

SWEED MACHINERY, INC  
653 2<sup>nd</sup> Avenue, PO Box 228  
Gold Hill, OR 97525  
Phone: 541-855-1512  
Toll Free: 1-800-888-1352  
Fax: 541-855-1165



### Sweed Machinery Reseller Guidelines & Policies

Effective immediately, Sweed Machinery, Inc. (“Sweed”) has established that all company’s and/or individuals wishing to sell our products shall be treated as Resellers.

Customers who prefer to purchase through a Reseller generally do so because this service is useful to them. Because Sweed values their Resellers and supports their efforts, we have established a new standard Reseller procedure guideline. This policy supersedes all previous Sweed Reseller/Distributor guidelines and policies. It is our hope that these guidelines will assist to provide clear communication and an outline of our policies so that Resellers may better serve their customers.

All Resellers, of Sweed® equipment, may sell, distribute, advertise, market or promote Sweed’s line of standard products, subject to the terms and conditions of this Reseller Policy. Sweed may limit the products that a Reseller is authorized to sell, distribute, advertise, market or promote at any time, and for any reason.

BY PURCHASING SWEED PRODUCTS, EACH RESELLER AGREES TO BE BOUND BY, AND TO COMPLY WITH, THE TERMS OF THIS POLICY. SWEED MAY AMEND OR SUPPLEMENT THIS POLICY AT ANY TIME.

INTERPRETATION OF THIS POLICY IS AT THE SOLE DISCRETION OF SWEED. SWEED MAY SUSPEND OR TERMINATE A RESELLER’S AUTHORIZATION OR ITS ENTITLEMENT TO ANY LEVEL OF BENEFITS AT ANY TIME AT ITS SOLE DISCRETION. The information contained herein is considered confidential and proprietary to Sweed. It is disclosed to the Reseller conditioned upon the Reseller’s agreement to hold the information in confidence and not to disclose it to any third party. The information is governed by the Uniform Trade Secrets Act and any confidentiality agreement entered into between the Reseller and Sweed.

#### 1. General Requirements

- a. These general requirements apply to all Resellers, regardless of mode of distribution or sale. All Resellers must comply with these general requirements. Noncompliance may result in suspension or termination of the Reseller’s authorization or any other sanction described herein or permitted by law.

#### 2. General Criteria

- a. The Sweed brand is a symbol of quality. Sweed’s quality assurance efforts require that Resellers maintain consistent quality standards in the marketing, sale (and in some instances) servicing of Sweed products. Sweed holds its Resellers to a standard of excellence, which requires that they consistently meet or exceed the expectations of end-users of Sweed products. Resellers must be dedicated to consistently providing the end-user with impeccable service.

#### 3. Goal

- a. To provide mutual profit benefits to both Sweed and Sweed Resellers.

#### 4. Intellectual Property

- a. The Sweed name and trademark, trade name, product depictions, colors, graphics, videos and logos, whether or not registered (from here on out known as the “Marks”), remain the sole and exclusive property of Sweed, and nothing arising out of the relationship between Sweed and any Reseller conveys to the Reseller any ownership rights in the Marks. Any and all use of the Marks by Reseller inures to the benefit of Sweed. Resellers may use the Marks only in the advertising, promotion and sale of authentic Sweed products in compliance with the terms of this policy. Resellers shall have no right to authorize its customers to use the Marks or otherwise transfer any rights to the Marks to any other entity. The Marks must be used exactly in the form provided and in conformity with any Sweed trademark usage policies or guidelines, including, but not limited to shape, color match and imprint quality. Any proposed deviation must be approved in writing by Sweed prior to use, at Sweed’s sole discretion. Prior to any use of the Marks in any advertising or promotion capacity, the Reseller must submit samples for Sweed’s approval. Additionally, no

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Reseller may use product depictions, graphics, logos or text relating to Sweed products that have not been provided by Sweed in connection with the advertising, promotion, training materials, other marketing collateral or the sale of Sweed products without Sweed's prior review and written approval of each such use.

- b. Reseller shall not use any trademark, trade name or stylized symbol of Sweed Machinery as part of Reseller's name or name of Reseller's business.
- c. Reseller shall not register, or have registered, any trademark, trade name or symbol of Sweed Machinery (or which is confusingly similar thereto) in any aspect of business including website domain names.

#### 5. Territories

- a. Sweed does not assign territories for its Resellers. Each Reseller works independently and may reside in the same region as other Sweed Resellers.
- b. When multiple Resellers contact us for a quote on the same item, we will quote the same price to all who inquire.

#### 6. Reseller Limitations and Responsibility

- a. It is understood that Reseller is not an agent of Sweed Machinery and has no authority to and shall not enter into any agreements on Sweed's behalf or in Sweed's name, make any warranties or representations with respect to the Products or otherwise bind Sweed to any obligation.
- b. Reseller is, however, authorized to represent to its Customers facts about the Products as Sweed itself states in its product descriptions, advertising and promotional literature or as may be stated in other non-confidential, written material furnished by Sweed. Reseller shall not make reference to Sweed's corporate name or trademarks in any of its products or literature without the express written approval of Sweed.
- c. Reseller shall not provide any repair service for Sweed® Equipment, unless authorized by Sweed in writing.
- d. Reseller shall not acquire, use, promote, or resell Non-Genuine (Sweed) Products that are in direct competition with Sweed Machinery.
- e. Reseller shall not reverse engineer, de-compile, or in any other manner disassemble the Products, and Reseller shall not, either directly or indirectly, alter, revise, enhance, customize or otherwise change or modify the Products or any part thereof, without written consent.

#### 7. Consumer Inquiries and Orders

- a. Sweed sells direct to end users and is under no obligation to forward sales inquiries to Resellers. However, on occasion, we encounter instances where a customer would prefer to work with a Reseller. When this occurs, Sweed will refer the inquiry to the appropriate active Reseller.
- b. In order to help protect Resellers from customers buying direct (without Resellers knowledge), Sweed asks that Resellers notify us of any potential sale so that we may document it in our database and refer customer's back to the appropriate Reseller.
- c. Sweed will refer a potential sale back to the Reseller for a period of 6 months after initial documentation.
- d. Sweed is not responsible for sales lost to other Resellers.
- e. Sweed is not responsible for sales lost to Sweed inside sales reps due to Reseller not notifying us.
- f. Sweed is not responsible for sales lost to Sweed inside sales reps after the initial year of notification of a potential sale.

#### 8. Sales Aids

- a. Sweed will provide Reseller with specification sheets of our standard product line. These specification sheets may be downloaded off our website.

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- b. When necessary (and when applicable), Sweed will provide Reseller with additional information when working with more complex sales (custom units). Any additional information that is provided by Sweed sales and/or engineering department to the Reseller is considered proprietary, and is expected to be treated in a confidential manner.
9. Advertising
  - a. Resellers may advertise that they are a Sweed Reseller as long as Sweed's Trademark Usage & Logo Policies and Guidelines are adhered to; it is the Reseller's responsibility to contact Sweed for a current copy.
  - b. Sweed may terminate the Reseller relationship if Reseller does not abide by Sweed's Trademark Usage & Logo Policies and Guidelines or for any other reason Sweed deems necessary.
10. Financial Responsibility
  - a. Payment terms for orders are subject to credit approval.
  - b. Payment terms outside of those stated for sales orders are subject to a surcharge and/or interest.
  - c. Credit cards may be used and will be charged at time of shipping.
  - d. Sweed reserves the right to revoke a Reseller's credit at any time, for any reason.
  - e. If a Reseller's credit is revoked, but is allowed to remain a Sweed Reseller, Reseller's account will have payment terms of cash in advance or credit card only.
11. Product Warranty & Returns
  - a. Reseller must abide by Sweed's Limited Liability Warranty for all products; it is the Reseller's responsibility to contact Sweed for a current copy.
  - b. Reseller shall not issue any warranty or guaranty with respect to the products to any person or party which may in any way obligate or purport to obligate Sweed to any such person or party.
  - c. All (approved) warranty items must be returned to Sweed with an RMA number assigned by a Sweed representative.
  - d. Reseller shall be responsible for all costs incurred by Sweed Machinery if instructions on the customer's RMA are not followed.
  - e. Sweed reserves the right to refuse any shipment without an RMA number.
  - f. Sweed reserves the right to refuse any shipment that is shipped COLLECT without prior written agreement.
  - g. Charges incurred from a refused shipment will be the shipper's responsibility.
12. Reseller Discounts
  - a. The discounts for standard Sweed equipment is the same for all Resellers, unless a separate pricing structure has been provided to you:
    - i. Resellers are allowed a 15% discount off the list price of all parts.
    - ii. Resellers are allowed a 15% discount off the list price of all standard units published on Sweed's customer price list, including stands and hoppers.
  - b. For items that are custom, including stands, and any standard unit that requires engineering modifications (i.e. adding a magnetic clutch to a chopper, changing the infeed funnel design, adding a safety feature, etc.), Sweed will provide the Reseller with their cost. Reseller shall then add their fee prior to quoting their customer.
13. Finder's Fees
  - a. Finder's Fees have been established for Resellers who expect an immediate sale, but wish to have Sweed maintain customer contact, invoice the customer, collect payment, etc.
  - b. A Finder's Fee is available on standard equipment published on Sweed's customer price list, by providing all of the information for the customer, and "passing the sale" to a Sweed representative.
  - c. A Finder's Fee is 5% of the sale price for standard equipment.

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- d. Any equipment requiring customizations and/or additional engineering, may be eligible for a Finder's Fee, with the exception of the following:
    - i. Material handling equipment and separation systems are excluded from Finder's Fees; see section 15a.
  - e. Finder's Fees are only valid for a period of 30 days; customer must place the order within 30 days of Reseller notifying Sweed.
14. Refurbished Equipment
- a. At this time, Sweed does not sell refurbished equipment through Resellers. Please refer all used equipment inquiries directly to a Sweed Sales Representative.
15. Discounts and Fee Declaration
- a. Resellers are not eligible for a Finder's Fee for systems that require a great amount of Sweed resources, including, but not limited to, engineering time and continual Sweed sales interaction (i.e. material handling equipment and separation systems). If you have a customer that has a need for this type of equipment, please have them contact Sweed Machinery directly.
  - b. For any sale in which Sweed invoices a customer directly and is paying a (Finder's) Fee to the Reseller, the Reseller will receive their fee once Sweed has received payment from the customer.
  - c. For any sale in which Sweed pays a (Finder's) Fee to a Reseller, the percentage of the fee is based on the amount of the sale of the equipment only. Shipping and handling, engineering time that is billed separately, and/or installation charges are not included in final fee.
  - d. Reseller discounts do not apply on advertising promotions; see "Sweed Advertising & Promotions for details.
16. Sweed Advertising & Promotions
- a. Sweed makes no guarantees to provide assistance (financial or otherwise) to Resellers for their advertising or promotion efforts for Sweed equipment.
  - b. Sweed reserves the right to advertise and/or promote its Products to end users via any method we see fit.
  - c. For equipment products advertised at a discounted price, Sweed will allow the Reseller an additional 5% discount off the published sale discount price.
    - i. For example, if a chopper is advertised as "10% off list price", and a customer buys this unit through a Reseller based on this promotion, Sweed will provide the Reseller a 20% discount, and the Reseller would pass on a 10% discount to the end user.
  - d. For spare parts products advertised at a discounted price, Sweed will allow the Reseller an additional 10% discount off the published sale discount price.
    - i. For example, if a spare parts promotion is advertised as "10% off list price", and a customer buys the parts through a Reseller based on this promotion, Sweed will provide the Reseller a 25% discount, and the Reseller would pass on a 10% discount to the end user.
  - e. For equipment Products advertised at a set reduced price (i.e. list price is \$12,995, sale price is \$10,995), Reseller will receive 5% off the sale price in order to pass the sale price on to the customer.
  - f. Using the examples in both 15.b, 15.c, and 15.d allows both Sweed and the Reseller to absorb the customer's discount while still mutually benefitting from the customer's purchase.
  - g. No further discounts or offers will be allowed to a Reseller when selling Products under a sale or promotion (i.e. free shipping, extra knives at no charge, etc.)
17. Price Changes
- a. Prices are subject to change without notice. In every instance, however, concerted efforts will be made to give the Reseller as much advance notice as possible.



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18. Payment Options

- a. We accept company checks, Cashier's checks or Money Orders. Such checks must be made payable to Sweed Machinery, Inc. All payments must be in U.S. dollars. We also accept the following credit cards: MasterCard, Visa, and American Express. Bank transfers (EFT), and wire transfers will also be accepted. Please request bank info from your Sweed Representative.

19. Purchase Orders

- a. Purchase orders or a signed Sweed order acknowledgement confirming the order must be used for all purchases.
- b. PO's can be faxed to (541) 855-1165, emailed to your appropriate contact or physically mailed.
- c. Prices quoted on PO's must agree with our current Reseller prices for quantity ordered.
- d. All purchase orders must be issued in U.S. dollars.
- e. All PO's for Sweed Machinery product are subject to a minimum order amount of \$50.00.

20. Shipping

- a. Sweed Machinery will ship all orders BEST WAY unless Reseller states otherwise.
- b. If requested, Sweed can ship COLLECT, OR THIRD PARTY COLLECT; freight carrier instructions must be included in the order.
- c. Sweed does not ship our invoice with orders. However, we do send a bill of lading. It is not standard for Sweed to use another company's bill of lading when shipping our products. Therefore, we cannot guarantee the use of your company's bill of lading with orders you place for your customers.
- d. All orders, (even COLLECT) are subject to a handling and/or crating charge (when applicable).

21. International Shipments

- a. International shippers are responsible for all freight charges, including crating fees and any (applicable) fees that Sweed incurs as a result of meeting the requirements to ship to the specified company.
- b. Customs tax and duties assessed by foreign governments are the sole responsibility of the Reseller. Sweed shipping charges do not include these fees. All Resellers acknowledge and agree to pay all taxes and duties for shipments outside of the U.S.A.

22. Confidentiality

- a. Sweed Machinery requires that you treat all quotes, engineering data and manuals in a confidential manner.

23. Cancellation of Reseller Agreement.

- a. Sweed reserves the right to make changes to this agreement without notice.
- b. Sweed reserves the right to terminate this agreement without reason and/or notice.

24. Reseller Agreement Acceptance

- a. Any company or individual purchasing Sweed equipment, (with the intent to resell), by default, agrees to, and accepts the terms and conditions of Sweed's Reseller Guidelines & Policies regardless of signed consent.
- b. It is the Reseller's responsibility to ensure they are in compliance of Sweed's Reseller Guidelines & Policies, and all applicable Reseller laws within their State, Province or Country.