

TERMS AND CONDITIONS OF SALE – 1/1/2018

1. **DEFINITIONS.** “Seller” means Cyclonaire, Corp., a Nebraska corporation. “Buyer” means the entity to which Seller’s Offer is made, or the entity purchasing Goods and/or Services from Seller. “Goods” means the products, parts, materials, and/or equipment included in Seller’s Offer and/or Buyer’s Order. “Services” means services offered or rendered by Seller. “Offer” means any quotation, bid, or proposal for Goods and/or Services made by Seller to Buyer. “Order” means Buyer’s purchase order issued to Seller, or similar instrument. All references to “Seller’s terms and conditions” herein mean and include (i) these “Terms and Conditions of Sale”, (ii) Seller’s Special Terms and Conditions, if applicable, and (iii) any other terms and conditions mutually agreed by the Parties in writing in accordance with Section 3. Seller and Buyer are sometimes referred to herein individually as a “Party” and jointly as the “Parties”.
2. **OFFERS.** Unless stated otherwise in writing by Seller, all Offers made by Seller shall be valid for a period of thirty (30) days from the date of such Offer. Unless accepted by Buyer within the Offer validity period stated in this Section 2, Seller reserves the right to withdraw and/or revise the Offer. The prices offered by Seller apply only to the specific quantities, specifications, statement of work, delivery schedules, and Seller’s terms and conditions set forth in Seller’s Offer.
3. **ACCEPTANCE OF BUYER’S ORDER.** Seller’s terms and conditions herein apply to all Offers made, and all Orders accepted, by Seller. Seller’s acceptance of Buyer’s Order, and any changes or amendments thereto, is strictly limited to and conditioned upon Seller’s terms and conditions. Unless otherwise agreed in writing by a duly authorized representative of Seller, Seller objects to and is not bound by any terms or conditions that differ from, add to, or modify Seller’s terms and conditions. Seller’s failure to object to any terms and conditions or any other provisions contained in any communication from Buyer, including, but not limited to, Buyer’s Order and any changes or amendments thereto, does not waive any of Seller’s terms and conditions specified herein. Unless Seller agrees otherwise, Buyer’s issuance of an Order in response to Seller’s Offer shall conclusively evidence Buyer’s unconditional acceptance of Seller’s terms and conditions irrespective of any different terms and conditions Buyer may offer or include in its Order. Seller’s terms and conditions shall be applicable whether or not they are attached to or enclosed with Goods and/or Services sold or to be sold hereunder or to any Order made hereunder.
4. **PRICES.**
 - a. Unless otherwise agreed in writing by a duly authorized representative of Seller, all prices are stated in United States Dollars, and all invoices issued by Seller and payments made by Buyer, shall be in United States Dollars. A minimum Order amount of \$50.00 applies to all Orders and is subject to adjustment at Seller’s option. In the event that Buyer requests shipment or delivery of any Goods be delayed for three (3) months or more from the last confirmed shipment or delivery date, Seller, at its sole option, may adjust the price for such Good to reflect Seller’s then current list price at the time of shipment, and Buyer agrees to pay such adjusted price for such Good. In addition to the adjusted price, Seller may charge Buyer a reasonable fee as reimbursement for the cost to store the Goods due to the delay.
 - b. Buyer may request in writing to Seller that Buyer’s Order be expedited. Buyer’s request must be clearly stated in Buyer’s purchase order and clarify that Buyer is requesting that an Order be expedited or shipped pursuant to an overnight shipping method. If Buyer makes such a request, Seller will use commercially reasonable efforts to process the Order more quickly than the Seller’s standard lead time, but Seller makes no guarantee whatsoever that it can ship any Order in an expedited manner regardless of Buyer’s request. In connection with any request by Buyer for Buyer’s Order to be expedited, Seller may, at Seller’s sole discretion, include a separate fee for expedited handling of Buyer’s Order.
5. **PAYMENT TERMS.**
 - a. For Goods: Subject to Seller approval of Buyer’s credit, payment terms are net thirty (30) days from date of Seller’s invoice. Depending on Buyer’s credit, Seller may, at its sole option, require payment terms of either cash in advance by wire transfer or by an irrevocable letter of credit confirmed with Seller’s bank. To the extent that Goods are made in multiple shipments, each shipment is a separate and independent transaction and Buyer must make payment accordingly.
 - b. For Services: Seller will select appropriate payment terms for Services, in its sole discretion, subject to Seller’s review of Buyer’s credit. The payment terms shall be communicated to Buyer in writing in Seller’s Offer and/or with Seller’s written acknowledgment of Buyer’s Order. When possible, Seller shall issue invoices to Buyer in advance. Credit terms and performance of work are at all times subject to the approval of Seller’s Credit Department.
 - c. If prior to shipment of Buyer’s Order, or prior to the provision of Services, Buyer fails to fulfill the terms of payment of any prior invoice submitted by Seller, or, if in the opinion of Seller, Buyer’s financial condition becomes impaired or unsatisfactory to Seller, Seller reserves the right to change, without notice, the terms of payment and/or delay or discontinue further shipments, without prejudice to any other available legal remedies, until all past due obligations have been paid and Seller has received acceptable assurances regarding Buyer’s prompt payment of future obligations. Buyer hereby waives any right of setoff against amounts due Buyer from Seller. All amounts due to Seller for Goods and/or Services but not paid by Buyer on the due date bear interest payable at a rate equal to the lesser of (i) one and one-half percent (1.5%) of the outstanding balance per month, or (ii) the maximum interest rate permitted under applicable law. Interest accrues on past due amounts as of the date on which such amounts become due until the date Seller receives payment from Buyer. Buyer shall also be liable to Seller for any expenses incidental to collection of past due amounts, including reasonable attorneys’ fees and court

costs. In the event of Buyer's bankruptcy or insolvency, Seller is entitled to terminate any Order then outstanding and to receive reimbursement for termination costs and expenses pursuant to the Termination for Default Section herein.

6. **TAXES.** The amount of any present or future sales, use, excise, import duty, or other tax applicable to the manufacture, sale, or lease of Goods, or the provision of Services, shall be added to Seller's invoice and shall be the sole responsibility of Buyer, unless Buyer provides Seller a valid tax exemption certificate acceptable to the applicable taxing authority. Seller shall be liable for all employment taxes applicable to Seller's employees.
7. **INSPECTION AND TESTS.** All Goods manufactured by Seller are subject to Seller's standard inspection and quality assurance processes and, if applicable, acceptance testing at Seller's facility. Any additional requirements mutually agreed by the Parties, including, without limitation, Buyer's source inspection or additional testing required by Buyer, shall be at Buyer's sole expense. If Buyer requires inspection by Buyer or Buyer's representative at Seller's place of manufacture, such inspection shall not unreasonably interfere with Seller's operations. Seller shall give Buyer at least two (2) business days advance notice of availability of Goods for Buyer's inspection. If Buyer fails to perform such inspection within three (3) business days after said notice is received, or such other period as agreed by Seller, Buyer's inspection shall be deemed to have been waived by Buyer.
8. **PACKING AND PACKAGING.** All Goods, including those required for the performance of Services, shall be packed and packaged in accordance with Seller's standard commercial packing and packaging methods. Any nonstandard or special packing or packaging requested by Buyer shall be at Buyer's sole expense.
9. **SHIPPING TERMS, TITLE, AND RISK OF LOSS.** Unless agreed otherwise by Seller in writing, shipping terms shall be as expressly stated in Seller's Offer. If Seller's Offer does not specify shipping terms, all domestic shipments shall be delivered F.O.B. origin at Seller's shipping dock, and all shipments to locations outside the United States shall be delivered Ex Works to Buyer's designated carrier in accordance with Incoterms® 2010 rules in effect as of the date of the Order. Risk of loss and title to Goods shall pass upon such delivery. If Seller prepays shipping, insurance, or other related charges, Buyer agrees to reimburse Seller promptly for such charges. Seller hereby retains, and Buyer grants to Seller, a continuing security interest in the Goods sold hereunder for the payment of the entire purchase price of all Goods and any other amounts payable to Seller. Buyer agrees to execute such instruments and take such other action as shall be reasonably requested by Seller to perfect such security interest. Seller reserves all legal and equitable rights to collect amounts owing Seller by Buyer, including the right to take possession of Goods prior to or after delivery and to dispose of the Goods or rights therein in any manner in partial satisfaction thereof.
10. **EXPORT COMPLIANCE.** All Goods, Services, and technical information provided by Seller to Buyer are subject to the export control laws and regulations of the United States of America, including, without limitation, the International Traffic in Arms Regulation (ITAR) (22 C.F.R. 120 et seq.) or the Export Administration Regulations, 15 C.F.R. 730-774, and may be subject to export or import regulations in other countries. Buyer agrees that it will not export or re-export Goods to Cuba, Iran, North Korea, Sudan, Syria, or to any restricted/embargoed country as may be designated from time to time by the U.S. Government unless otherwise authorized by the U.S. Government. Buyer further agrees that it will not sell, transfer, export or re-export Goods for use in activities that involve the development, production, use or stockpiling of nuclear, chemical, biological weapons or missiles, nor use such Goods in any facilities that are engaged in activities related to such weapons or their delivery systems (e.g., ballistic missile systems, space launch vehicles, etc.). Buyer acknowledges that U.S. law prohibits the sale, transfer, export, re-export to, or participation in any export transaction involving Goods with individuals or companies listed in the U.S. Department of Commerce's Denied Persons List, Entity List, or Unverified List; the U.S. Department of Treasury's Specially Designated Nationals and Blocked Persons Lists; or the U.S. Department of State's Debarred Persons List. Buyer agrees to indemnify and hold Seller harmless from any claims or liability arising from Buyer's failure to comply with all such export control laws and regulations. The Parties each agree to provide to the other in a timely manner such information and assistance as may reasonably be required in connection with securing any required authorizations or licenses. The delivery schedules delineated in Seller's Offer and/or Buyer's Order are calculated from the date of receipt of any required export license(s). Seller shall commence work only after receipt of a valid export license(s) from the appropriate U.S. Government agencies, or other applicable governmental agencies, provided, however, Buyer may, at its sole risk, authorize Seller to commence work under Buyer's Order prior to receipt of an export license. In such case, Buyer agrees that it is fully liable to Seller for all costs incurred by Seller in the performance of Buyer's Order and will reimburse Seller for such costs in the event any required export license or authorization is denied or cancelled, or if any restrictions imposed by the issuing agency render continued performance of Buyer's Order impossible or impracticable. Any Order accepted by Seller which cannot be fulfilled due to law or regulations or Seller's inability to obtain any required export license(s), may be cancelled by Seller. In such case, Seller shall have no liability or obligations to Buyer.
11. **DELIVERY SCHEDULES AND FORCE MAJEURE.** Shipping dates are approximate, and require prompt receipt of all necessary Buyer-furnished information and materials, if applicable. Any delay or failure of Seller to perform its obligations under Buyer's Order shall be excused if such delay or failure is the result of an unforeseeable event or occurrence beyond the reasonable control of Seller, and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority, terrorism, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, and slowdowns), inability to obtain power, utilities, materials, labor, equipment, transportation, or court injunction. If Buyer cannot receive Goods from Seller when ready for shipment, Buyer must immediately notify Seller, prior to Seller shipping the Goods. Buyer will be invoiced for the Goods and pay (i) all storage fees for the Goods, (ii) all charges for transporting Goods from the manufacturing point to point of storage and subsequently to the delivery point, and (iii) for any repairs to the Goods damaged during transportation or storage. Seller shall not be liable for any damages or injury to the Goods resulting from Buyer's delay. To the extent Buyer does not make payment for the Goods as required hereunder, all amounts due to Seller shall bear interest in accordance with Section 5(c).

12. **CHANGES.** Buyer may request changes to the general scope of Buyer's Order by a written notice to Seller, provided, however, such changes shall not be effective unless and until Seller consents to such changes in writing. If any such changes cause an increase or decrease in the cost of, or the time required for, the performance of any part of Buyer's Order, an equitable adjustment shall be made to the price and/or delivery schedule, and Buyer's Order shall be modified to reflect such change and adjustment in writing. If for any reason Seller is unable to secure the exact Goods requested in Buyer's Order, Seller may make changes in the specifications in the Order and provide substitute Goods to the extent such changes do not materially affect the strength or efficiency of the Goods, and Buyer consents to each such change.
13. **TERMINATION FOR DEFAULT.** In the event that a Party (the "Breaching Party") is in material breach of a material provision of Buyer's Order, the other Party (the "Non-Breaching Party") shall submit a written cure notice to the Breaching Party advising of such breach. The Breaching Party shall have thirty (30) days from receipt of such notice to cure the breach. If the Breaching Party does not cure the breach within the thirty (30) day cure period, the Non-Breaching Party may terminate Buyer's Order. Either Party may immediately terminate Buyer's Order if the other Party is adjudicated bankrupt, files a petition for bankruptcy, makes an assignment for the benefit of creditors, or if an action under any law for the relief of debtors is taken. Upon termination of the Buyer's Order as provided herein, all obligations owed by the Parties hereunder shall terminate, except that the Parties shall immediately satisfy all outstanding payment obligations to the other Party incurred prior to termination and those obligations, promises, and agreements of the parties that expressly, or by their nature, survive the termination of the Buyer's Order shall continue in full force and effect until such obligation, promise or agreement is satisfied or by its nature expires.
14. **LIMITED WARRANTY.**
 - a. **For Goods:** Seller warrants that all Goods delivered under Buyer's Order shall be free from defects in material and workmanship, and conform to Seller's specifications for a period equal to (i) one (1) year from date of shipment, or (ii) ninety (90) days from the date of original shipment with respect to consumables, spare parts, and accessories. This warranty does not apply to any Goods that, upon examination by Seller, are found to have been (i) mishandled, misused, abused, or damaged by Buyer or Buyer's customer, (ii) altered from their original state, (iii) repaired by a party other than Seller without Seller's prior written approval, or (iv) improperly stored, installed, operated, or maintained in a manner inconsistent with Seller's instructions, and in such case, Seller specifically disclaims any and all warranties, express or implied, in connection therewith and Buyer shall have no recourse to Seller therefor. This warranty does not apply to defects attributed to normal wear and tear. Seller, at its sole option, shall either repair or replace defective Goods, or issue Buyer a credit for the original price of the defective Goods. Such repair, replacement, or credit by Seller shall be Buyer's sole remedy for defective Goods. Under no circumstances is Seller liable for recall, retrieval, removal, dismantling, re-installation, redeployment, or re-commissioning of any defective Goods or any costs associated therewith. Goods obtained from third parties shall bear the warranty of their manufacturer and shall not be subject to the warranty for Goods specified hereunder. The warranty period for repaired or replaced Goods shall be the greater of (a) ninety (90) days from the date of repair or replacement of the Goods, or (b) the unexpired portion of the original warranty period. The warranty provided hereunder shall be deemed waived by Buyer hereunder, if Buyer fails to (i) forward to Seller, promptly upon request, copies of all records known by Buyer to relate to the claimed defect, and the service, use and operation, lading history, repair and maintenance of the subject Goods, (ii) provide Seller written notice within the warranty period specified herein of Buyer's specific warranty claim and the Goods affected, and (iii) provide the Seller a reasonable opportunity to inspect the Goods that are the subject of Buyer's warranty claim.
 - b. **For Services:** Seller shall perform the Services (i) in a professional and workmanlike manner, (ii) in accordance with applicable professional and industry standards, and (iii) in compliance with all applicable laws. Unless agreed otherwise by Seller and specified on the face of Buyer's Order, parts, on-site Service, freight, and travel expenses are not included in the Service fee. Parts supplied under Buyer's Order shall be new or reconditioned and shall meet Seller's specifications for the equipment. Parts that are replaced by Seller become the property of Seller. The determination as to whether to repair or replace equipment or related parts shall be at the sole discretion of Seller. Seller warrants all Services for ninety (90) days after completion unless otherwise mutually agreed by the Parties under a separate Service contract. In the case of defective Services, Seller shall re-perform such Services and such re-performance by Seller shall be Buyer's sole remedy for defective Services. The warranty period for re-performed Services shall be the unexpired portion of the original warranty period.
 - c. **THESE EXPRESS WARRANTIES, INCLUDING THE REMEDIES SET FORTH HEREIN, ARE EXCLUSIVE AND ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS INTENDED OR GIVEN. IN THE CASE OF GOODS OTHER THAN THOSE OF SELLER'S OWN MANUFACTURE, SELLER MAKES NO WARRANTIES, EXPRESS, STATUTORY, OR IMPLIED.**
15. **System Performance.**
 - a. Convey rate sizing of Seller's products included herein, including convey line diameter, air requirements, vessel sizing, and any other critical design element is based on material and application information provided to Seller by the Buyer via an Applications Parameter Sheet. Any deviation in material type, bulk density, particle size, moisture content, temperature or any other critical material specification may affect system sizing and will void any performance guarantees, written or implied.
 - b. Convey rate: The quoted convey rate is based on delivery of material through the convey vessel and assumes that sufficient quantity of material is available to load the conveyor. Seller is not responsible for conditions outside of its control such as, but not limited to: restricted material flow from the material source, changing material source/destination, etc. Seller sizes

- equipment based on sellers knowledge and experience with Buyers material(s) and application(s). Seller also recognizes that system performance can vary widely with changes to material and/or application and any performance guarantee, written or implied, will be offered only after successful testing or representative material at Seller's test facility. If there is no opportunity for Seller to test Buyers representative material, Seller can provide start-up services at our then-current services rates. If equipment modifications are required, Seller will provide a separate quotation to Buyer for those modifications.
- c. Convey line: Seller reserves the right to review and/or suggest modifications to the buyers convey line layout for the proposed system(s). Improper convey line layout (distance, orientation, number of elbows, connections, etc.) may adversely affect system performance and may void any performance guarantee unless corrected.
 - d. Compressed air supply: Compressed air supply for the system must be adequately dried and heated or cooled as required, especially for outdoor applications.
 - e. Seller makes no warranties, express or implied, with respect to the performance of any system delivered hereunder. Any performance guarantee, shall be offered only after successful testing by a representative of Seller and shall be determined by a separate written agreement between Seller and Buyer.
16. **RETURN AUTHORIZATIONS.** Buyer's return of defective Goods to Seller is subject to Seller's then current return authorization process and procedures. Buyer shall promptly notify Seller of any non-conformance or defects in Goods, and provide Seller a reasonable opportunity to inspect such Goods. Goods shall not be returned without Seller's prior authorization, as evidenced by a Return Material Authorization (RMA) number issued by Seller. Once a RMA number is obtained, Buyer shall return Goods transportation and insurance prepaid in accordance with instructions issued by Seller. Failure to follow Seller's return authorization procedures may result in lost Goods, delays, additional service, restocking charges, warranty denial, or refusal of a return shipment. The RMA number must appear on the shipping label and all paperwork associated with the return. Buyer shall identify the model or part number, description, and serial number, if applicable, for each of the Goods returned along with an explanation of the non-conformance or defect. Issuance of a RMA number by Seller does not necessarily mean Seller agrees that returned Goods are defective or covered under warranty, or that Goods will be repaired or replaced at no cost to Buyer. Goods repaired or replaced under warranty shall be returned to Buyer at Seller's expense. If any Goods returned by Buyer are found not to be defective, Buyer shall be so notified and such Goods shall be returned to Buyer at Buyer's expense. If the repair or replacement of Goods is not covered by this warranty, such repair or replacement shall not be performed until and unless Buyer issues an Order to Seller authorizing such repair or replacement at Seller's then-current repair or replacement price. In addition, Seller may charge Buyer for any testing or inspection costs. In no event shall Seller retain or store returned Goods for more than six (6) months. Seller reserves the right to dispose of Goods returned by Buyer if Buyer fails to pay in a timely manner any applicable evaluation fees for Goods found not to be defective. Returns of Goods for credit are subject to restocking charges. Typical restocking charges are a minimum of (i) twenty percent (20%) for standard Goods, and (ii) twenty five percent (25%) for Goods with standard modifications as offered or made by Seller. Custom, made-to-order, or special order Goods are not eligible for return.
17. **TOOLING.** Unless agreed otherwise by Seller in writing, all tooling, fixtures, equipment, tools, software, and designs produced, acquired, or used by Seller for the purposes of fulfilling Buyer's Order shall remain the property of Seller.
18. **BUYER'S OBLIGATION OF ASSISTANCE (APPLICABLE TO SERVICES).** To the extent Seller is required to perform Services for Buyer, Buyer shall provide Seller all information reasonably necessary for Seller to perform Services, including any plans, plant layouts, wiring instructions, and operational information. This includes previous studies, reports, or other information relative to the design, installation, and selection of equipment. Buyer shall grant Seller access to its property and other public and private lands, as reasonably required for performance of Services, and facilitate such access. Buyer shall also provide safe storage of Seller's equipment, materials, and tools during the performance of Services at Buyer or Buyer's customer's worksite. Buyer agrees to cooperate as necessary to facilitate Seller's performance of Services. Buyer covenants that it has fully and accurately disclosed to Seller all general and local conditions that may affect Seller's performance of Services. Buyer acknowledges that Seller is entitled to rely on information furnished by Buyer in developing its specifications, equipment selection, price, and in performing Services.
19. **SERVICE CONTRACTS.**
- a. Seller may, for an additional charge, offer Buyer a Service Contract covering repair Services and standard preventative maintenance of equipment in accordance with, the Warranty/Service Agreement Coverage Summary based upon the specific level of Service Performance purchased by Buyer ("Covered Services") for a specified period of time ("Service Contract Term"). In the event that Buyer's Order includes a Service Contract, Buyer shall, during the Service Contract Term of such Service Contract, request Services either by (i) contacting Seller's Service Center, located in York, Nebraska, listed at www.cyclonaire.com, or (ii) by issuance of a purchase order or similar instrument authorizing Seller to perform such Services. Seller shall perform the Services (i) in a professional and workmanlike manner, (ii) in accordance with applicable professional and industry standards, and (iii) in compliance with all applicable laws. The provision of parts, on-site Services, freight, and travel expenses are included in the Service Fees only if specified in on the face of Buyer's Order or work order. Parts supplied under the Order will be new or reconditioned and will meet Seller's applicable specifications. Parts that are replaced by Seller shall become the property of Seller. The determination as to whether to repair or replace equipment or related parts will be at the sole discretion of Seller. Buyer will be responsible for freight costs incurred for premium or expedited shipments. Buyer will be responsible for the packing and shipping any defective parts returned to Seller, freight prepaid, within fourteen (14) days of discovery of the defect. Replacements for any parts not returned within such fourteen (14) day period will be invoiced by Seller, and paid by Buyer, at the part's full list price. Operator training are not included

- under the Covered Services. Consumable supplies and accessories are not included under the Covered Services, but may be purchased separately.
- b. Covered Services do not apply to any Goods that, upon examination by Seller, are found to have been (i) mishandled, misused, abused, or damaged by Buyer, (ii) altered from their original state, (iii) repaired by a party other than Seller without Seller's prior written approval, or (iv) improperly stored, installed, operated, or maintained in a manner inconsistent with Seller's instructions. If Seller determines that the Goods failed due to such causes, Seller may, at Seller's discretion (i) deny coverage for any and/or all repairs or preventative maintenance until such time as Buyer has restored the Goods to the pre-damaged state, (ii) deny future repairs to the damaged portion of the Goods, or (iii) immediately terminate the Service Contract for cause without notice or cure period.
 - c. Buyer may request cancellation or termination of the Service Contract for Buyer's convenience. Seller agrees to effect such cancellation or termination upon the cancellation date provided by Buyer. Buyer agrees that upon Buyer's request for cancellation or termination that (i) Buyer is surrendering all prepaid consideration to Seller for the current year in which the cancellation date shall become effective, and (ii) Seller shall refund such prepaid consideration to Buyer for any subsequent years, or shall, at Seller's discretion, allow Buyer to apply the value of any refund toward the purchase of a new Service Contract, and (iii) that provisions (i) and (ii) shall be excluded with respect to Goods when the minimum term has not been exceeded, unless otherwise agreed in writing.
20. **SERVICE EXCLUSIONS (APPLICABLE TO SERVICES).** Specifically excluded from coverage under Buyer's Order is any damage beyond control of Seller and any Services or parts required as a result of (i) accident, fire, earthquake, explosion, or flood, (ii) neglect or misuse, (iii) storage or operation in an adverse climate or unclean environment, (iv) unauthorized moving of the equipment, (v) failure of electrical power to remain within the specified limits, (vi) repairs or modifications performed by personnel not authorized by Seller, and (vii) use other than that for which the equipment is intended pursuant to Seller's specifications.
21. **SERVICE HOURS (APPLICABLE TO SERVICES).** All Services provided under Buyer's Order will be performed at mutually agreeable times during standard working hours (8:00 a.m. to 5:00 p.m., Local Time, Monday through Friday, excluding holidays observed by Seller) unless otherwise specified in Buyer's Order. Service provided beyond the scope of Buyer's Order will be invoiced to Buyer at Seller's prevailing field service rates, inclusive of applicable travel and living expenses, travel time, and Service labor. No Service will be provided beyond the scope of Buyer's Order without the prior agreement of both Parties. During the term of Buyer's Order, Buyer will provide Seller, or its designated representatives, access to the site where the equipment is located. Should Buyer require Service, please contact the Seller's Service Center listed on Seller's website: <http://pneumatic.cyclonaire.com/pneumatic-conveying-field-services-cyclonaire>
22. **SITE APPROVAL (APPLICABLE TO SERVICES).** Seller's service representative may from time to time inspect the site where the equipment to be serviced is located. Should the site fail to satisfy the requirements of the original installation requirements, including, but not limited to, environmental and electrical specifications, Seller's obligations under Buyer's Order will be suspended until Buyer satisfies the site requirements. Notwithstanding such suspension, Buyer will be obligated to continue paying the Service Fee provided hereunder. In the event Buyer moves the equipment, or any part thereof, from the original site, Seller reserves the right, in addition to all other rights it has with respect to site approval, to adjust the Service Fee effective immediately to reflect any increased Service and/or travel costs and to impose a reinstallation charge for any additional site survey costs or related costs incurred by Seller.
23. **PROPRIETARY RIGHTS.** Seller shall retain all right, title, and interest in and to any data, information, software programs, tools, specifications, templates, scripts, ideas, concepts, inventions, works of authorship, products, know-how, processes, techniques, and the like used or developed by Seller, its employees, and its subcontractors in connection with Buyer's Order. Buyer agrees that Seller retains all proprietary rights in and to all products, specifications, designs, discoveries, inventions, patents, copyrights, trademarks, trade secrets, and other proprietary rights relating to Goods or Services. Unless otherwise identified in writing to Seller, no information or knowledge heretofore or hereafter disclosed to Seller in the performance of, or in connection with, the terms hereof, shall be deemed to be confidential or proprietary and any such information or knowledge shall be free from restrictions, other than a claim for patent infringement, as part of the consideration hereof. Unless otherwise agreed in writing, Seller shall retain title to all software delivered by Seller, or embedded in Seller's Goods, if applicable, and use of such software by Buyer or third parties shall be conditioned upon execution of a license agreement or confidentiality agreement between Seller and Buyer.
24. **PATENT, COPYRIGHT, AND TRADEMARK INDEMNIFICATION.** Seller shall hold harmless and indemnify Buyer against all third party claims, judgments, costs, and fees, including attorney fees, relating to infringement of any patent, copyright, trademark, or design to the extent that (i) the infringing Goods are manufactured, sold, or used, in whole or in part, pursuant to Seller's specifications, designs, drawings, or other technical data, and (ii) provided that Buyer notifies Seller in writing of any such claim as soon as reasonably practicable, and allows Seller to control, and reasonably cooperates with Seller in the defense of any such claim and related settlement negotiations. To the extent that any Goods are held by a court of competent jurisdiction or are believed by Seller to infringe or otherwise violate a third party's proprietary rights, Seller may, at its option and expense, either (i) modify the affected Goods to be non-infringing, or (ii) obtain for Buyer a license to continue using such Goods on substantially the same terms set forth herein, or, if neither of the foregoing alternatives is reasonably available to Seller, (iii) Seller may require Buyer to return the infringing Goods and all rights thereto, and refund to Buyer the price paid to Seller by Buyer for the infringing Goods. Seller shall have no obligation under this provision to the extent any claim is based on (i) modifications of Goods or deliverables by a party other than Seller or Seller's authorized representative, (ii) the combination, operation, or use of Goods with equipment, devices, software, or data not supplied by Seller, (iii) the use or installation of Goods in an environment for which Goods were not intended, (iv) Buyer's failure to use updated or modified versions of Goods provided by Seller, or (v) the negligent acts or omissions or willful misconduct of Buyer, its employees,

representatives, or affiliates. This Section, and the indemnification provided herein, does not apply to any Goods manufactured, sold, or used, in whole or in part, pursuant to Buyer's specifications, designs, drawings, or other technical data. THE FOREGOING CONSTITUTES THE ENTIRE LIABILITY OF SELLER AND BUYER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY CLAIMS OF INFRINGEMENT OF ANY THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

25. **CONFIDENTIALITY.** Each Party (the "Receiving Party") shall keep confidential and not directly or indirectly disclose to any third party any Confidential Information, as defined herein, furnished to it by the other Party (the "Disclosing Party") in connection with Seller's Offer and/or Buyer's Order without the Disclosing Party's prior written consent. "Confidential Information" includes, but is not limited to, business, financial, statistical, and commercial information, pricing, technical data and information, formulae, analyses, trade secrets, ideas, methods, processes, know how, computer programs, designs, data sheets, schematics, configurations, and drawings. Confidential Information does not include information that (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, (ii) was available on a non-confidential basis prior to its disclosure by Disclosing Party, (iii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when such source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation with Disclosing Party, or (iv) was independently developed by Receiving Party without reference to the Confidential Information, and Receiving Party can verify development of such information by written documentation.
26. **INDEMNIFICATION.** Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party, its officers, directors, and employees (the "Indemnified Party") from and against any and all liabilities, losses, expenses, liens, claims, demands, and causes of action ("Claims") for death, personal injury, or property damage arising out of any negligent act or omission of the Indemnifying Party in the performance of Buyer's Order, except to the extent such Claims are contributed to by the negligence or willful misconduct of the Indemnified Party or of any third parties. Buyer agrees to indemnify, defend, and hold harmless Seller, its officers, directors, and employees for any and all Claims, including Claims asserted by third parties, related to any Goods manufactured or Services performed in whole or in part to Buyer's designs or attributed to equipment, information, or materials furnished by Buyer to Seller. The Indemnified Party agrees to (i) notify the Indemnifying Party in writing of any Claims as soon as reasonably practicable, (ii) allow the Indemnifying Party to control the defense of any such Claim and related settlement negotiations, and (iii) reasonably cooperate with the Indemnifying Party in such defense.
27. **LIMITATION OF LIABILITY.** Notwithstanding any other provision herein, under no circumstances shall either Party be liable to the other for any consequential, special, incidental, indirect, multiple, administrative, or punitive damages, or any damage of an indirect or consequential nature arising out of or related to its performance under Buyer's Order, including, without limitation, loss of use, loss of revenues, loss of anticipated profits, and cost of capital, whether based upon breach of Buyer's Order, warranty, negligence, or any other type of claim, and whether grounded in tort, contract, civil law, or other theories of liability, including strict liability, even if advised in advance of the possibility of such damages. Each Party's total liability to the other Party arising from or related to Buyer's Order, including, but not limited to, its liability for indemnity, defense, and hold harmless obligations, is limited to no more than the amount paid by Buyer to Seller under Buyer's Order. To the extent that this limitation of liability conflicts with any other Section or provision herein, such provision shall be regarded as amended to whatever extent required to make such provision consistent with this clause.
28. **INSURANCE.** Seller agrees to carry and maintain the following insurance from reputable carriers: (i) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence and in the aggregate, and (ii) Statutory Coverage Workers' Compensation Insurance (including Occupational Disease Coverage) in accordance with the laws of the State(s) where the Services will be performed. Upon Buyer's request, Seller shall provide Buyer with certificates of insurance issued by the carriers evidencing the above coverages prior to commencement of Services.
29. **ETHICS AND VALUES.** Seller is committed to uncompromising ethical standards, strict adherence to laws and regulations, and customer satisfaction. Buyer is encouraged to communicate any concerns or questions regarding the ethics and values of Seller via the Cyclonaire ethics team email ethics@cyclonaire.com
30. **ORDER OF PRECEDENCE.** Any inconsistency between Seller's terms and conditions, Buyer's Order, or any other documents related thereto, shall be resolved by giving precedence in the following order: (i) Seller's Special Terms and Conditions, (ii) Seller's Terms and Conditions of Sale, (iii) applicable Seller's Specifications, (iv) Statement of Work or Scope of Services, and (v) Form of Buyer's Order.
31. **GOVERNING LAW AND VENUE.** The performance of the Parties, and any judicial or arbitration proceedings, shall be construed and governed in accordance with the laws of the State of Nebraska, United States of America, excepting its laws and rules relating to conflict of law. Neither (i) the United Nations Convention on Contracts for the International Sale of Goods, (ii) the 1974 Convention on the Limitation Period in Contracts for the International Sale of Goods (hereinafter referred to as the "1974 Convention"), nor (iii) the Protocol Amending the 1974 Convention held at Vienna, Austria, on April 11, 1980, apply in any manner to the interpretation or enforcement of Seller's Offer, or Buyer's Order.
32. **DISPUTES AND ARBITRATION.** The Parties shall attempt to resolve any dispute, controversy, or claim arising under or relating to Seller's Offer or Buyer's Order, or to a material breach, including its interpretation, performance, or termination. If the Parties are unable to resolve such dispute, either Party may refer the dispute to arbitration. The arbitration shall be conducted in English and in accordance with the Commercial Rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the decision and/or award, shall take place in Douglas County,

Nebraska, United States of America, and shall be the exclusive forum for resolving the dispute, controversy, or claim. The arbitrator shall make the final determination as to any discovery disputes between the Parties. Examination of witnesses by the Parties and by the arbitrator shall be permitted. A written transcript of the hearing shall be made and furnished to the Parties. The cost of this transcript shall be borne equally by the Parties. The award or decision of the arbitrator shall state the reasons upon which the award or decision is based, and shall be final and binding upon the Parties. The prevailing Party shall be entitled to compensation for the expense of the arbitration, including, but not limited to, the award of attorneys' fees, at the discretion of the arbitrator. Both Parties waive their right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either Party. The arbitrator shall have no authority to award any of the types of damages excluded hereunder, and shall be so instructed by the Parties.

33. **RELATIONSHIP OF THE PARTIES.** Each Party is an independent contractor. Neither Party shall have authority to bind the other except to the extent authorized herein. This Agreement is not intended by the Parties to constitute or create a joint venture, pooling arrangement, partnership, or formal business organization of any kind. The Parties shall act as independent contractors at all times, and neither Party shall act as an agent for the other, and the employees of one Party shall not be deemed employees of the other Party.
34. **MODIFICATIONS TO ORDER.** Buyer's Order may only be modified by written instrument signed by duly authorized representatives of the Parties.
35. **NOTICES.** All notices given by the Parties shall be made in writing, and delivered personally or sent by prepaid mail (by air-mail if the notice is being communicated internationally), or by facsimile, cable, or email addressed to the intended recipient at its address or at its electronic address.
36. **ASSIGNMENT.** Neither Party may assign, delegate, sublicense, or transfer, whether by operation of law or otherwise, their obligations or rights hereunder without the other Party's written consent and any assignment, delegation, sublicense, or transfer (i) without such written consent is void and of no effect and, (ii) if consent is given, shall be binding upon, and inure to the benefit of the successors and assigns of the Parties. Notwithstanding this provision, Seller may, without Buyer's consent, subcontract work to be performed under Buyer's Order or assign Buyer's Order to a parent, subsidiary, or affiliate company of Seller. In addition, without securing such prior consent, Seller shall have the right to assign Buyer's Order to any successor, by way of merger or consolidation, or the acquisition of substantially all of the entire business and assets of Seller relating to the subject matter of Buyer's Order, provided that such successor shall expressly assume all of the assignor's obligations and liabilities under Buyer's Order, and provided further that Seller shall remain liable and responsible to Buyer for the performance and observance of all such obligations.
37. **WAIVER; REMEDIES; COSTS.** None of the Sections, terms, conditions, or provisions herein shall be waived by any act or knowledge on the part of Seller, except by written instrument signed by a duly authorized representative of Seller. The waiver by Seller of any term, condition, provision, or right hereunder or the failure to enforce at any time any of Seller's terms and conditions, or any rights with respect thereto, is not a continuing waiver or a waiver of any other rights, or of any material breach or failure of performance of Buyer. The remedies herein reserved or created for Seller shall be cumulative, and additional to any other or further remedies provided at law or in equity. Seller may remedy any breach of the terms or conditions hereof without waiving the breach remedied, or without waiving any other prior or subsequent breach. Buyer shall pay all Seller's costs and expenses, including attorney's fees, incurred by Seller in exercising any of its rights or remedies hereunder or enforcing any of the terms or conditions hereof.
38. **SEVERABILITY.** If any term, condition, or provision herein is invalid, ineffective, or unenforceable under present or future laws, then the remainder of the terms, conditions, and provisions shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.
39. **PARTIES.** The Parties to any Offer, Order, or associated transaction are Seller and Buyer as identified above and unless expressly stated otherwise herein, no other persons, parties, or entities have any rights, or receive any benefits hereunder. No other Cyclonaire subsidiaries, affiliates, or business units, other than Seller, have any obligations or duties hereunder and are unrelated third parties for all purposes.
40. **HEADINGS.** The headings used herein are for reference purposes only and shall not affect the meaning or interpretation of any term, condition, or provision herein.
41. **SURVIVAL.** Any Section or provision herein which contemplates performance or observance subsequent to any termination or expiration of this Agreement, or which by its nature should survive, shall survive any termination or expiration of Buyer's Order and continue in full force and effect.
42. **ENTIRE AGREEMENT.** Seller's terms and conditions (including Seller's Special Terms and Conditions, if applicable) and Buyer's Order (as accepted by Seller in accordance with the terms herein), including any applicable specifications, statement of work, or other applicable documents, constitute the entire agreement between the Parties and supersede any prior oral or written agreements, commitments, understandings, or communications with respect to the subject matter of Buyer's Order.



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cyclonaire.com

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