\$ 1,555,822	\$ 847,019	\$ 708,803	83.7 %

Revenues during the six-month period ended June 30, 2021, decreased 5.8% compared to the same period of last year. The decrease in revenue was largely due to continued uncertainties surrounding economic recovery from the COVID-19 pandemic and geopolitical factors. Operating expenses decreased 10.9% year-over-year due to our focus on cost control measures in 2020. The decrease in operating expenses helped offset the decrease in revenues. As a result, we reported a net loss of \$998,666 for the six months ended June 30, 2021, compared to a net loss of \$1,173,767 for the same period in 2020. Our gross profit percentage decreased slightly by 1.1% during the six months ended June 30, 2021, compared to the same period in 2020, primarily due to changes in product mix, direct labor costs, inventory adjustments and the fixed cost structure within cost of goods and services.

Liquidity and Capital Resources

Working capital at June 30, 2021 was \$22,492,270, compared to \$23,420,475 at December 31, 2020.

Our liquidity position is impacted by operating, investing and financing activities. During the six months ended June 30, 2021, we generated \$1,555,822 of positive cash flow from operating activities, primarily due to cash received from sale of the remaining bays from our old office building in Canada and from changes in inventory levels, partially offset by the impact of changes in income tax accounts. Operating activity trends consist of cash inflows and outflows related to changes in operating assets and liabilities. During the six months ended June 30, 2021, we used \$743,382 of cash in investing activities, primarily due to the reinvestment of cash from financial investment maturities in our bond and CD portfolio. Investing activity trends consist of changes in the mix of our investment portfolio, purchases or sales of fixed assets, and acquisition activities. We do not anticipate any material capital expenditures over the next 12 months. During the six months ended June 30, 2021, we used \$64,578 of cash in financing activities, primarily related to equity awards issued to management. Financing activity trends consist of transactions related to equity awards and purchases or sales of treasury stock. We did not purchase any treasury stock during the first half of 2021. The extent to which the global COVID-19 pandemic will continue to affect our liquidity position will depend on future developments, which are highly uncertain and cannot be predicted with confidence. As of June 30, 2021, we held \$19,141,382 of cash and investments that form our core excess liquidity which could be utilized, if required, due to the issues described above. See also [Item 1A. Risk Factors](#) for further discussion on the impact of COVID-19 on our business.

Off-Balance Sheet Arrangements

We have not engaged in any off-balance sheet arrangements, nor do we plan to engage in any in the foreseeable future.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

This section is not required.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Principal Executive Officers and Principal Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act, as of the end of the period covered by this quarterly report on Form 10-Q. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officers and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based on the evaluation performed, our management, including the Principal Executive Officers and Principal Financial Officer, concluded that the disclosure controls and procedures were effective as of June 30, 2021.

Changes in Internal Control over Financial Reporting

Our management, with the participation of our Principal Executive Officers and Principal Financial Officer, evaluated the changes in our internal control over financial reporting that occurred during the quarterly period covered by this quarterly report on Form 10-Q. Based on that evaluation, management concluded that no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended June 30, 2021, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

To the best of our knowledge, there are no legal proceedings pending or threatened against us that may have a material impact on us and there are no actions pending or threatened against any of our directors or officers that are adverse to us.

Item 1A. Risk Factors

In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the risks discussed in our annual report on Form 10-K for the year ended December 31, 2020, which risks could materially affect our business, financial condition, or future results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material, adverse effect on our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

This item is not applicable.

Item 3. Defaults Upon Senior Securities

This item is not applicable.

Item 4. Mine Safety Disclosures

This item is not applicable.

Item 5. Other Information

This item is not applicable.

Item 6. Exhibits

Exhibits. The following exhibits are included as part of this report:

Exhibit 10.1	First Amendment to Second Amended and Restated Employment Agreement between Profire Energy and Brenton W. Hatch dated April 30, 2021 ⁽¹⁾
Exhibit 10.2	First Amendment to Second Amended and Restated Employment Agreement between Profire Energy and Ryan Oviatt dated April 30, 2021 ⁽²⁾
Exhibit 10.3	First Amendment to Amended and Restated Employment Agreement between Profire Energy and Cameron Tidball dated April 30, 2021 ⁽³⁾
Exhibit 10.4	First Amendment to Employment Agreement between Profire Energy and Jay G. Fugal dated April 30, 2021 ⁽⁴⁾
Exhibit 10.5	First Amendment to Employment Agreement between Profire Energy and Patrick D. Fisher dated April 30, 2021 ⁽⁵⁾
Exhibit 10.6*	Profire Energy, Inc. 2021 Executive Incentive Plan
Exhibit 10.7*	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Ryan Oviatt dated June 4, 2021.
Exhibit 10.8*	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Ryan Oviatt dated June 4, 2021.
Exhibit 10.9*	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Cameron Tidball dated June 4, 2021.
Exhibit 10.10*	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Cameron Tidball dated June 4, 2021.
Exhibit 10.11*	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Jay G. Fugal dated June 4, 2021.
Exhibit 10.12*	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Jay G. Fugal dated June 4, 2021.
Exhibit 10.13*	Restricted Stock Unit Award Agreement (Performance Vesting) between Profire Energy and Patrick D. Fisher dated June 4, 2021.
Exhibit 10.14*	Restricted Stock Unit Award Agreement (Time Vesting) between Profire Energy and Patrick D. Fisher dated June 4, 2021.
Exhibit 31.1*	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Ryan W. Oviatt
Exhibit 31.2*	Certification of Co-Principal Executive Officer Pursuant to Rule 13a-14(a) Cameron M. Tidball

Exhibit 31.3*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)
Exhibit 32.1*	Certification of Principal Executive Officers pursuant to 18 U.S.C. Section 1350
Exhibit 32.2*	Certification of Ryan W. Oviatt, Principal Financial Officer pursuant to 18 U.S.C. Section 1350
Exhibit 101.INS*	XBRL Instance Document
Exhibit 101.SCH*	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF*	XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

- (1) Incorporated by reference to Exhibit 10.3 to the Registration Quarterly Report on Form 10-Q filed on May 5, 2021.
- (2) Incorporated by reference to Exhibit 10.4 to the Registration Quarterly Report on Form 10-Q filed on May 5, 2021.
- (3) Incorporated by reference to Exhibit 10.5 to the Registration Quarterly Report on Form 10-Q filed on May 5, 2021.
- (4) Incorporated by reference to Exhibit 10.6 to the Registration Quarterly Report on Form 10-Q filed on May 5, 2021.
- (5) Incorporated by reference to Exhibit 10.7 to the Registration Quarterly Report on Form 10-Q filed on May 5, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PROFIRE ENERGY, INC.

Date: August 4, 2021

By: /s/ Ryan W. Oviatt
Ryan W. Oviatt
Co-Chief Executive Officer and Chief Financial Officer

Date: August 4, 2021

By: /s/ Cameron M. Tidball
Cameron M. Tidball
Co-Chief Executive Officer

Profire Energy, Inc.
2021 Executive Incentive Plan

1. **Purpose.** The purpose of this 2021 Executive Incentive Plan (the “Plan”) is to enable Profire Energy, Inc., a Nevada corporation (the “Company”), to attract, retain, motivate and reward management employees by providing them with the opportunity to earn annual incentive compensation linked to Company performance.

2. **Effective Date and Performance Period.** The effective date of the Plan is January 1, 2021. The performance period under the Plan will commence on January 1, 2021 and terminate on December 31, 2021.

3. **Administration.** The Plan is being entered into pursuant to the Company’s 2014 Equity Incentive Plan (the “2014 Plan”) as a Performance Award (as such term is defined in the 2014 Plan). Under the 2014 Plan, the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) may make incentive grants subject to certain additional terms and conditions (not inconsistent with the 2014 Plan). The Committee, acting under the authority of the Board, shall administer and interpret the Plan. The Plan shall conform in all respects to the terms of the 2014 Plan and the Committee’s interpretations and determinations under the Plan shall be final and conclusive.

4. **Participation.** The Committee has determined the management employees eligible to participate in the Plan (the “Participants”) and the target incentive compensation amounts determined as a percentage of the anticipated base salary on December 31, 2021 (the “Target Incentive Compensation Amount”) of each Participant as set forth in Exhibit A.

A. **Brenton W. Hatch Participation:** Pursuant to Mr. Hatch’s Second Amended and Restated Employment Agreement dated July 2, 2020, he is to serve as Executive Chairman of the Company for a maximum of 50% of the 2021 calendar year. His final incentive compensation amount pursuant to this Plan will be 50% of the amount it otherwise would be if he had served as Executive Chairman for the full 2021 calendar year. Therefore, Mr. Hatch’s Target Incentive Compensation Amount as set forth in Exhibit A is equal to 50% of the amount it otherwise would be if he had served as Executive Chairman for the full 2021 calendar year.

5. **Incentive Compensation Calculation.** The Committee shall determine incentive compensation to Participants under the Plan as follows:

A. **Performance Objectives.** The distribution of incentive compensation shall be determined based on the achievement of the following three target performance objectives (the “Performance Objectives”):

Performance Objectives for fiscal year 2021	Weight	Threshold Level	Stretch Level
1. Revenue	1/3	\$23,000,000	\$27,000,000
2. EBITDA	1/3	\$0	\$750,000
3. Non-Financial Revenue	1/3	Determined by the	Determined by the

3. Non-Financial Revenue Source Diversification	4/3	Determined by the Committee	Determined by the Committee
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(i) “Revenue” means TOTAL REVENUES as presented on the Company’s Statement of Operations and Other Comprehensive Income (Loss) in accordance with U.S. generally accepted accounting principles (GAAP) and filed with the U.S. Securities and Exchange Commission (“SEC”).

(ii) “EBITDA” means net income for that year as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization. Calculation of all components of EBITDA shall be in accordance with GAAP and based on the consolidated financial statements of the Company for fiscal 2021 or otherwise determined from the Company’s accounting records on a consistent basis. EBITDA and Revenue are also collectively referred to herein as the “Financial Performance Objectives”.

(iii) “Non-Financial: Revenue Source Diversification” means diversification of the Company’s revenue sources as determined by the Committee. Non-Financial: Revenue Source Diversification is also referred to herein as the “Non-Financial Performance Objective”.

Adjustments to the definitions of Revenue and EBITDA and their respective Target Levels set forth above may be made by the Committee in the event of the occurrence of extraordinary, unusual or non-recurring circumstances and for non-cash items that, in the judgment of the Committee, would cause such definition or Target Level to fail to fairly reflect the performance of the Company. These circumstances may include acquisitions, divestitures, joint ventures, regulatory developments, tax law changes, accounting changes, restructuring or other special charges, other occurrences and non-cash items. The Committee shall make the final determination as to the calculations of the Financial Performance Objectives, and the amounts up to the Maximum Payout Amount (as defined in Section 6) to be paid to Participants.

B. Payout Factor. The applicable “Payout Factor” for the actually achieved amount for each Financial Performance Objective is set forth on Exhibit B.

C. Calculation. Subject to any limitations set forth in Section 6 relating to the 2014 Plan and the Maximum Payout Amount (as defined in Section 6), a Participant’s incentive compensation under the Plan shall be calculated as the sum of the following for each Performance Objective, as applicable (for each, the “Performance Objective Payout Amount”):

(i) Financial Performance Objectives.

(a) if the actually achieved amount for the Financial Performance Objective is less than the applicable Threshold Level, then the Performance Objective Payout Amount will be zero (\$0);

(b) if the actually achieved amount for such Financial Performance Objective is at least the applicable Threshold Level, then the Performance Objective Payout Amount shall equal (A) the applicable Payout Factor multiplied by (B) the applicable Performance Objective

Weight (as stated in Section 5(a)) multiplied by (C) the applicable Target Incentive Compensation Amount for such Participant.

(ii) Non-Financial Performance Objective. The Performance Objective Payout Amount for the Non-Financial Performance Objective shall be determined in the discretion of the Committee.

D. Payout Split. Incentive compensation amounts earned under the Plan shall be paid out 50% in cash (the "Cash Portion") and 50% in shares of the Company's common stock (the "Stock Portion"). In determining the number of shares of common stock to be issued to the Participant for the Stock Portion, the Company shall divide (x) 50% of such Participant's aggregate incentive compensation amount by (y) the volume weighted average price per share of the Company's common stock over the five trading days prior to the date of the Committee's final determination of the incentive compensation amount (the "Incentive Compensation Determination Date").

6. Compliance with 2014 Plan and Incentive Compensation Amount Limitations.

A. Compliance with 2014 Plan. In no event shall incentive compensation paid out under the Plan exceed the limitations set forth in the 2014 Plan. In the event this Plan conflicts with the terms of the 2014 Plan, this Plan shall be modified to the extent necessary to comply with the terms of the 2014 Plan.

B. Additional Limitations. In addition to the limitations set forth in Section 6(a) above, in no event shall a Participant receive incentive compensation under the Plan that is in excess of 200% of such Participant's Target Incentive Compensation Amount (the "Maximum Payout Amount").

7. Payment of Incentive Compensation. The payment of the Cash Portion and the Stock Portion of the incentive compensation amount shall be made to Participants as soon as practicable following the Incentive Compensation Determination Date and in any event by the 15th day of the third month following the end of the fiscal year 2021 (the "Incentive Compensation Delivery Date"), subject to a Participant's satisfaction of all required tax withholding obligations as set forth in the Plan. Provided a Participant has satisfied all required tax withholding obligations in respect of the Stock Portion of the incentive compensation amount, the Company shall cause to be issued and delivered to the Participant by the Incentive Compensation Delivery Date a certificate or certificates evidencing the applicable number of shares of the Company's common stock registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). If it is administratively impracticable to issue such shares within the time frame described above because issuances of shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

8. **Termination of Employment.** If a Participant's employment with the Company is terminated by the Company with Cause or by the Participant without Good Reason (both as defined in the Participant's employment agreement), the Participant (a) shall not be entitled to receive any incentive compensation payment for the fiscal year during which the termination of employment occurred and (b) shall be entitled to receive the incentive compensation payment for any prior fiscal year for which the incentive compensation payment has not been paid, with such amount payable at the same time the applicable incentive compensation payments are made to the other Participants. If a Participant's employment with the Company is terminated by the Company without Cause or by the Participant with Good Reason, the Participant (or the Participant's beneficiary) shall be entitled to receive (a) a pro rata incentive compensation payment for the fiscal year during which the termination of employment occurred equal to the amount the Participant would have received if employed for the entire fiscal year multiplied by a fraction, the numerator of which is the number of days in the fiscal year the Participant was employed and the denominator of which is 365, which amount shall be payable at the same time the applicable incentive compensation payments are made to the other Participants and (b) the incentive compensation payment for any prior fiscal year for which the incentive compensation payment has not been paid, with such amount payable at the same time the applicable incentive compensation payments are made to the other Participants.

9. **General Provisions.**

A. **Termination; Amendment.** Subject to the terms of the 2014 Plan, the Board or the Committee may at any time amend the Plan, except that any amendment applicable to the Plan made after the Board or Committee has determined the Participants and the Target Incentive Compensation Amounts shall apply only to Participants who have agreed in writing to the amendment.

B. **No Employment Rights.** Nothing in this Plan confers upon any Participant any right to continue in the employment of the Company or any of its subsidiaries or to be selected as a Participant in any subsequent year.

C. **Nonalienation of Benefits.** Except as expressly provided herein or otherwise required by applicable law, no Participant or beneficiary may alienate, transfer, anticipate, sell, assign, pledge, attach, or otherwise encumber the Participant's interest under the Plan.

D. **Withholding.** The Cash Portion of any incentive compensation payable to a Participant or a beneficiary under the Plan will be subject to any applicable federal, state and local income and employment taxes and any other amounts that the Company or a subsidiary is required at law to deduct and withhold from such Cash Portion of the incentive compensation. Regarding the Stock Portion of any incentive compensation payable to a Participant or a beneficiary under the Plan, such Participant acknowledges that, not later than the Incentive Compensation Delivery Date, the value of the delivered shares of common stock will be treated as ordinary compensation income for federal and state income and FICA tax purposes, and that the Company will be required to withhold taxes on this income amount. The Company will notify the Participant of the required withholding amount at least ten days prior to the Incentive Compensation Delivery Date. Concurrently with or prior to the delivery of the shares

of common stock as set forth in Section 7, the Participant, at his or her election (which election

must be made on or before the Incentive Compensation Delivery Date), shall (x) pay to the Company the required withholding amount for the Stock Portion in cash or (y) notify the Company that the Participant requests the Company to reduce the number of shares otherwise deliverable for the Stock Portion by a sufficient number to cover the applicable withholding obligations for the Stock Portion. If a Participant elects to pay the withholding for the Stock Portion by a reduction in shares received, the Company shall pay to the Participant in cash the amount of any resulting over payment ascribed to such shares retained to cover withholding obligations.

E. Plan Unfunded. The entire cost of the Plan shall be paid from the general assets of the Company. The rights of any Participant or beneficiary to receive an award under the Plan shall be only those of a general unsecured creditor, and neither the Company nor the Board shall be responsible for the adequacy of the general assets of the Company to meet and discharge Plan liabilities.

F. Severability. If any provision of the Plan is held unenforceable, the remainder of the Plan will continue in full force and effect without regard to such unenforceable provision and will be applied as though the unenforceable provision were not contained in the Plan.

G. Governing Law. The Plan will be construed in accordance with and governed by the laws of the State of Utah, without reference to the principles of conflict of laws.

H. Headings. Headings are inserted in the Plan for convenience of reference only and are to be ignored in any construction of the provisions of the Plan.

I. Section 409A. This Plan and the payments contemplated herein are intended to be exempt from or in compliance with Section 409A and shall be interpreted and administered consistent with such intent.

Exhibit A

Participants; Target Incentive Compensation Amount

Participant	Target Incentive Compensation	Currency
Brenton Hatch	\$ 200,000	USD
Ryan Oviatt	\$ 150,000	USD
Cameron Tidball	\$ 150,000	USD
Jay Fugal	\$ 54,000	USD
Patrick Fisher	\$ 51,000	CAD

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Exhibit B Payout Factors

	REVENUE			EBITDA		
	Acheivement Range		payout factor	Acheivement Range		payout factor
Threshold Level	\$ 23,000,000	\$ 23,000,000	0.85	\$ -	\$ -	0.85
	\$ 23,000,001	\$ 23,133,332	0.86	\$ 1	\$ 33,332	0.86
	\$ 23,133,333	\$ 23,266,666	0.87	\$ 33,333	\$ 66,666	0.87
	\$ 23,266,667	\$ 23,399,999	0.88	\$ 66,667	\$ 99,999	0.88
	\$ 23,400,000	\$ 23,533,332	0.89	\$ 100,000	\$ 133,332	0.89
	\$ 23,533,333	\$ 23,666,666	0.9	\$ 133,333	\$ 166,666	0.9
	\$ 23,666,667	\$ 23,799,999	0.91	\$ 166,667	\$ 199,999	0.91
	\$ 23,800,000	\$ 23,933,332	0.92	\$ 200,000	\$ 233,332	0.92
	\$ 23,933,333	\$ 24,066,666	0.93	\$ 233,333	\$ 266,666	0.93
	\$ 24,066,667	\$ 24,199,999	0.94	\$ 266,667	\$ 299,999	0.94
	\$ 24,200,000	\$ 24,333,332	0.95	\$ 300,000	\$ 333,332	0.95
	\$ 24,333,333	\$ 24,466,666	0.96	\$ 333,333	\$ 366,666	0.96
	\$ 24,466,667	\$ 24,599,999	0.97	\$ 366,667	\$ 399,999	0.97
	\$ 24,600,000	\$ 24,733,332	0.98	\$ 400,000	\$ 433,332	0.98
	\$ 24,733,333	\$ 24,866,666	0.99	\$ 433,333	\$ 466,666	0.99
	\$ 24,866,667	\$ 24,999,999	1	\$ 466,667	\$ 499,999	1
	\$ 25,000,000	\$ 25,133,332	1.01	\$ 500,000	\$ 516,666	1.01
	\$ 25,133,333	\$ 25,266,666	1.02	\$ 516,667	\$ 533,332	1.02
	\$ 25,266,667	\$ 25,399,999	1.03	\$ 533,333	\$ 549,999	1.03
	\$ 25,400,000	\$ 25,533,332	1.04	\$ 550,000	\$ 566,666	1.04
	\$ 25,533,333	\$ 25,666,666	1.05	\$ 566,667	\$ 583,332	1.05
	\$ 25,666,667	\$ 25,799,999	1.06	\$ 583,333	\$ 599,999	1.06
	\$ 25,800,000	\$ 25,933,332	1.07	\$ 600,000	\$ 616,666	1.07
	\$ 25,933,333	\$ 26,066,666	1.08	\$ 616,667	\$ 633,332	1.08
	\$ 26,066,667	\$ 26,199,999	1.09	\$ 633,333	\$ 649,999	1.09
	\$ 26,200,000	\$ 26,333,332	1.1	\$ 650,000	\$ 666,666	1.1
	\$ 26,333,333	\$ 26,466,666	1.11	\$ 666,667	\$ 683,332	1.11
	\$ 26,466,667	\$ 26,599,999	1.12	\$ 683,333	\$ 699,999	1.12
	\$ 26,600,000	\$ 26,733,332	1.13	\$ 700,000	\$ 716,666	1.13
	\$ 26,733,333	\$ 26,866,666	1.14	\$ 716,667	\$ 733,332	1.14
	\$ 26,866,667	\$ 27,000,000	1.15	\$ 733,333	\$ 750,000	1.15
Stretch Level	\$ 27,000,001	\$ 27,124,999	1.175	\$ 750,001	\$ 762,254	1.175
	\$ 27,125,000	\$ 27,249,999	1.2	\$ 762,255	\$ 774,509	1.2
	\$ 27,250,000	\$ 27,374,999	1.225	\$ 774,510	\$ 786,764	1.225
	\$ 27,375,000	\$ 27,499,999	1.25	\$ 786,765	\$ 799,019	1.25
	\$ 27,500,000	\$ 27,624,999	1.275	\$ 799,020	\$ 811,274	1.275
	\$ 27,625,000	\$ 27,749,999	1.3	\$ 811,275	\$ 823,528	1.3
	\$ 27,750,000	\$ 27,874,999	1.325	\$ 823,529	\$ 835,783	1.325
	\$ 27,875,000	\$ 27,999,999	1.35	\$ 835,784	\$ 848,038	1.35
	\$ 28,000,000	\$ 28,124,999	1.375	\$ 848,039	\$ 860,293	1.375
	\$ 28,125,000	\$ 28,249,999	1.4	\$ 860,294	\$ 872,548	1.4
	\$ 28,250,000	\$ 28,374,999	1.425	\$ 872,549	\$ 884,803	1.425
	\$ 28,375,000	\$ 28,499,999	1.45	\$ 884,804	\$ 897,058	1.45
	\$ 28,500,000	\$ 28,624,999	1.475	\$ 897,059	\$ 909,313	1.475
	\$ 28,625,000	\$ 28,749,999	1.5	\$ 909,314	\$ 921,568	1.5
	\$ 28,750,000	\$ 28,874,999	1.525	\$ 921,569	\$ 933,823	1.525
	\$ 28,875,000	\$ 28,999,999	1.55	\$ 933,824	\$ 946,078	1.55
	\$ 29,000,000	\$ 29,124,999	1.575	\$ 946,079	\$ 958,333	1.575
	\$ 29,125,000	\$ 29,249,999	1.6	\$ 958,334	\$ 970,587	1.6
	\$ 29,250,000	\$ 29,374,999	1.625	\$ 970,588	\$ 982,842	1.625
	\$ 29,375,000	\$ 29,499,999	1.65	\$ 982,843	\$ 995,097	1.65
	\$ 29,500,000	\$ 29,624,999	1.675	\$ 995,098	\$ 1,007,352	1.675
	\$ 29,625,000	\$ 29,749,999	1.7	\$ 1,007,353	\$ 1,019,607	1.7
	\$ 29,750,000	\$ 29,874,999	1.725	\$ 1,019,608	\$ 1,031,862	1.725
	\$ 29,875,000	\$ 29,999,999	1.75	\$ 1,031,863	\$ 1,044,117	1.75
	\$ 30,000,000	\$ 30,124,999	1.775	\$ 1,044,118	\$ 1,056,372	1.775
	\$ 30,125,000	\$ 30,249,999	1.8	\$ 1,056,373	\$ 1,068,627	1.8
	\$ 30,250,000	\$ 30,374,999	1.825	\$ 1,068,628	\$ 1,080,882	1.825
	\$ 30,375,000	\$ 30,499,999	1.85	\$ 1,080,883	\$ 1,093,137	1.85
	\$ 30,500,000	\$ 30,624,999	1.875	\$ 1,093,138	\$ 1,105,391	1.875
	\$ 30,625,000	\$ 30,749,999	1.9	\$ 1,105,392	\$ 1,117,646	1.9
	\$ 30,750,000	\$ 30,874,999	1.925	\$ 1,117,647	\$ 1,129,901	1.925
	\$ 30,875,000	\$ 30,999,999	1.95	\$ 1,129,902	\$ 1,142,156	1.95
	\$ 31,000,000	\$ 31,124,999	1.975	\$ 1,142,157	\$ 1,154,411	1.975
	\$ 31,125,000	\$ 31,249,999	2	\$ 1,154,412	\$ 1,166,666	2
	\$ 31,250,000	\$ 31,374,999	2	\$ 1,166,667	\$ 1,178,921	2
	\$ 31,375,000			\$ 1,178,922		

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EXHIBIT B

[2021 Plan Revenue Diversification Evaluation Criteria Examples]

- 1-3 Press/IR/Earnings Call worthy announcement related to revenue diversification strategy.
- \$50,000-\$250,000 USD in Non Oil and Gas purchase orders received in fiscal year.
- 3-9+ Non Oil and Gas project executed and invoiced in the fiscal year.

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PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Ryan Oviatt (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. **Award.** The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 136,362 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. **Performance Metrics and Vesting.**

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135.3%	194.1%	252.9%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	10%	15%	20%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2020 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2023 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee



will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "*EBITDA Percentage*" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "*Performance Period*") shall commence on January 1, 2021 and terminate on December 31, 2023. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 45,454 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("*Service*") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses,



costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.



(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement are intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such




taxes or other items.

[Signature page follows]

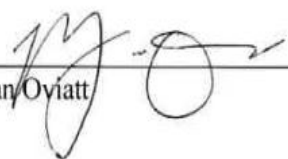


IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: CAMERON M TIDBALL
Title: CO-CEO & CO-PRESIDENT

PARTICIPANT:


Ryan Oviatt

[Signature Page to Restricted Stock Unit Award Agreement]

Exhibit A

Peer Group

1.

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PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this "*Agreement*") is entered into as of this 4th day of June, 2021 (the "*Effective Date*"), by and between **Profire Energy, Inc.**, a Nevada corporation (the "*Company*") and Ryan Oviatt ("*Participant*"). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the "*Plan*").

1. **Award.** The Company hereby grants to Participant a restricted stock unit award (the "*Award*") covering 68,181 shares (the "*Shares*") of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a "*Unit*") represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. **Vesting.** Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate ("*Service*"), the Units shall vest in accordance with the following schedule:

On each of the following dates	Number of Units Vested
December 31, 2021	27,727
December 31, 2022	27,727
December 31, 2023	27,727

3. **Restrictions on Transfer.** Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant's death.

4. **Forfeiture.** Except as otherwise determined by the Committee, upon Participant's termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

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5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.


(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

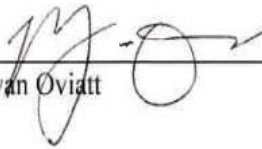
[Signature page follows]

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: CAMERON M. TIDBALL
Title: CO-CEO, CO-PRESIDENT

PARTICIPANT: Ryan Oviatt


Ryan Oviatt

[Signature page to Restricted Stock Unit Award Agreement]

PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Cameron Tidball (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 136,362 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135.3%	194.1%	252.9%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	10%	15%	20%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2020 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2023 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee



will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "*EBITDA Percentage*" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "*Performance Period*") shall commence on January 1, 2021 and terminate on December 31, 2023. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 45,454 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("*Service*") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive



in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses,



costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement are intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

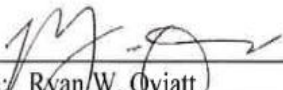
taxes or other items.

[Signature page follows]



IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Ryan W. Oviatt
Title: Co-CEO, Co-President & CFO

PARTICIPANT:


Cameron Tidball

[Signature Page to Restricted Stock Unit Award Agreement]

Exhibit A

Peer Group

1.

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PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is entered into as of this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”) and Cameron Tidball (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering 68,181 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Vesting. Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate (“*Service*”), the Units shall vest in accordance with the following schedule:

<u>On each of the following dates</u>	<u>Number of Units Vested</u>
December 31, 2021	22,727
December 31, 2022	22,727
December 31, 2023	22,727

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant’s death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant’s termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

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5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant’s disability or “separation from service” (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

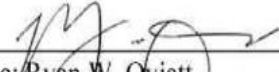
(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

[Signature page follows]

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Ryan W. Oviatt
Title: Co-CEO, Co-President & CFO

PARTICIPANT: Cameron Tidball



Cameron Tidball

[Signature page to Restricted Stock Unit Award Agreement]

PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Jay Fugal (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 57,272 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135.3%	194.1%	252.9%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	10%	15%	20%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2020 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2023 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee



will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "*EBITDA Percentage*" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "*Performance Period*") shall commence on January 1, 2021 and terminate on December 31, 2023. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 19,091 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("*Service*") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale and Participant further agrees to indemnify and hold the Company harmless from any losses.

costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement are intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

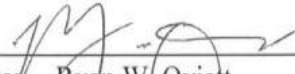
(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

taxes or other items.

[Signature page follows]

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Ryan W Oviatt
Title: Co-CEO, Co-President & CFO

PARTICIPANT:


Jay Fugal

[Signature Page to Restricted Stock Unit Award Agreement]

Exhibit A

Peer Group

1.

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PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this "*Agreement*") is entered into as of this 4th day of June, 2021 (the "*Effective Date*"), by and between **Profire Energy, Inc.**, a Nevada corporation (the "*Company*") and Jay Fugal ("*Participant*"). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the "*Plan*").

1. Award. The Company hereby grants to Participant a restricted stock unit award (the "*Award*") covering 28,636 shares (the "*Shares*") of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a "*Unit*") represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Vesting. Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate ("*Service*"), the Units shall vest in accordance with the following schedule:

<u>On each of the following dates</u>	<u>Number of Units Vested</u>
December 31, 2021	9,545
December 31, 2022	9,545
December 31, 2023	9,546

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant's death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant's termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

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fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

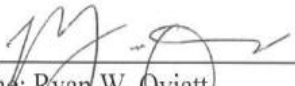
(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

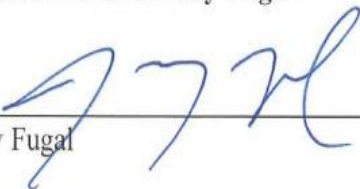
(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Ryan W. Oviatt
Title: Co-CEO, Co-President & CFO

PARTICIPANT: Jay Fugal


Jay Fugal

[Signature page to Restricted Stock Unit Award Agreement]

PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is made this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”), and Patrick Fisher (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering up to 31,982 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Performance Metrics and Vesting.

(a) Except as otherwise provided in this Agreement, the number of Units granted under this Award that actually vest will be vested on the date (the “*Vesting Date*”) that the Committee certifies that the Company has achieved the following performance metrics (each a “*Performance Metric*”):

Performance Metric	Weight	Target	Above Target	Outstanding
Total Shareholder Return	1/3	135.3%	194.1%	252.9%
Relative Total Shareholder Return	1/3	Third Quartile	Second Quartile	First Quartile
EBITDA Percentage	1/3	10%	15%	20%

(i) “*Total Shareholder Return*” means, for the three fiscal years comprising the Performance Period (as defined below), the quotient of (x) the difference between the Company’s closing stock price as of the last trading day in 2020 (the “*Beginning Price*”) and the Company’s closing stock price as of the last trading day in 2023 (the “*Ending Price*”) plus any dividends paid by the Company during the Performance Period, divided by (y) the Beginning Price.

(ii) “*Relative Total Shareholder Return*” means, for the three years comprising the Performance Period, the Company’s ranked performance against an established group of 14 peer companies (each a “*Peer Company*” and collectively, the “*Peer Group*”) based on Total Shareholder Return as applied to each Peer Company in the Peer Group. In determining the Company’s rank against the Peer Group, the top performing Peer Company and the lowest performing Peer Company will be disregarded. The Committee

will then determine whether the Company's performance is within the first, second, third or fourth quartile of the remaining 12 companies in the Peer Group. The companies comprising the Peer Group, as established by the Committee, are listed on Exhibit A attached hereto. If any Peer Company ceases to exist as a public company, or otherwise fails to meet the criteria of a Peer Company as determined by the Committee, then that Peer Company will be excluded from the Peer Group. In such case, to maintain the size of the Peer Group at 14 companies, the Committee shall endeavor in good faith to find a similarly situated company to replace the excluded Peer Company.

(iii) "*EBITDA Percentage*" means the simple average of the Company's EBITDA divided by the Company's Total Revenue for the three fiscal years comprising the Performance Period. For the purposes of this definition, "EBITDA" shall mean annual net income as adjusted by adding thereto, to the extent deducted in calculating net income for the year, net interest expense, taxes, depreciation and amortization.

(b) The performance period (the "*Performance Period*") shall commence on January 1, 2021 and terminate on December 31, 2023. The Committee shall certify whether the Company has achieved the Performance Metrics as soon as administratively feasible following the end of the Performance Period, but in no event later than 90 days following the end of the Performance Period. The Committee, in its sole discretion, shall have the right to determine whether the Performance Metrics have been achieved.

(c) The vesting of the Award will be weighted one-third (1/3) for each of the three Performance Metrics. Separately from the other Performance Metrics, each Performance Metric will determine the vesting for 10,661 Units subject to this Award. The number of Units that will vest for each Performance Metric on the Vesting Date shall be determined as follows: (i) if the "Target" level for such Performance Metric is not achieved, none of the Units relating to such Performance Metric will vest; (ii) if the "Target" level for such Performance Metric is achieved, 50% of the Units relating to such Performance Metric will vest; (iii) if the "Above Target" level for such Performance Metric is achieved, 75% of the Units relating to such Performance Metric will vest; and (iv) if the "Outstanding" level for such Performance Metric is achieved, 100% of the Units relating to such Performance Metric will vest.

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of Participant and receive any property distributable with respect to the Units in the event of Participant's death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant's termination of providing service as an Eligible Person for the Company or any Affiliate ("*Service*") (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive

in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Vesting Date, and Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the Vesting Date), the Company shall cause to be issued and delivered to Participant a certificate or certificates evidencing Shares registered in the name of Participant (or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such Shares to Participant (or applicable representative, beneficiary or heir). The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to Participant or by causing Participant to tender a cash payment or other Shares to the Company; or (3) selling on Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. Participant shall be responsible for all brokerage fees and other costs of sale, and Participant further agrees to indemnify and hold the Company harmless from any losses.

costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if Participant fails to comply with Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement are intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to Participant under the Plan or this Agreement solely due to Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.


(l) Consultation with Professional Tax and Investment Advisors. Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. Participant further acknowledges that Participant is relying solely and exclusively on Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to the Plan, is solely and exclusively the responsibility of Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Participant for such

taxes or other items.

[Signature page follows]

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Cameron M. Tidball
Title: Co-CEO, Co-President

PARTICIPANT:



Patrick Fisher

[Signature Page to Restricted Stock Unit Award Agreement]

Exhibit A

Peer Group

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PROFIRE ENERGY, INC.
2014 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** (this “*Agreement*”) is entered into as of this 4th day of June, 2021 (the “*Effective Date*”), by and between **Profire Energy, Inc.**, a Nevada corporation (the “*Company*”) and Patrick Fisher (“*Participant*”). All capitalized terms used herein but not defined herein shall have the meanings given to them in the Profire Energy, Inc. 2014 Equity Incentive Plan, as amended (the “*Plan*”).

1. Award. The Company hereby grants to Participant a restricted stock unit award (the “*Award*”) covering 15,991 shares (the “*Shares*”) of Common Stock, par value \$0.001 per share, of the Company according to the terms and conditions set forth herein and in the Plan. Each restricted stock unit (a “*Unit*”) represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. A copy of the Plan will be furnished upon request of Participant.

2. Vesting. Except as otherwise provided in this Agreement, so long as Participant is providing service as an Eligible Person for the Company or any Affiliate (“*Service*”), the Units shall vest in accordance with the following schedule:

<u>On each of the following dates</u>	<u>Number of Units Vested</u>
December 31, 2021	5,330
December 31, 2022	5,330
December 31, 2023	5,331

3. Restrictions on Transfer. Until the Units vest pursuant to Section 2 hereof or unless the Committee determines otherwise, none of the Units may be transferred other than by will or by the laws of descent and distribution and no Units may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. The Committee may establish procedures as it deems appropriate for Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to the Units in the event of the Participant’s death.

4. Forfeiture. Except as otherwise determined by the Committee, upon Participant’s termination of Service (in either case, as determined under criteria established by the Committee) prior to vesting of the Units pursuant to Section 2 hereof, all unvested Units held by such Participant at such time shall be forfeited and reacquired by the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to the unvested Units. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

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5. Miscellaneous

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 hereof, as applicable, and the Participant's satisfaction of any required tax withholding obligations (but in no event later than 60 days following the applicable vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) No Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to shareholders unless and until a Share is actually issued under Section 5(a) hereof.

(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. The Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligations in accordance with such rules as the Company may from time to time establish; *provided, however*, that the amount of the Shares so withheld shall not exceed the amount necessary to satisfy the required Withholding Obligations using applicable minimum statutory withholding rates; (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company; or (3) selling on the Participant's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Shares issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations; *provided, however*, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee shall establish the method of withholding from the above alternatives and, if the Committee does not exercise its discretion prior to the withholding event, then Participant shall be entitled to elect the method of withholding from the alternatives above. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant

fails to comply with the Participant's obligations in connection with the Withholding Obligations described in this paragraph.

(d) Plan Provisions Control. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. A copy of the Plan will be furnished upon request of the Participant. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. This Agreement (and any addendum hereto) and the Plan together constitute the entire agreement between the parties hereto with regard to the subject matter hereof.

(e) No Right to Employment. The issuance of the Award shall not be construed as giving Participant the right to be retained in the employ, or as giving a director of the Company or an Affiliate the right to continue as a director of the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Award granted hereunder shall not form any part of the wages or salary of Participant for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Participant shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee (as defined in the Plan) and shall be fully bound thereby.

(f) Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Nevada.

(g) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

(i) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Internal Revenue Code, as amended ("*Section 409A*") by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to the Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such disability or separation from service meet the definition of disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) Securities Matters. The Company shall not be required, and shall not have any liability for failure, to deliver Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.


(l) Consultation with Professional Tax and Investment Advisors. The Participant acknowledges that the grant, exercise, vesting or any payment with respect to this Award, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Internal Revenue Code of 1986, as amended, or under local, state or international tax laws. The Participant further acknowledges that the Participant is relying solely and exclusively on the Participant's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, the Participant understands and agrees that any and all tax consequences resulting from the Award and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired

pursuant to the Plan, is solely and exclusively the responsibility of the Participant without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse the Participant for such taxes or other items.

[Signature page follows]

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as of the Effective Date.

PROFIRE ENERGY, INC.

By: 
Name: Cameron M. Tidball
Title: Co-CEO, Co-President

PARTICIPANT:



Patrick Fisher

[Signature page to Restricted Stock Unit Award Agreement]

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Ryan W. Oviatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

By: /s/ Ryan W. Oviatt
Ryan W. Oviatt
Co-Chief Executive Officer and Co-
President

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Cameron M. Tidball, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

By: /s/ Cameron M. Tidball
Cameron M. Tidball
Co-Chief Executive Officer and Co-
President

EXHIBIT 31.3

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934**

I, Ryan W. Oviatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Profire Energy, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

By: /s/ Ryan W. Oviatt
Ryan W. Oviatt
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF PRINCIPAL
EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Profire Energy, Inc. (the "Company") for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan W. Oviatt and I, Cameron M. Tidball, Co-Chief Executive Officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2021

By: /s/ Ryan W. Oviatt
Ryan W. Oviatt
Co-Chief Executive Officer and Co-President

Date: August 4, 2021

By: /s/ Cameron M. Tidball
Cameron M. Tidball
Co-Chief Executive Officer and Co-President

EXHIBIT 32.2

**CERTIFICATION OF PRINCIPAL
FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Profire Energy, Inc. (the "Company") for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Ryan W. Oviatt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2021

By: /s/ Ryan W. Oviatt
Ryan W. Oviatt
Chief Financial Officer