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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 21, 2018

**CEMTREX, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-37464**  
(Commission  
File Number)

**30-0399914**  
(IRS Employer  
Identification No.)

**19 Engineers Lane**  
**Farmingdale, New York**  
(Address of principal executive offices)

**11735**  
(Zip Code)

Registrant's telephone number, including area code: **(631) 756-9116**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation to the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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**CURRENT REPORT ON FORM 8-K**  
**Centrex, Inc.**  
**November 21, 2018**

**Item 1.01 Entry into a Material Agreement.**

*Rights Offering*

On November 26, 2018, Centrex, Inc. (the “Company”) commenced a rights offering to its stockholders (“Rights Offering”). Pursuant to the Rights Offering, the Company has distributed, at no charge to holders of record of the Company’s common stock and series 1 warrants as of November 19, 2018 (the “Record Date”), non-transferable subscription rights to purchase up to an aggregate of \$2,700,000 worth of shares of common stock, at a purchase price equal to the lesser of (i) \$1.06 per share (in which case 2,547,170 shares may be sold), or (ii) 95% of the volume weighted average price of the Company’s common stock for the five trading day period through and including December 19, 2018, which is the initial expiration date of the Rights Offering, all as set forth in the Prospectus Supplement filed on November 21, 2018 with the Securities and Exchange Commission (the “Prospectus Supplement”). Each stockholder of record on the Record Date received one right for each one share of common stock held by the stockholder, and each series 1 warrant holder of record on the Record Date received one right for every ten shares for which their warrant is exercisable. Each right entitles the holder to purchase one share of the Company’s common stock, subject to proration. In connection with the Rights Offering, the Company entered into a Dealer-Manager Agreement (the “Agreement”) with Advisory Group Equity Services, Ltd. doing business as RHK Capital (“RHK”).

*Dealer-Manager Agreement*

Pursuant to the Agreement, the Company engaged RHK as the exclusive dealer-manager in connection with the Rights Offering. Under the terms and subject to the conditions contained in the Agreement, RHK will provide marketing assistance and advice in connection with Rights Offering, respond to requests for information and materials relating to the Rights Offering in coordination with the information agent and, in accordance with customary practice, solicit the exercise of the subscription rights and subscriptions for the Rights Offering and enter into selected dealer agreements with other registered broker-dealers in connection with the Rights Offering. As compensation for its dealer-manager services, the Company will pay to RHK a cash fee of 6.0% of the proceeds of the Rights Offering, plus a 1.8% non-accountable expense fee and an out-of-pocket accountable expense allowance of 0.2% of the proceeds of the Rights Offering.

The sale by the Company of the shares in the Rights Offering and the Agreement in general is subject to customary closing conditions, including the absence of any material adverse effect on the business, general affairs, management, financial position, stockholders’ equity or results of operations of the Company.

Pursuant to the Agreement, the Company has also agreed to indemnify RHK and its affiliates against certain liabilities arising under the Securities Act of 1933, as amended. RHK will not underwrite and is not otherwise obligated to purchase any of the securities to be issued in the Rights Offering and does not make any recommendation with respect to such securities.

If all of the shares are sold, the Company expects the net proceeds from the Rights Offering to be approximately \$2,420,000, after deducting dealer-manager commissions, fees and estimated offering expenses.

A copy of the Agreement is attached as Exhibit 10.1 hereto and incorporated herein by reference. The foregoing description of the Agreement is not complete and is qualified in its entirety by reference to Exhibit 10.1.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

<b>Exhibit No.</b>	<b>Description</b>
4.1	<a href="#"><u>Form of Subscription Rights Certificate.</u></a>
5.1	<a href="#"><u>Opinion of Olshan Frome Wolosky LLP, as to the legality of the securities.</u></a>
10.1	<a href="#"><u>Dealer-Manager Agreement between Centrex, Inc. and Advisory Group Equity Services, Ltd. doing business as RHK Capital.</u></a>
99.1	<a href="#"><u>Form of Letter to Rights Holders.</u></a>
99.2	<a href="#"><u>Form of Instructions as to the use of Centrex, Inc. Rights Certificates.</u></a>
99.3	<a href="#"><u>Form of Letter to Clients.</u></a>
99.4	<a href="#"><u>Form of Letter to Security Dealers, Commercial Banks, Trust Companies and Other Nominees.</u></a>
99.5	<a href="#"><u>Nominee Holder Certification.</u></a>
99.6	<a href="#"><u>Form of Notice of Guaranteed Delivery for Rights Certificates Issued by Centrex, Inc.</u></a>

**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 hereunto duly authorized.

Dated: November 26, 2018

CEMTREX, INC.

By: /s/ Saagar Govil

Name: Saagar Govil

Title: Chairman, President and Chief Executive Officer



RIGHTS CERTIFICATE NO.: \_\_\_\_\_

NUMBER OF RIGHTS: \_\_\_\_\_

**FORM OF SUBSCRIPTION RIGHTS CERTIFICATE**

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE CEMTREX, INC. (THE "COMPANY") PROSPECTUS SUPPLEMENT DATED NOVEMBER 21, 2018 (THE "PROSPECTUS"), AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM OKAPI PARTNERS LLC, THE INFORMATION AGENT FOR THE RIGHTS OFFERING

**CEMTREX, INC.**

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE EVIDENCING NON-TRANSFERABLE SUBSCRIPTION RIGHTS TO PURCHASE ONE SHARE OF COMMON STOCK

SUBSCRIPTION PRICE: THE LESSER OF (I) \$1.06 OR (II) 95% OF THE VOLUME WEIGHTED AVERAGE PRICE OF THE COMPANY'S COMMON STOCK FOR THE FIVE TRADING DAY PERIOD THROUGH AND INCLUDING DECEMBER 19, 2018, ROUNDED UP TO THE NEAREST WHOLE PENNY.

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M., EASTERN TIME, ON DECEMBER 19, 2018, UNLESS EXTENDED OR THE RIGHTS OFFERING IS TERMINATED BY THE COMPANY.

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of subscription rights set forth above. Each right entitles the holder thereof, to subscribe for and purchase, at the subscription price set forth above, one share of common stock, par value \$0.001 per share, of the Company (subject to proration), pursuant to a rights offering, on the terms and subject to the conditions set forth in the Prospectus accompanying this Subscription Rights Certificate, which we refer to herein as the basic subscription privilege.

If any of the shares of common stock available for purchase in the rights offering are not purchased by other holders of rights pursuant to the exercise of their basic subscription privilege, any stockholder that fully exercises its basic subscription privilege may also exercise an over-subscription privilege to purchase additional shares that remain unsubscribed at the expiration of the rights offering, if any, subject to the availability and pro-rata allocation of units among stockholders exercising this over-subscription privilege. The rights represented by this Subscription Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by returning the full payment of the subscription price for each right subscribed for pursuant to the over-subscription privilege, in addition to the payment due for units purchased through your basic subscription privilege, in accordance with the Prospectus that accompany this Subscription Rights Certificate.

The subscription rights evidenced by this Subscription Rights Certificate may not be transferred or sold. The subscription rights will not be listed for trading on any stock exchange or market.

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IN WITNESS WHEREOF, the Company has caused this Subscription Rights Certificate to be duly executed under their corporate seals.

Dated: \_\_\_\_\_, 2018

**CEMTREX, INC.**

Countersigned and Registered  
**CONTINENTAL STOCK TRANSFER & TRUST COMPANY**

By: \_\_\_\_\_  
Saagar Govil  
President and Chief Executive Officer

By: \_\_\_\_\_  
Renato Dela Rama  
Vice President of Finance

\_\_\_\_\_

**DELIVERY OPTIONS FOR SUBSCRIPTION RIGHTS CERTIFICATE**

FOR DELIVERY BY HAND DELIVERY, FIRST CLASS MAIL OR COURIER SERVICE:

Continental Stock Transfer & Trust Company, 17 Battery Place, 8<sup>th</sup> Floor, New York, NY 10004, Attn: Corporate Actions Department

**DELIVERY OTHER THAN IN THE MANNER OR TO THE ADDRESSES LISTED ABOVE WILL NOT CONSTITUTE VALID DELIVERY**  
PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY

**FORM 1 - EXERCISE OF SUBSCRIPTION RIGHTS**

To subscribe for shares pursuant to your basic subscription privilege, please complete lines (a) and (c) and sign under Form 3 below. To subscribe for shares pursuant to your over-subscription privilege, please also complete line (b) and sign under Form 3 below. **Because we will not know the final subscription price until the expiration date of the rights offering, the number of shares that you subscribe for in this rights offering will be based on your total subscription payment, not the number of shares that you apply for in parts (a) and (b).** If, as a result of the subscription price decreasing, the number of shares that you subscribe for in part (a) exceeds your basic subscription right, we will apply your remaining total subscription payment to the over-subscription privilege. **If you desire to only subscribe for a certain number of shares and you do not want any excess subscription payment to be applied to additional shares in the rights offering, be sure to check the box in part (c).**

(a) *Basic Subscription Privilege*  
I apply for \_\_\_\_\_ shares x \$1.06 = \$ \_\_\_\_\_  
(No. of shares, subject to proration) (subscription price) (payment)

(b) *Over-Subscription Privilege* – If you have exercised your basic subscription privilege in full and wish to subscribe for additional shares pursuant to your over-subscription privilege:  
I apply for \_\_\_\_\_ shares x \$1.06 = \$ \_\_\_\_\_  
(No. of shares, subject to proration) (subscription price) (payment)

(c) **Total Amount of part (a) and part (b) Payment Enclosed = \$ \_\_\_\_\_**

**IMPORTANT:** by checking this box, I agree that if the exercise price is lower than \$1.06, I only want to receive the number of shares that I have subscribed for in parts (a) and (b) and want to be refunded any extra payment promptly with no interest or penalty. [ ]

METHOD OF PAYMENT (CHECK ONE)

- [ ] certified or personal check drawn against a U.S. bank payable to Continental Stock Transfer & Trust Company, the subscription rights agent (Note: Funds paid by an uncertified check may take five or more business days to clear);
- [ ] U.S. Postal money order payable to Continental Stock Transfer & Trust Company; or
- [ ] wire transfer of immediately available funds to the subscription account maintained by Continental Stock Transfer & Trust Company, as subscription rights agent, at JP Morgan Chase; ABA # 021000021; Acct # 475-588908; Reference: CST Agent for Centrex Inc. Rights Plan Subscription.

**FORM 2 - DELIVERY TO DIFFERENT ADDRESS**

If you wish for the shares to be delivered to an address different from that shown on the face of this Subscription Rights Certificate, please enter the alternate address below, sign under Form 3 and have your signature guaranteed under Form 4.

**FORM 3 - SIGNATURE**

I acknowledge that I have received the Prospectus for this rights offering and I hereby irrevocably subscribe for the number of shares indicated above on the terms and conditions specified in the Prospectus.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Signature of Joint Owner(s)

**IMPORTANT:** The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

**FORM 4 - SIGNATURE GUARANTEE**

This form must be completed if you have completed Form 2.

**SIGNATURE GUARANTEED:**

\_\_\_\_\_  
(Name of Bank or Firm)

\_\_\_\_\_  
(Signature of Officer)

**IMPORTANT:** The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.





November 21, 2018

Cemtrex, Inc.  
19 Engineers Lane  
Farmingdale, New York 11735

Re: Subscription Rights Offering

Ladies and Gentlemen:

We have acted as counsel to Cemtrex, Inc., a Delaware corporation (the “Company”), in connection with the preparation and filing with the Securities and Exchange Commission (the “Commission”) of a Prospectus Supplement, dated November 21, 2018 (the “Prospectus Supplement”), of the Company, filed pursuant to Rule 424(b)(2) promulgated under the Securities Act of 1933, as amended (the “Act”), relating to the pro rata issuance by the Company to its stockholders and series 1 warrant holders for no consideration of non-transferable subscription rights (the “Rights”). Each Right enables its holder to purchase one share (the “Rights Shares”) of common stock of the Company, subject to proration. The Prospectus Supplement relates to the Registration Statement on Form S-3 previously filed by the Company (Registration No. 333-218501) as amended to date (the “Registration Statement”), which was declared effective on June 14, 2017. The Company is also filing a Current Report on Form 8-K dated November 21, 2018 (the “Form 8-K”) relating to the offering of the Rights Shares (the “Rights Offering”), which includes this opinion letter as an exhibit. This opinion is being delivered at the request of the Company and in accordance with the requirements of Item 601(b)(5) of Regulation S-K promulgated by the Commission.

In connection with the opinion expressed herein, we have examined the Registration Statement, the base prospectus contained in the Registration Statement (the “Base Prospectus”), the Prospectus Supplement, the Certificate of Incorporation and the By-laws of the Company, both as currently in effect, resolutions of the Board of Directors of the Company, and such other documents as we have deemed necessary for purposes of rendering the opinions in this letter. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies, the authenticity of the originals of such documents and the legal competence of all signatories to such documents.

Based on the foregoing, subject to the limitations, assumptions and qualifications set forth herein, and having due regard for such legal considerations as we deem relevant, we are of the opinion that:

1. The Rights have been duly authorized and, when issued as described in the Registration Statement, including the Base Prospectus and Prospectus Supplement, will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

2. The Rights Shares have been duly authorized and, when issued as described in the Registration Statement, including the Base Prospectus and Prospectus Supplement, including payment of the subscription price therefor in an amount equal to or greater than the par value thereof, will be validly issued, fully paid and non-assessable.

Our opinion that the Rights are valid and binding obligations of the Company is subject to applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws relating to or affecting the rights of creditors generally and general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief and limitation of rights of acceleration, regardless of whether such enforceability is considered in a proceeding in equity or at law.

The opinions expressed herein are limited solely to the General Corporation Law of the State of Delaware, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such law, as currently in effect, and we express no opinion as to the effect of any other law of the State of Delaware or the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder. We assume no obligation to update or supplement any of the opinion set forth herein to reflect any changes of law or fact that may occur following the date hereof.

Very truly yours,

*/s/ Olshan Frome Wolosky LLP*

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OLSHAN FROME WOLOSKY LLP

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## DEALER-MANAGER AGREEMENT

As of November 21, 2018

Advisory Group Equity Services, Ltd.  
doing business as RHK Capital  
*As Dealer-Manager*  
88 Post Road West, 3<sup>rd</sup> floor  
Westport, CT 06880

Ladies and Gentlemen:

The following will confirm our agreement relating to the proposed subscription rights offering (the "Rights Offering") to be undertaken by Centrex Inc., a Delaware corporation (the "Company"), pursuant to which the Company will distribute to holders of record of its common stock, par value \$0.001 per share (the "Common Stock"), and outstanding series 1 warrants (the "Warrants") subscription rights (the "Rights") as set forth in the Prospectus Supplement to be filed on or about November 20, 2018 to the Company's Form S-3 shelf registration statement (File No. 333-218501) first filed with the U.S. Securities and Exchange Commission (the "Commission") on June 5, 2017, as amended, to subscribe for and purchase shares of Common Stock (the "Rights Shares"), at a subscription price equal to the lesser of (i) \$1.06 and (ii) a 95% of the volume weighted average price for our Common Stock for the five (5) trading day period through and including December 19, 2018 (the "Subscription Price").

1. The Rights Offering.

(a) The Company proposes to undertake the Rights Offering pursuant to which each holder of Common Stock and Warrants shall receive one Right for each share of Common Stock held of record by such holder or for every ten (10) shares that the Warrant is exercisable for, as the case may be, at the close of business on November 20, 2018 (the "Record Date"). Holders of Rights (each a "Holder") will be entitled to subscribe for and purchase, at the Subscription Price, one share of Common Stock for every Right granted to Holders on the Record Date (the "Basic Subscription Right"); provided that the Rights may only be exercised for a maximum of \$2,700,000 of subscription proceeds.

(b) The Rights shall be non-transferable and will not be listed for trading on any stock exchange or market. The Common Stock is presently listed on the NASDAQ Capital Market (the "NasdaqCM"), and the Rights Shares shall trade on the NasdaqCM and shall be transferable in accordance with applicable state "blue sky" laws, rules and regulations.

(c) Any holder of Rights who fully exercises all Basic Subscription Rights issued to such holder is entitled to subscribe for Rights Shares which were not otherwise subscribed for by others pursuant to their Basic Subscription Rights (the "Over-Subscription Right"). The Over-Subscription Right shall allow a holder of a Right to subscribe for an additional amount equal to any and all of the Rights Shares which were not otherwise subscribed for as of the Expiration Date (as defined below). Rights Shares acquired pursuant to the Basic Subscription Right and the Over-Subscription Rights are subject to allotment and certain limitations and pro rata allocation, as more fully discussed in the Prospectus (as defined herein).

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(d) The Rights will expire at 5:00 p.m., New York City time, on December 19, 2018 (the Expiration Date). The Company shall have the right to extend the Expiration Date for up to an additional 30 days in its sole discretion.

(e) All funds from the exercise of Basic Subscription Rights and Over-Subscription Rights will be deposited with Continental Stock Transfer & Trust Company, LLC, as the subscription agent (the Subscription Agent), and held in a segregated account with the Subscription Agent pending a final determination of the number of Rights Shares to be issued pursuant to the exercise of Basic Subscription Rights and Over-Subscription Rights. As soon as is practicable after the Expiration Date, the Company shall conduct a closing of the Rights Offering (a Closing).

## 2. Appointment as Dealer-Manager; Role of Dealer-Manager.

(a) The Company hereby engages Advisory Group Equity Services, Ltd., doing business as RHK Capital, as the exclusive dealer-manager (the Dealer-Manager) in connection with the Rights Offering, and authorizes the Dealer-Manager to act as such on its behalf in connection with the Rights Offering, in accordance with this Dealer-Manager Agreement (this Agreement). Until the Expiration Date, the Company will not solicit, negotiate with or enter into any agreement with any placement agent, financial advisor, dealer manager, brokers, dealers or underwriters or any other person or entity in connection with the Rights Offering. On the basis of the representations and warranties and agreements of the Company contained in this Agreement and subject to and in accordance with the terms and conditions hereof, the Dealer-Manager agrees that as Dealer-Manager it will, in accordance with its customary practice and to the extent requested by the Company, use its commercially reasonable efforts to (i) advise on pricing, structuring and other terms and conditions of the Rights Offering, including whether to provide for transferability, tradability and oversubscription rights and limits (it being acknowledged that such services have been previously provided pursuant to that certain engagement letter, dated as of August 27, 2017, between Dealer-Manager and the Company (the Engagement Letter)), (ii) provide guidance on general market conditions and their impact on the Rights Offering, (iii) assist the Company in drafting a presentation that may be used to market the Rights Offering to existing and potential investors, describing the proposed capital raising, the Company's history and performance to date, track records of key executives, highlights of the Company's business plan and the intended use of proceeds from the Rights Offering, (iv) advise on the selection of the Information Agent and Subscription Agent (it being acknowledged that such advice has been previously rendered pursuant to the Engagement Letter), (v) assist the Company with its understanding of state blue sky laws and retaining of counsel to assist with the blue sky filings related to the Rights Offering, (vi) solicit the holders of the Rights to encourage them to exercise such Rights and (vii) enter into selected dealer agreements with other registered broker-dealers and provide the Company with the opportunity to introduce the Company and make a presentation to such broker-dealers, in each case using its commercially reasonable efforts. For the avoidance of doubt and notwithstanding anything that may be to the contrary in this Agreement, the Company and the Dealer-Manager hereby agree that (y) the Dealer-Manager will not underwrite the Rights Offering, the Dealer-Manager has no obligation to act, and will not act, in any capacity as an underwriter in connection with the Rights Offering and the Dealer-Manager has no obligation to purchase or procure purchases of the Rights Shares offered in connection with the Rights Offering and (z) the Dealer-Manager shall not solicit any holders of the Company's securities (including the Rights) or engage in the offer and sale of the Rights Shares in any jurisdiction in which the Rights or Rights Shares are not qualified or registered for sale in accordance with, or exempt from, the state securities or "blue sky" laws, as applicable. The parties acknowledge and agree that the Dealer-Manager may perform certain of its services through its affiliates and any of its affiliates performing services hereunder shall be entitled to the benefits and be subject to the terms and conditions of this Agreement

(b) The Company acknowledges and agrees that: (i) the terms of this Agreement are arm's-length commercial transactions between the Company, on the one hand, and the Dealer-Manager, on the other; (ii) in connection therewith, the Dealer-Manager is not acting as a fiduciary of the Company; (iii) the Dealer-Manager has not assumed any agency or fiduciary responsibilities in favor of the Company with respect to the Rights Offering or the process leading thereto (irrespective of whether the Dealer-Manager has advised or is currently advising the Company on other matters) or any other obligation to the Company with respect to the Rights Offering except the obligations expressly set forth in this Agreement; (iv) the Dealer-Manager may be engaged in a broad range of transactions that involve interests that differ from those of the Company which the Dealer-Manager may be under no obligation to disclose; and (v) the Company has consulted its own legal and financial advisors with respect to its execution of and performance under this Agreement.

3. No Liability for Acts of Brokers, Dealers, Banks and Trust Companies The Dealer-Manager shall not be subject to any liability (in tort, contract or otherwise) to the Company or any of the Company's Subsidiaries (as such term is defined in Rule 405 of the Securities Act of 1933, as amended (the "Securities Act")) or "affiliates" ("Affiliates," as such term is defined in Rule 144 under the Securities Act) for any act or omission on the part of any broker or dealer in securities (other than the Dealer-Manager) or any natural person, partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity or organization (each, a "Person"), and the Dealer-Manager shall not be liable for its own acts or omissions in performing its obligations as advisor or Dealer-Manager hereunder or otherwise in connection with the Rights Offering or the related transactions, except for any losses, claims, damages, liabilities and expenses to have resulted directly from any such acts or omissions undertaken or omitted to be taken by the Dealer-Manager through its gross negligence, bad faith or willful misconduct (as determined in a final judgment by a court of competent jurisdiction), or use of any Rights Offering materials or information concerning the Company which were not authorized for such use by the Company or in state were not qualified. The Dealer-Manager may appoint sub-placement agents and/or dealers in connection with the Rights Offering. In soliciting or obtaining exercises of Rights, the Dealer-Manager shall not be deemed to be acting as the agent of the Company or as the agent of any broker, dealer, bank or trust company, and no broker, dealer, bank or trust company shall be deemed to be acting as the Dealer-Manager's agent or as the agent of the Company. Unless the context specifically requires otherwise, the term "Company" as used in this Agreement means the Company and its Subsidiaries collectively on a consolidated basis. Except as set forth herein, the Company agrees that it will not hold the Dealer-Manager liable or responsible for the failure of the Rights Offering in the event that the Rights Offering is not successfully consummated for any reason.

#### 4. The Offer Documents.

(a) There will be used in connection with the Rights Offering certain materials in addition to the Registration Statement, Preliminary Prospectus, Base Prospectus and any Prospectus Supplement (each as defined herein) as filed, including: (i) all exhibits to the Registration Statement which pertain to the conduct of the Rights Offering, (ii) any soliciting materials relating to the Rights Offering approved by the Company and (iii) any free writing prospectus with respect to the Rights Offering filed by the Company (collectively with the Registration Statement and the Prospectus, the "Offer Documents"). The Offer Documents have been or will be prepared and approved by, and are the sole responsibility of, the Company.

(b) The Company will furnish copies of drafts of any Offer Documents to the Dealer-Manager within a reasonable time in advance of filing with the Commission or with the Commission or with any other federal, state, or other governmental agency or instrumentality or court ("Other Agency"), including the Financial Industry Regulatory Authority ("FINRA"). The Dealer-Manager shall be given an opportunity to review and comment upon the Offer Documents, to which comments the Company will give reasonable consideration.

(c) In the event that the Company uses or permits the use of, or files with the Commission or any Other Agency, any Offer Documents (i) which have not been submitted to the Dealer-Manager for its comments, or (ii) which have been so submitted and with respect to which the Dealer-Manager has made comments, but which comments have not resulted in a response satisfactory to the Dealer-Manager and its counsel to reflect such comments, then the Dealer-Manager shall be entitled to withdraw as a Dealer Manager in connection with the Rights Offering and the related transactions without any liability or penalty to the Dealer-Manager or any other Person identified in Section 11 hereof as an "indemnified party," and the Dealer-Manager shall be entitled to receive the payment of all fees and expenses payable under this Agreement or the Engagement Letter which have accrued to the date of such withdrawal or which otherwise thereafter become payable. No such event has occurred through the date hereof.

(d) The Company further agrees to furnish the Dealer-Manager with as many copies as it may reasonably request of the final forms of the Offer Documents and the Dealer-Manager is authorized to use copies of the Offer Documents in connection with its acting as Dealer-Manager. The Company represents and warrants to the Dealer-Manager that the Dealer-Manager may rely on the accuracy and completeness of all of the Offer Documents and any other information delivered to the Dealer-Manager by or on behalf of the Company in connection with the Rights Offering. The Dealer-Manager hereby agrees that it will not disseminate any written material for or in connection with the solicitation of exercises of Rights pursuant to the Rights Offering.

(e) The Company represents and agrees that no solicitation material, other than the Offer Documents and the documents to be filed therewith as exhibits thereto, will be used in connection with the Rights Offering by or on behalf of the Company without the prior approval of the Dealer-Manager, which approval will not be unreasonably withheld. In the event that the Company uses or permits the use of any such solicitation material in connection with the Rights Offering, then the Dealer-Manager shall be entitled to withdraw as Dealer-Manager in connection with the Rights Offering and the related transactions without any liability or penalty to the Dealer-Manager or any other Person identified in Section 11 hereof as an "indemnified party," and the Dealer-Manager shall be entitled to receive the payment of all fees and expenses payable under this Agreement or the Engagement Letter which have accrued to the date of such withdrawal or which otherwise thereafter become payable.



(f) As of the date hereof and at all times prior to and following the effectiveness of the Registration Statement, the Company shall and cause its officers, directors and Affiliates to comply with all rules and regulations of the Commission relating to public offerings, including, without limitation, those relating to public statements and disclosures of material non-public information.

(g) The Company agrees that any reference to the Dealer-Manager in any Offer Documents or in any newspaper announcement or press release or other document or communication is subject to the Dealer-Manager's prior consent, which consent shall not be unreasonably withheld.

5. Representations and Warranties. The Company represents and warrants to the Dealer-Manager that:

(a) The Company has prepared and filed with the Commission a registration statement, and an amendment or amendments thereto, on Form S-3 (File No. 333-218501) including a prospectus (the "Base Prospectus") for the registration of the certain types of securities under the Securities Act, which Registration Statement, as so amended prior to the Effective Time (including post-effective amendments, if any), has been declared effective by the Commission and copies of which have heretofore been delivered to the Dealer-Manager. At the time of such filing, the Company met the requirements of Form S-3 under the Securities Act. Such Registration Statement meets the requirements set forth in Rule 415(a)(1)(x) under the Securities Act and complies with said rule. Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus supplement (the "Prospectus Supplement") describing the Rights and the Rights Shares in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the Securities Act (the "Securities Act Regulations") and paragraph (b) of Rule 424 ("Rule 424(b)") of the Securities Act Regulations. A copy of the Prospectus Supplement, as filed with the Commission, has been delivered to the Dealer-Manager. The information included in the Prospectus Supplement that was omitted from such Registration Statement at the time it became effective but that is deemed to be part of such Registration Statement at the time it became effective pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information." The Base Prospectus and each prospectus used before such Registration Statement became effective, and any prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is referred to herein as a "Preliminary Prospectus." For purposes of this Agreement, "Effective Time" means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; "Effective Date" means the date of the Effective Time; "Registration Statement" means such Registration Statement, as amended at the Effective Time, including any documents which are exhibits thereto; and "Prospectus" means such final prospectus, as first filed with the Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Securities Act, including the Base Prospectus, the Prospectus Supplement and all information or reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), incorporated in the Prospectus by reference. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus. All references in this Agreement to the Registration Statement, a Preliminary Prospectus, and the Prospectus, or any amendments or supplements to any of the foregoing shall be deemed to include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("EDGAR"). The Prospectus delivered to the Dealer-Manager for use in connection with the Rights Offering will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T promulgated by the Commission.

(b) The Registration Statement (together with all exhibits filed as part of the Registration Statement) conforms, and any Preliminary Prospectus and the Prospectus and any further amendments or supplements to the Registration Statement conforms or will conform, when they are filed with or become effective by the Commission, as the case may be, in each case, in all material respects to the requirements of the Securities Act and the various state securities or “blue sky” laws, as applicable, and collectively do not and will not, as of the applicable Effective Date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (with respect to the Prospectus, in the light of the circumstances under which they were made) not misleading; provided that no representation or warranty is made by the Company as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer-Manager specifically for inclusion therein (collectively, the “Dealer-Manager Information”) under appropriate headings and in its final form as approved by the Dealer-Manager and its counsel.

(c) There are no contracts, agreements, plans or other documents which are required to be described in the Prospectus or filed as exhibits to the Registration Statement by the Securities Act which have not been described in the Prospectus or filed as exhibits to the Registration Statement or referred to in, or incorporated by reference into, the exhibit table of the Registration Statement as permitted by the Securities Act.

(d) The Company and each of its Subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the absence of such power or authority (either individually and in the aggregate) could not reasonably be expected to have a material adverse effect on: (i) the business, condition (financial or otherwise), results of operations, shareholders' equity, properties or prospects (as such prospects are disclosed or described in the Prospectus) of the Company or its Subsidiaries; (ii) the long-term debt or capital stock of the Company or its Subsidiaries; or (iii) the Rights Offering or consummation of any of the other transactions contemplated by this Agreement, the Registration Statement or the Prospectus (any such effect being a "Material Adverse Effect").

(e) This Agreement has been duly authorized, executed and delivered by the Company and, assuming the due authorization, execution and delivery by the Dealer-Manager, constitutes the valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity.

(f) Neither the Company nor any of its Subsidiaries: (i) is in violation of its charter or by-laws, (ii) is in default under or in breach of, and no event has occurred which, with notice or lapse of time or both, would constitute a default or breach under or result in the creation or imposition of any lien, charge, mortgage, pledge, security interest, claim, equity, trust or other encumbrance, preferential arrangement, defect or restriction of any kind whatsoever (each, a "Lien") upon any of their property or assets pursuant to, any material contract, agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject, or (iii) is in violation in any material respect of any law, rule, regulation, ordinance, directive, judgment, decree or order, foreign and domestic, to which it or its properties or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its properties or assets or to the conduct of its business, except, in the case of clauses (ii) and (iii) above, any violation, default or failure to possess the same that would not have a Material Adverse Effect.

(g) Prior to or on the date hereof: (i) the Company and the Subscription Agent have or will have entered into a subscription agency agreement (the "Subscription Agency Agreement") if required by the Subscription Agent and (ii) the Company and Okapi Partners, LLC (the "Information Agent") have or will have entered into an information agency agreement (the "Information Agency Agreement") if required by the Information Agent. When executed by the Company, if applicable, each of the Subscription Agency Agreement and the Information Agency Agreement will have been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by Subscription Agent or the Information Agent, as the case may be, will constitute a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity.

(h) The Rights to be issued and distributed by the Company have been duly and validly authorized and, when issued and delivered in accordance with the terms of the Offer Documents, will be duly and validly issued, and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, no holder of the Rights is or will be subject to personal liability by reason of being such a holder, and the Rights conform to the description thereof contained in the Prospectus. The shares of Common Stock issuable upon exercise of any Rights have been duly and validly authorized and, when issued and delivered in accordance with the terms of the Rights, will be duly and validly issued, fully paid and non-assessable and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, no holder of the Common Stock is or will be subject to personal liability by reason of being such a holder, and the Common Stock conforms to the description thereof contained in the Prospectus.

(i) Except as disclosed in the Prospectus with respect to the Company's authorized capitalization, the Rights Shares have been duly and validly authorized and reserved for issuance upon exercise of the Rights and are free of statutory and contractual preemptive rights and are sufficient in number to meet the exercise requirements of the Rights Offering; and the Rights Shares, when so issued and delivered against payment therefore in accordance with the terms of the Rights Offering, will be duly and validly issued, fully paid and non-assessable, with no personal liability attaching to the ownership thereof, and will conform to the description thereof contained in the Prospectus.

(j) The Common Stock is quoted on the NasdaqCM. The Company has not received an oral or written notification from the NasdaqCM or any court or any other federal, state, local or foreign governmental or regulatory authority having jurisdiction over the Company or any of its Subsidiaries or any of their properties or assets (each, a "Governmental Authority"), of any inquiry or investigation or other action that would cause the Common Stock or the Rights Shares not to be quoted on the NasdaqCM.

(k) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and have been issued in compliance with federal and state securities laws. None of the outstanding shares of Company capital stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its Subsidiaries other than those accurately described in the Registration Statement and Prospectus. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement and Prospectus accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(l) The Company and its Subsidiaries own or lease all such assets or properties as are necessary to the conduct of its business as presently operated and as proposed to be operated as described in the Registration Statement and the Prospectus. Except to the extent leased by the Company or its Subsidiaries, the Company and its Subsidiaries have good and marketable title in fee simple to all assets or real property and good and marketable title to all personal property owned by them, in each case free and clear of any Lien, except for such Liens as are described in the Registration Statement and the Prospectus. Any assets or real property and buildings held under lease or sublease by the Company or any Subsidiary is held under valid, subsisting and enforceable leases with such exceptions as are not material to, and do not interfere with, the use made and proposed to be made of such property and buildings by the Company or such Subsidiary. Neither the Company nor any Subsidiary has received any notice of any material claim adverse to its ownership of any real or personal property or of any material claim against the continued possession of any real property, whether owned or held under lease or sublease by the Company or any Subsidiary.

(m) The Company and its Subsidiaries have all material consents, approvals, authorizations, orders, registrations, qualifications, licenses, filings and permits of, with and from all judicial, regulatory and other Governmental Authorities and all third parties, foreign and domestic (collectively, with the Licensing Requirements described below, the “Consents”), to own, lease and operate their properties and conduct their businesses as presently being conducted and as disclosed in the Registration Statement and the Prospectus, and each such Consent is valid and in full force and effect. The Company has not received notice of any investigation or proceedings which results in or, if decided adversely to the Company, could reasonably be expected to result in, the revocation of any Consent or reasonably be expected to have a Material Adverse Effect. No Consent contains a materially burdensome restriction not adequately disclosed in the Registration Statement and the Prospectus.

(n) The execution, delivery and performance of this Agreement by the Company, the issuance of the Rights in accordance with the terms of the Offer Documents, the issuance of the Rights Shares in accordance with the terms of the Rights Offering, and the consummation by the Company of the transactions contemplated hereby, the Subscription Agency Agreement and the Information Agency Agreement, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries or any of its Affiliates is a party or by which the Company or any of its Subsidiaries or its Affiliates is bound or to which any of the properties or assets of the Company or any of its Subsidiaries or its Affiliates is subject, nor will such actions result in any violation of the provisions of the charter or by-laws of the Company or any of its Subsidiaries or any statute or any order, rule or regulation of any Governmental Authority; and except for the registration of the Rights and the Rights Shares under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state securities laws in connection with the distribution of the Rights and the sale of the Rights Shares by the Company, no consent, approval, authorization or order of, or filing or registration with, any such court or Governmental Authority is required for the execution, delivery and performance of this Agreement by the Company and the consummation by it of the transactions contemplated hereby.

(o) Except as otherwise disclosed in the Registration Statement and Prospectus, there are no contracts, agreements or understandings between the Company and any Person granting such Person the right to require the Company to include such securities in the securities registered pursuant to the Registration Statement. No holder of any security of the Company has any rights of rescission or similar rights with respect to such securities held by them.

(p) Neither the Company nor any of its Subsidiaries has sustained, since the date of the latest balance sheet included in the Prospectus or after such date and as disclosed in the Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; and, since such date or after such date and as disclosed in the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, results of operations or prospects (as such prospects are disclosed or described in the Prospectus) of the Company and its Subsidiaries (a "Material Adverse Change"). Since the date of the latest balance sheet presented in the Prospectus, the Company has not incurred or undertaken any liabilities or obligations, whether direct or indirect, liquidated or contingent, matured or unmatured, or entered into any transactions, including any acquisition or disposition of any business or asset, which are material to the Company, except for liabilities, obligations and transactions which are disclosed in the Registration Statement, any Preliminary Prospectus and the Prospectus.

(q) Bharat Parikh & Associates Chartered Accountants and BDO USA, LLP (collectively, the "Auditors"), whose reports relating to the Company and its Subsidiaries are included in the Registration Statement, are each independent registered public accountants with respect to the Company and Vicon Industries, Inc., as applicable, as required by the Securities Act, the Exchange Act and the rules and regulations promulgated by the Public Company Accounting Oversight Board (the "PCAOB"). The Auditors, to the best of the Company's knowledge, are duly registered and in good standing with the PCAOB. The Auditors have not, during the periods covered by the financial statements included in the Registration Statement, the Preliminary Prospectus and the Prospectus, provided to the Company or Vicon Industries, Inc. any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

(r) The financial statements, including the notes thereto, and any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the financial position as of the dates indicated and the cash flows and results of operations for the periods specified of the Company. Except as otherwise stated in the Registration Statement, any Preliminary Prospectus and the Prospectus, said financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved. Any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information required to be stated therein. No other financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement. The other financial and statistical information included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information included therein and have been prepared on a basis consistent with that of the financial statements that are included in the Registration Statement, such Preliminary Prospectus and the Prospectus and the books and records of the respective entities presented therein.

(s) There are no pro forma or as adjusted financial statements which are required to be included in the Registration Statement, any Preliminary Prospectus and the Prospectus in accordance with Regulation S-X under the Securities Act which have not been included as so required. The pro forma and/or as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus has been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and include all adjustments necessary to present fairly, in all material respects, in accordance with generally accepted accounting principles the pro forma and as adjusted financial position of the respective entity or entities presented therein at the respective dates indicated and their cash flows and the results of operations for the respective periods specified. The assumptions used in preparing the pro forma and as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein. The related pro forma and pro forma as adjusted adjustments give appropriate effect to those assumptions; and the pro forma and pro forma as adjusted financial information reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(t) The statistical, industry-related and market-related data included in the Registration Statement, any Preliminary Prospectus and the Prospectus are based on or derived from sources which the Company reasonably believes are reliable and accurate, and such data agree with the sources from which they are derived. All applicable third party consents have been obtained in order for such data to be included in the Registration Statement, any Preliminary Prospectus and the Prospectus.

(u) Except as disclosed in the Registration Statement and the Prospectus, the Company maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accounting for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) The Company's Board of Directors has validly appointed an audit committee, compensation committee and nominating and corporate governance committee whose composition satisfies the requirements of the rules and regulations of the Commission and the Company's Board of Directors and/or audit committee, compensation committee and the nominating corporate governance committee has each adopted a charter as described in the Registration Statement, and such charters are in full force and effect as of the date hereof. Neither the Company's Board of Directors nor the audit committee thereof has been informed, nor is any director of the Company aware, of: (i) except as disclosed in the Registration Statement and the Prospectus, any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(w) The Company is in material compliance with the provisions of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley"), applicable to the Company, and the rules and regulations promulgated thereunder and related or similar rules and regulations promulgated by any other Governmental Authority or self-regulatory entity or agency, except for violations which, singly or in the aggregate, are disclosed in the Prospectus or would not have a Material Adverse Effect.

(x) No relationship, direct or indirect, exists between or among any of the Company or any Affiliate of the Company, on the one hand, and any director, officer, shareholder, customer or supplier of the Company or any Affiliate of the Company, on the other hand, which is required by the Securities Act or the Exchange Act to be described in the Registration Statement or the Prospectus which is not so described as required. Except as disclosed in the Registration Statement and the Prospectus, there are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members. The Company has not, in violation of Sarbanes-Oxley, directly or indirectly, including through any Affiliate of the Company (other than as permitted under Sarbanes-Oxley for depository institutions), extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

(y) Except as described in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its Subsidiaries is a party or of which any property or asset of the Company or any of its Subsidiaries is the subject which, if determined adversely to the Company or any of its Subsidiaries, are reasonably likely to have a Material Adverse Effect; and to the best of the Company's knowledge, except as disclosed in the Prospectus, no such proceedings are threatened or contemplated by Governmental Authorities or threatened by others.

(z) The Company and its Subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except where the failure to make such filings or make such payments, either individually or in the aggregate, could not reasonably be expected to have, a Material Adverse Effect. The Company has made adequate charges, accruals and reserves in its financial statements above in respect of all federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its Subsidiaries has not been finally determined.



(aa) Each of the Company and its Subsidiaries maintains insurance of the types and in the amounts which the Company believes to be reasonable and sufficient for a company of its size operating in the Company's industry, including, but not limited to: (i) directors' and officers' insurance (including insurance covering the Company, its directors and officers for liabilities or losses arising in connection with the Rights Offering, including, without limitation, liabilities or losses arising under the Securities Act, the Exchange Act and applicable foreign securities laws), (ii) insurance covering real and personal property owned or leased against theft, damage, destruction, acts of vandalism and all other risks customarily insured against and (iii) business interruption insurance. There are no claims by the Company or any of its Subsidiaries under any policy or instrument described in this paragraph as to which any insurance company is denying liability or defending under a reservation of rights clause. All of the insurance policies described in this paragraph are in full force and effect. Neither the Company nor any of its Subsidiaries has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(bb) The Company and its Subsidiaries own or possess or have the right to use on reasonable terms all patents, patent rights, patent applications, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, service names and other intellectual property (collectively, "Intellectual Property") necessary to carry on their respective businesses as described in the Prospectus and as proposed to be conducted; and neither the Company nor any of its Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interests of the Company or any of its Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, individually or in the aggregate, might result in a Material Adverse Effect. To the Company's knowledge, all former and current employees of the Company or any of its Subsidiaries (and, to the Company's knowledge, all other agents, consultants and contractors of the Company or any of its subsidiaries who contributed to or participated in the conception or development of any Intellectual Property for the Company or any of its Subsidiaries) have executed written contracts or agreements that assign to the Company all rights to any inventions, improvements, discoveries or information relating to the business of the Company and its Subsidiaries, including without limitation all Intellectual Property owned, controlled by or in the possession of the Company or any of its Subsidiaries. To the Company's knowledge, there is no unauthorized use, infringement or misappropriation of any of the Intellectual Property by any third party, employee or former employee. Each agreement and instrument (each, a "License Agreement") pursuant to which any Intellectual Property is licensed to the Company or any of its Subsidiaries is in full force and effect, has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company or the applicable subsidiary, as the case may be, enforceable against the Company or such subsidiary in accordance with its terms, except as enforcement thereof may be subject to bankruptcy, insolvency or other similar laws relating to or affecting creditors' rights generally or by general equitable principles; the Company and its Subsidiaries are in compliance with their respective obligations under all License Agreements and, to the knowledge of the Company, all other parties to any of the License Agreements are in compliance with all of their respective obligations thereunder; no event or condition has occurred or exists that gives or would give any party to any License Agreement the right, either immediately or with notice or passage of time or both, to terminate or limit (in whole or in part) any such License Agreement or any rights of the Company or any of its Subsidiaries thereunder, to exercise any of such party's remedies thereunder, or to take any action that would adversely affect any rights of the Company or any of its Subsidiaries thereunder or that might have a Material Adverse Effect and the Company is not aware of any facts or circumstances that would result in any of the foregoing or give any party to any License Agreement any such right; and neither the Company nor any of its Subsidiaries has received any notice of default, breach or non-compliance under any License Agreement.

(cc) Except as described in any Preliminary Prospectus, the Prospectus and the Registration Statement, the Company: (i) is and at all times has been in full compliance with all existing privacy laws and other statutes, rules, regulations or industry guidance applicable to the ownership, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured, distributed or sold by the Company or any component thereof (such laws, statutes, rules, regulations or guidance, collectively, "Applicable Laws"); (ii) has not received any notice of adverse finding, warning letter, untitled letter or other correspondence or notice from any Governmental Authority alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("Authorizations"); (iii) possesses all Authorizations and such Authorizations are valid and in full force and effect and are not in violation of any term of any such Authorizations; (iv) has not received notice of any claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any product operation or activity is in violation of any Applicable Laws or Authorizations and has no knowledge that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (v) has not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations and has no knowledge that any such Governmental Authority is considering such action; (vi) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent submission), except, in the case of each of clauses (i), (ii) and (iii), for any default, violation or event that would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(dd) Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers or employees has violated: (i) the Bank Secrecy Act, as amended, (ii) the Money Laundering Control Act of 1986, as amended, (iii) the Foreign Corrupt Practices Act of 1977, as amended, or (iv) the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, and/or the rules and regulations promulgated under any such law, or any successor law, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect. No action, suit or proceeding by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to any of the foregoing laws is pending or, to the knowledge of the Company, threatened.

(ee) Neither the Company nor any of its Affiliates has, prior to the date hereof, made any offer or sale of any securities which are required to be “integrated” pursuant to the Securities Act with the offer and sale of the Rights Shares pursuant to the Registration Statement.

(ff) Except as described in the Registration Statement and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder’s, consulting or origination fee or other compensation by the Company with respect to the issuance or exercise of the Rights or the sale of the Rights Shares or any other arrangements, agreements or understandings of the Company or, to the Company’s knowledge, the Company’s officers, directors and employees or Affiliates that may affect the Dealer-Manager’s compensation, as determined by the Financial Industry Regulatory Authority, Inc. (“FINRA”). Except as previously disclosed by the Company to the Dealer-Manager in writing, no officer, director, or beneficial owner of 5% or more of any class of the Company’s securities (whether debt or equity, registered or unregistered, regardless of the time acquired or the source from which derived) or any other Affiliate is a member or a Person associated, or affiliated with a member of FINRA. No proceeds from the exercise of the Rights will be paid to any FINRA member, or any Persons associated or affiliated with a member of FINRA, except as specifically contemplated herein. Except as previously disclosed by the Company to the Dealer-Manager, no Person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Registration Statement has any relationship or affiliation or association with any member of FINRA.

(gg) There are no contracts, agreements or understandings between the Company and any Person that would give rise to a valid claim against the Company or the Dealer-Manager for a brokerage commission, finder’s fee or other like payment in connection with the transactions contemplated by this Agreement. Other than the Dealer-Manager, the Company has not employed any brokers, dealers or underwriters in connection with solicitation of exercise of Rights in the Rights Offering, and except provided for in Sections 6 and 7 hereof, no other commissions, fees or discounts will be paid by the Company in connection with the Rights Offering.

(hh) Neither the Company nor, to the Company’s knowledge, any of the Company’s officers, directors, employees or agents has at any time during the last five (5) years: (i) made any unlawful contribution to any candidate for foreign office, or failed to disclose fully any contribution in violation of law, or (ii) made any payment to any federal or state governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments that are not prohibited by the laws of the United States of any jurisdiction thereof.

(ii) The Company has not and will not, directly or indirectly through any officer, director or Affiliate of the Company or through any other Person: (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares, (ii) since the filing of the Registration Statement sold, bid for or purchased, or paid any Person any compensation for soliciting exercises or purchases of, the Rights or the Rights Shares and (iii) until the later of the expiration of the Rights or the completion of the distribution (within the meaning of Regulation M under the Exchange Act) of the Rights Shares, sell, bid for or purchase, apply or agree to pay to any Person any compensation for soliciting another to purchase any other securities of the Company (except for the solicitation of the exercises of Rights pursuant to the Offer Documents). The foregoing shall not apply to the offer, sale, agreement to sell or delivery with respect to: (i) Rights Shares offered and sold upon exercise of the Rights, as described in the Prospectus, or (ii) any shares of Common Stock sold pursuant to the Company's employee benefit plans.

(jj) Each "forward-looking statement" (within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act) included in the Registration Statement and the Prospectus has been made or reaffirmed with a reasonable basis and has been disclosed in good faith.

As used in this Agreement, references to matters being "material" with respect to the Company or any matter relating to the Company shall mean a material item, event, change, condition, status or effect related to the condition (financial or otherwise), properties, assets (including intangible assets), liabilities, business, prospects (as such prospects are disclosed or described in any Preliminary Prospectus or the Prospectus), operations or results of operations of the Company and its Subsidiaries, taken as a whole.

As used in this Agreement, the term "knowledge of the Company" (or similar language) shall mean the knowledge of the officers of the Company who are named in the Prospectus, with the assumption that such officers shall have made reasonable and diligent inquiry of the matters presented (with reference to what is customary and prudent for the applicable individuals in connection with the discharge by the applicable individuals of their duties as officers or directors of the Company).

6. Compensation. In consideration for its services in the Rights Offering, the Dealer-Manager shall receive a cash fee equal to 6% of the gross dollar amount received by the Company from any cash exercise of the Rights issued to investors in the Rights Offering, as a commission, which commission shall not exceed \$162,000 in the aggregate, and 1.8% non-accountable expense fee, which non-accountable expense fee shall not exceed \$48,600 in the aggregate, as well as an out-of-pocket accountable expense allowance of 0.2%, which accountable expense allowance shall not exceed \$5,400 in the aggregate. If the Rights Offering is not consummated, any portion of such accountable expense allowance that may be advanced by the Company to the Dealer-Manager but not used by such Dealer-Manager's actual out-of-pocket expenses shall be promptly reimbursed to the Company as required under FINRA Rule 5110(f)(2)(D). All payments to be made by the Company pursuant to this Section 6 shall be made at the Closing by wire transfer of immediately available funds upon the consummation of the subscriptions for Rights Shares pursuant to the exercise of Rights (the "Closing Date").

7. Expenses. Subject to Section 6 hereof, the Company shall pay or cause to be paid:

(a) all expenses (including any taxes) incurred by the Company in connection with the Rights Offering and the preparation, issuance, execution, authentication and delivery of the Rights and the Rights Shares;

(b) all fees, expenses and disbursements of the Company's accountants, legal counsel and other third party advisors;

(c) all reasonable and documented costs and expenses of the Dealer-Manager reimbursable upon any termination of this Agreement only as permitted by FINRA Rule 5110(f)(2)(D);

(d) all fees and expenses of the Subscription Agent and the Information Agent;

(e) all fees, expenses and disbursements (including, without limitation, fees and expenses of the Company's accountants and counsel) in connection with the preparation, printing, filing, delivery and shipping of the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), each Preliminary Prospectus, the Prospectus, the other Offer Documents and any amendments or supplements of the foregoing and any printing, delivery and shipping of this Agreement to any organization of soliciting dealers, if any, to the members thereof by mail, fax or other means of communications;

(f) all fees, expenses and disbursements, if any, relating to the registration or qualification of the Rights and the Rights Shares under the "blue sky" securities laws of any states or other jurisdictions;

(g) all filing fees of the Commission;

(h) all filing fees relating to the review of the Rights Offering by FINRA;

(i) any applicable listing or other fees;

(j) the cost of printing certificates representing the Rights and the Rights Shares; and

(k) the cost and charges of the Company's transfer agent(s) or registrar(s).

All payments to be made by the Company pursuant to this Section 7 shall be made promptly after the termination or expiration of the Rights Offering or, if later, promptly after the related fees, expenses or charges accrue and an invoice therefor is sent by the Dealer-Manager. The Company shall perform its obligations set forth in this Section 7 whether or not the Rights Offering commences or any Rights are exercised pursuant to the Rights Offering, except that the Dealer-Manager's non-accountable expenses may only be reimbursed upon Closing. For the avoidance of doubt, except as reimbursed pursuant to the non-accountable expense fee, the Dealer-Manager shall be responsible for expenses it incurs with respect to the performance of its obligations under this Agreement, including without limitation expenses it incurs with respect to travel and lodging expenses in connection with "road show" trips and legal counsel and other third parties engaged by the Dealer-Manager.

8. Shareholder Lists; Subscription Agent; Information Agent.

(a) The Company will cause the Dealer-Manager to be provided with any cards or lists showing the names and addresses of, and the number of shares of Common Stock held by, the holders of shares of Common Stock as of a recent date and will use its best efforts to cause the Dealer-Manager to be advised from time to time during the period, as the Dealer-Manager shall request, of the Rights Offering as to any transfers of record of shares of Common Stock.

(b) The Company (i) has arranged for the Subscription Agent to serve as subscription agent in connection with the Rights Offering, (ii) will arrange for the Subscription Agent to advise the Dealer-Manager regularly as to such matters as the Dealer-Manager may reasonably request, including the number of Rights that have been exercised, and (iii) will arrange for the Subscription Agent to be responsible for receiving subscription funds paid.

(c) The Company has arranged for the Information Agent to serve as the information agent in connection with the Rights Offering (together with the Subscription Agent, the "Agents") and to perform services in connection with the Rights Offering that are customary for an information agent.

9. Covenants of the Company. The Company covenants and agrees with the Dealer-Manager:

(a) To use its best efforts to cause the Registration Statement and any amendments thereto to become effective; to advise the Dealer-Manager, promptly after it receives notice thereof, of the time when the Registration Statement, or any amendment thereto, becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Dealer-Manager with copies thereof; to prepare a Prospectus in a form approved by the Dealer-Manager (such approval not to be unreasonably withheld or delayed) and to file such Prospectus pursuant to Rule 424(b) under the Securities Act within the time prescribed by such rule; to advise the Dealer-Manager, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Rights for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal.

(b) To deliver promptly to the Dealer-Manager, at any such location as requested by the Dealer-Manager, such number of the following documents as the Dealer-Manager shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement, any other Offer Documents filed as exhibits, the computation of the ratio of earnings to fixed charges and the computation of per share earnings), (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus and (iii) any document incorporated by reference in the Prospectus (excluding exhibits thereto); and, if the delivery of a prospectus is required at any time during which the Prospectus relating to the Rights or the Rights Shares is required to be delivered under the Securities Act and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, to notify the Dealer-Manager and, upon its request, to file such document and to prepare and furnish without charge to the Dealer-Manager as many copies as the Dealer-Manager may from time to time reasonably request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance.

(c) To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Company or the Dealer-Manager, be necessary or advisable in connection with the distribution of the Rights or the sale of the Rights Shares or be requested by the Commission.

(d) Prior to filing with the Commission any: (i) Preliminary Prospectus, (ii) amendment to the Registration Statement, any document incorporated by reference in the Prospectus or (iii) any Prospectus pursuant to Rule 424 of the Securities Act, to furnish a copy thereof to the Dealer-Manager and counsel for the Dealer-Manager and obtain the consent of the Dealer-Manager to the filing (which consent shall not be unreasonably withheld).

(e) To furnish to the Dealer-Manager copies of all materials not available via EDGAR furnished by the Company to its shareholders and all public reports and all reports and financial statements furnished by the Company to the principal national securities exchange upon which any of the Company's securities may be listed pursuant to requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder.

(f) To qualify or register the Rights and the Rights Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws of those jurisdictions designated by the Dealer-Manager, the Company shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Rights and the Rights Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Dealer-Manager promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Rights and the Rights Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(g) To apply the net proceeds from the exercise of the Rights in the manner described under the caption "Use of Proceeds" in the Prospectus.

(h) To list the Rights Shares on the NasdaqCM and to use its best efforts to complete that listing, as applicable, subject only to official notice of issuance (if applicable), prior to the expiration of the Rights Offering.

(i) To take such steps as shall be necessary to ensure that neither the Company nor any Subsidiary shall become an "investment company" within the meaning of such term under the Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

(j) To advise the Dealer-Manager, directly or through the Subscription Agent, from time to time, as the Dealer-Manager shall request, of the number of Rights Shares subscribed for, and arrange for the Subscription Agent to furnish the Dealer-Manager with copies of written reports it furnishes to the Company concerning the Rights Offering.

(k) To commence mailing the Offer Documents to record holders of the Common Stock not later than the second business day following the record date for the Rights Offering, and complete such mailing as soon as practicable.

(l) To reserve and keep available for issue upon the exercise of the Rights such number of authorized but unissued shares of Rights Shares as will be sufficient to permit the exercise in full of all Rights, except as otherwise contemplated by the Prospectus.

(m) To not take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares.

(n) To comply with Instruction I.B.6 of Form S-3 during all applicable time periods set forth therein.

10. Conditions of Dealer-Manager's Obligations. The obligations of the Dealer-Manager hereunder are subject to (and the occurrence of any Closing shall be conditioned upon) the accuracy, as of the date hereof and at all times during the Rights Offering, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) (i) The Registration Statement shall have become effective and the Prospectus shall have been timely filed with the Commission in accordance with the Securities Act; (ii) all post-effective amendments to the Registration Statement shall have become effective; (iii) no stop order suspending the effectiveness of the Registration Statement or any amendment or supplement thereto shall have been issued and no proceedings for the issuance of any such order shall have been initiated or threatened, and (iv) any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been disclosed to the Dealer-Manager and complied with to the Dealer-Manager's reasonable satisfaction.



(b) The Dealer-Manager shall not have been advised by the Company or shall have discovered and disclosed to the Company that the Registration Statement or the Prospectus or any amendment or supplement thereto, contains an untrue statement of fact which in the Dealer-Manager's opinion, or in the opinion of counsel to the Dealer-Manager, is material, or omits to state a fact which, in the Dealer-Manager's opinion, or in the opinion of counsel to the Dealer-Manager, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Rights, the Rights Shares, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Dealer-Manager, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) On the Closing Date, there shall have been furnished to the Dealer-Manager the signed opinion (addressed to the Dealer-Manager) of Olshan Frome Wolosky LLP, counsel for the Company, dated as of the Closing Date and in form and substance satisfactory to counsel for the Dealer-Manager.

(e) The Company shall have furnished to the Dealer-Manager a certificate, dated as of the Closing Date, of its President and Chief Executive Officer and its Chief Financial Officer stating that:

- i. To the best of their knowledge after reasonable investigation, the representations, warranties, covenants and agreements of the Company hereof are true and correct in all material respects;
- ii. The conditions set forth in this Agreement have been fulfilled;
- iii. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding;
- iv. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any Material Adverse Change or any development involving a prospective Material Adverse Change; and
- v. They have carefully examined the Registration Statement and the Prospectus and, in their opinion (A) the Registration Statement and the Prospectus, as of the Effective Date, did not include any untrue statement of a material fact and did not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the Effective Date no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement or the Prospectus.

(f) Neither the Company nor any of its Subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any Material Adverse Change, the effect of which is, in the judgment of the Dealer-Manager, so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Offering.

(g) Neither FINRA nor the NasdaqCM shall have objected to the Rights Offering issuance.

(h) All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Dealer-Manager. If any of the conditions specified in this Section 10 shall not have been fulfilled when and as required by this Agreement, this Agreement and all obligations of the Dealer-Manager hereunder may be canceled at, or at any time during the Rights Offering, by the Dealer-Manager. Any such cancellation shall be without liability of the Dealer-Manager to the Company. Notice of such cancellation shall be given the Company in writing, or by telegraph or telephone and confirmed in writing.

11. Indemnification and Contribution. Notwithstanding anything to the contrary contained in the Engagement Letter:

(a) The Company agrees to indemnify and hold harmless the Dealer-Manager and its affiliates and any officer, director, employee or agent of the Dealer-Manager or any such affiliates and any Person controlling (within the meaning of Section 20(a) of the Exchange Act) the Dealer-Manager or any of such affiliates (collectively, the “Indemnified Parties”) from and against any and all losses, claims, damages, liabilities, expenses and actions (including shareholder actions, in respect thereof) whatsoever, under the Securities Act or otherwise (as incurred or suffered and including, but not limited to, any and all legal or other expenses incurred in connection with investigating, preparing to defend or defending any lawsuit, claim or other proceeding, commenced or threatened, whether or not resulting in any liability, which legal or other expenses shall be reimbursed by the Company promptly after receipt of any invoices therefore from the Dealer-Manager), (A) arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in the Offer Documents or any amendment or supplement thereto, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering, or in any blue sky application or other document prepared or executed by the Company (or based on any written information furnished by the Company) specifically for the purpose of qualifying any or all of the Rights or the Rights Shares under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a “Blue Sky Application”) or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon and in conformity with the Dealer-Manager Information), (ii) any withdrawal or termination by the Company of, or failure by the Company to make or consummate, the Rights Offering, (iii) any actions taken or omitted to be taken by an Indemnified Party with the consent of the Company or in conformity with actions taken or omitted to be taken by the Company or (iv) any failure by the Company to comply with any agreement or covenant, contained in this Agreement, or (B) arising out of, relating to or in connection with or alleged to arise out of, relate to or be in connection with, the Rights Offering, any of the other transactions contemplated thereby or the performance of the Dealer-Manager’s services to the Company with respect to the Rights Offering; provided, however, that the Company shall not be responsible for any liabilities or expenses of any Indemnified Party that have resulted primarily from such Indemnified Party’s (x) gross negligence, bad faith or willful misconduct (as determined by final and non-appealable judgment of a court of competent jurisdiction) in connection with any of the advice, actions, inactions or services referred to herein or (y) use of any Offering materials or information concerning the Company in connection with the Offer that were not authorized for such use by the Company and which use constitutes negligence, bad faith or willful misconduct (as determined by final and non-appealable judgment of a court of competent jurisdiction).

(b) Promptly after receipt by an Indemnified Party of notice of any intention or threat to commence an action, suit or proceeding or notice of the commencement of any action, suit or proceeding, such Indemnified Party will, if a claim in respect thereof is to be made against the Company pursuant hereto, promptly notify the Company in writing of the same. In case any such action is brought against any Indemnified Party and such Indemnified Party notifies the Company of the commencement thereof, the Company may elect to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party. Within 15 days following receipt of notice from an Indemnified Party or the receipt of such claim, the Company will notify the Dealer-Manager that the Company will assume control of the defense. An Indemnified Party may employ counsel to participate in the defense of any such action provided, that the employment of such counsel shall be at the Indemnified Party's own expense, unless (i) the employment of such counsel has been authorized in writing by the Company, (ii) the Indemnified Party has reasonably concluded (based upon advice of counsel to the Indemnified Party) that there may be legal defenses available to it or other Indemnified Parties that are different from or in addition to those available to the Company, or that a conflict or potential conflict exists (based upon advice of counsel to the Indemnified Party) between the Indemnified Party and the Company that makes it impossible or inadvisable for counsel to the Indemnifying Party to conduct the defense of both the Company and the Indemnified Party (in which case the Company will not have the right to direct the defense of such action on behalf of the Indemnified Party), or (iii) the Company has not in fact employed counsel reasonably satisfactory to the Indemnified Party to assume the defense of such action within a reasonable time after receiving notice of the action, suit or proceeding, in each of which cases the reasonable fees, disbursements and other charges of such counsel will be at the expense of the Company; provided, further, that in no event shall the Company be required to pay fees and expenses for more than one firm of attorneys representing Indemnified Parties unless the defense of one Indemnified Party is unique or separate from that of another Indemnified Party subject to the same claim or action. Any failure or delay by an Indemnified Party to give the notice referred to in this paragraph shall not affect such Indemnified Party's right to be indemnified hereunder, except to the extent that such failure or delay causes actual harm to the Company, or prejudices its ability to defend such action, suit or proceeding on behalf of such Indemnified Party.

(c) If the indemnification provided for in the foregoing paragraph is judicially determined to be unavailable (other than in accordance with the terms hereof) to any Indemnified Party otherwise entitled to indemnity in respect of any losses, claims, damages or liabilities referred to herein, then, in lieu of indemnifying such person hereunder, whether or not the Dealer-Manager is the person entitled to indemnification or reimbursement, the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages or liabilities (and expenses relating thereto) (i) in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and the Dealer-Manager, on the other hand, of the Rights Offering or (ii) if the allocation provided for in clause (i) above is not available, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of each of the Company and the Dealer-Manager, as well as any other relevant equitable considerations; provided, however, in no event shall the Dealer-Manager's aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by the Dealer-Manager under this Agreement. For the purposes of this Agreement, the relative benefits to the Company and to the Dealer-Manager of the engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by the Company in the Rights Offering, whether or not the Rights Offering is consummated, bears to (b) the fees paid or to be paid to the Dealer-Manager under this Agreement.

(d) The Company also agrees that neither the Dealer-Manager, nor any other Indemnified Party, shall have any liability to the Company for or in connection with the Dealer-Manager's engagement as Dealer-Manager, except for any such liability for losses, claims, damages, liabilities or expenses incurred by the Company which have resulted primarily from the Dealer-Manager's bad faith, willful misconduct, or gross negligence (as determined by final and non-appealable judgment of a court of competent jurisdiction) or the use of any offering material or information concerning the Company in connection with this Rights Offering which were not authorized for such use. The foregoing agreement shall be in addition to any rights that the Dealer-Manager, the Company or any Indemnified Party may have at common law or otherwise, including, but not limited to, any right to contribution. For the sole purpose of enforcing and otherwise giving effect to the provisions of this Agreement, the Company hereby consents to personal jurisdiction and service and venue in any court in which any claim which is subject to this agreement is brought against the Dealer-Manager or any other indemnified party.

(e) The Company agrees that it will not, without the prior written consent of the Dealer-Manager, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Dealer-Manager is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent (i) relates solely to the payment of monetary damages and does not include any admission of liability on the part of the Dealer-Manager, and (ii) includes an unconditional release, reasonably satisfactory in form and substance to the Dealer-Manager, releasing the Dealer-Manager from all liability arising out of such claim, action, suit or proceeding.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Company in which such Indemnified Party is not named as a defendant, the Company agrees to promptly reimburse the Dealer-Manager on a monthly basis for all expenses reasonably incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and disbursements of its legal counsel.

(g) If multiple claims are brought, and indemnification is permitted under applicable law and provided for under this Agreement with respect to at least one of such claims, the Company agrees that any judgment or arbitration award shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for, except to the extent the judgment or arbitrate award expressly states that it, or any portion thereof, is based solely on a claim as to which indemnification is not available.

(h) The Company agrees to reimburse each Indemnified Party for all expenses as they are incurred in connection with enforcing such Indemnified Party's rights hereunder.

#### 12. Effective Date of Agreement; Termination.

(a) This Agreement shall become effective upon the later of the time on which the Dealer-Manager shall have received notification of the effectiveness of the Registration Statement and the time which this Agreement shall have been executed by all of the parties hereto.

(b) This Agreement shall terminate upon the earliest to occur of (a) the consummation, termination or withdrawal of the Rights Offering, and (b) the withdrawal by the Dealer-Manager pursuant to Section 4.

13. Survival of Certain Provisions. The agreements contained in Sections 3, 6, 7, 11 and 13 through 21 hereof and the representations, warranties and agreements of the Company contained in Section 5 hereof shall survive the consummation of or failure to commence the Rights Offering and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party; provided, that the Company's obligations under Section 7 to reimburse the Dealer Manager for accountable expenses are subject to FINRA Rule 5110 (f)(2)(D) in that such expenses are only reimbursable to the extent actually incurred and only if the Rights Offering actually closes.

14. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) sent by facsimile with immediate telephonic confirmation or (c) sent by registered or certified mail, return receipt requested, postage prepaid, to the parties hereto as follows

If to the Dealer-Manager:

Advisory Group Equity Services, Ltd.  
doing business as RHK Capital  
88 Post Road West, 3<sup>rd</sup> floor  
Westport, Connecticut 06880  
Attention: Richard H. Kreger, Senior Managing Director  
Email: rkreger@rhk.capital

With a copy to:

Mandelbaum Salsburg PC  
1270 Avenue of the Americas, Suite 1808  
New York, NY 10020  
Attention: J. Russell Bulkeley, Esq.  
Email: rbulkeley@lawfirm.ms  
Facsimile: (917) 383-1228

If to the Company:

Cemtrex Inc.  
19 Engineers Lane  
Farmingdale, NY 11735  
Attention: Mr. Saagar Govil, Chief Executive Officer

With a copy to:

Olshan Frome Wolosky LLP  
1325 Avenue of the Americas  
New York, NY 10019  
Attention: Spencer G. Feldman, Esq.  
Email: sfeldman@olshanlaw.com  
Facsimile: (212) 451-2222

15. Parties. This Agreement shall inure to the benefit of and be binding upon the Dealer-Manager, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those Persons, except that the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the Person or Persons, if any, who control the Dealer-Manager within the meaning of Section 15 of the Act. Nothing in this Agreement shall be construed to give any Person, other than the Persons referred to in this Section, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. Amendment. This Agreement may not be amended or modified except in writing signed by each of the parties hereto.

17. Governing Law; Venue. This Agreement shall be deemed to have been executed and delivered in New York and both this Agreement and the transactions contemplated hereby shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws of the State of New York, without regard to the conflicts of laws principals thereof (other than Section 5-1401 of The New York General Obligations Law). Each of the Dealer-Manager and the Company: (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement and/or the transactions contemplated hereby shall be instituted exclusively in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York, (b) waives any objection which it may have or hereafter to the venue of any such suit, action or proceeding, and (c) irrevocably consents to the jurisdiction of Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the Dealer-Manager and the Company further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York and agrees that service of process upon the Company mailed by certified mail to the Company's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service of process upon the Company, in any such suit, action or proceeding, and service of process upon the underwriters mailed by certified mail to the Dealer-Manager's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service process upon the Dealer-Manager, in any such suit, action or proceeding. THE COMPANY (ON BEHALF OF ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ON BEHALF OF ITS RESPECTIVE EQUITY HOLDERS AND CREDITORS) HEREBY WAIVES ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED UPON, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE REGISTRATION STATEMENT, ANY PRELIMINARY PROSPECTUS AND THE PROSPECTUS.

18. Entire Agreement. This Agreement, as the same may be amended from time to time in accordance with the terms hereof, contains the entire agreement among the parties hereto relating to the subject matter hereof and there are no other or further agreements outstanding not specifically mentioned herein.

19. Assignment. Neither this Agreement nor any right or interest hereunder shall be assignable by the Company or the Dealer-Manager without the prior written consent of the other party hereto.

19. Severability. If any term or provision of this Agreement or the performance thereof shall be invalid or unenforceable to any extent, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement and this Agreement shall be valid and enforced to the fullest extent permitted by law.

20. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of a signed counterpart of this Agreement by facsimile or other electronic transmission (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

*[Signature Page Follows]*

If the foregoing correctly sets forth your understanding, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us.

Very truly yours,

**CENTREX INC.**

By: \_\_\_\_\_

Name: Saagar Govil

Title: Chief Executive Officer

**Accepted and agreed as of the date first written above:**

**ADVISORY GROUP EQUITY SERVICES, LTD.**  
**doing business as RHK Capital**

By: \_\_\_\_\_

Name: Richard H. Kreger

Title: Senior Managing Director

*[Signature Page to Dealer-Manager Agreement]*

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**FORM OF LETTER  
CENTREX, INC.**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Holders of Common Stock and Series 1 Warrants of Centrex, Inc.

November 21, 2018

Dear Rights Holder:

This letter is being distributed by Centrex, Inc. ("Centrex") relating to the rights offering by Centrex of non-transferable subscription rights (the "Subscription Rights Certificates") distributed to all holders of record of shares of Centrex' common stock, par value \$0.01 per share, and series 1 warrants, at 4:00 p.m., Eastern time, on November 20, 2018 (the "record date"). The rights are described in the prospectus supplement (a copy of which accompanies this letter).

The subscription rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on December 19, 2018, unless extended (the "Expiration Date").

As described in the accompanying prospectus supplement, each record holder of common stock and/or warrants registered in your name or the name of your nominees is entitled to one subscription right for every one share of our common stock and one subscription right for every ten series 1 warrants owned by such holder on the record date. For example, if you owned 1,000 shares of our common stock and 1,000 warrants as of 4:00 p.m., Eastern time, on the record date, you would receive 1,100 subscription rights and would have the right to purchase 1,100 shares at the subscription price with your basic subscription privilege plus you would also be entitled to an over-subscription privilege, in each case subject to proration. You may exercise the basic subscription privilege of any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise your basic subscription privilege in full, you will not be entitled to purchase any shares under your over-subscription privilege.

Because we may only raise up to \$2,700,000 (the "Maximum Offering Amount") in proceeds in this rights offering, the basic subscription privilege is subject to proration. Each subscriber will receive a number of shares per right equal to the product (disregarding fractions) obtained by multiplying the number of shares issuable by Centrex to ensure that the Maximum Offering Amount is not exceeded based on the subscription price (the "Maximum Available New Stock") by a fraction of which the numerator is the number of shares subscribed for by that subscriber under the basic subscription privilege and the denominator is the aggregate number of shares subscribed for by all of the subscribers pursuant to the basic subscription privilege. Any fractional shares to which subscribers would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. For example, assume that the subscription price is \$1.06 per share and 3,000,000 rights are exercised during the course of the rights offering. The gross proceeds to Centrex, without proration, would equal \$3,180,000, which is in excess of the Maximum Offering Amount. Accordingly, we would be required to prorate the subscriptions for each subscriber. If you exercised 1,000 rights subscribing for 1,000 shares, your subscription would be prorated and you would receive only 849 shares of common stock (1,000 shares multiplied by the quotient of \$2,700,000, or the Maximum Offering Amount, divided by \$3,180,000) and would be refunded any additional money, without interest.

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The over-subscription privilege provides each rights holder that fully exercises all of such holder's basic subscription privilege the opportunity to purchase the shares that are not purchased by other rights holders (the "Remaining New Stock"). If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares unclaimed by other holders of subscription rights in the rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription privilege requests, we will allocate the available shares pro-rata among those stockholders exercising their over-subscription privilege based on the number of available shares such that each subscriber would receive such number of shares equal to the product (disregarding fractions) obtained by multiplying the number of shares of Remaining New Stock by a fraction of which the numerator is the number of shares subscribed for by that participant under the over-subscription privilege and the denominator is the aggregate number of shares of Remaining New Stock subscribed for by all participants under the over-subscription privilege. Any fractional shares to which persons exercising their over-subscription privilege would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. The subscription agent will notify subscription rights holders of the number of shares, if any, allocated to each holder exercising the over-subscription privilege as promptly as may be practicable after the allocations are completed.

To properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the subscription period.

**There may not be sufficient shares available to purchase the number of shares issuable upon the exercise of basic subscription privileges or over-subscription privileges. Cemtrex will only honor over-subscription privileges to the extent sufficient unsubscribed shares are available following the exercise of subscription rights under the basic subscription privilege. Cemtrex will not issue more than \$2,700,000 worth of shares at the subscription price per share.**

To the extent the aggregate subscription available to you pursuant to the subscription privileges is less than the amount you actually paid in connection with the exercise of the subscription privileges, you will be allocated only the number of unsubscribed shares available to you promptly after the expiration of the rights offering.

To the extent the amount you actually paid in connection with the exercise of the subscription privileges is less than the aggregate subscription price of the maximum number of shares available to you, you will be allocated the number of shares for which you actually paid in connection with the privilege.

The number of shares subscribed is further subject to reduction as a result of tax attribute considerations as described in the prospectus supplement.

Each rights holder will be required to submit payment in full for all the shares it wishes to buy. Payment must be made assuming the subscription price of \$1.06 per share. Any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be put towards the purchase of additional shares in the rights offering unless the rights holder makes an election on the rights certificate to have the excess subscription payment returned in cash. Accordingly, the number of shares you receive may be greater than the number of shares that you subscribed for.

Cemtrex will not be required to issue shares to you if the subscription agent does not receive your payment prior to the Expiration Date, regardless of when you send the subscription payment and related documents, unless you send the documents in compliance with the guaranteed delivery procedures described below. Cemtrex may extend the rights offering by giving oral or written notice to the subscription agent on or before the Expiration Date. If Cemtrex elects to extend the rights offering, it will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced Expiration Date.

The rights will be evidenced by non-transferable rights certificates. The number of rights to which you are entitled in the basic subscription privilege is printed on the face of your rights certificate. You should indicate your wishes with regard to the exercise of your rights by completing the appropriate portions of your rights certificate and returning the certificate to the subscription agent in the envelope provided.

Enclosed are copies of the following documents:

1. Prospectus Supplement;
2. Rights Certificate;
3. Instructions as to the use of Cemtrex, Inc. Rights Certificates (including a Notice of Guaranteed Delivery for Subscription Rights Certificates Issued by Cemtrex); and
4. A return envelope addressed to Continental Stock Transfer & Trust Co., the subscription agent.

Your prompt action is requested. To exercise the subscription rights, you should deliver the properly completed and signed rights certificate (or Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures), with payment of the subscription price in full for shares subscribed for pursuant to the basic subscription privilege and the over-subscription privilege, to the subscription agent, as indicated in the prospectus. The subscription agent must receive the rights certificate or Notice of Guaranteed Delivery with payment of the subscription price, including final clearance of any checks, prior to the Expiration Date. A subscription rights holder cannot revoke the exercise of its subscription rights. Subscription rights not exercised prior to the Expiration Date will expire.

Additional copies of the enclosed materials may be obtained from Okapi Partners LLC, the information agent for the rights offering. Any questions or requests for assistance concerning the rights offering should be directed to Okapi Partners LLC, the information agent for the Rights Offering, at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com).

Very truly yours,

Cemtrex, Inc.



**FORM OF INSTRUCTIONS AS TO USE OF  
CENTREX, INC. SUBSCRIPTION RIGHTS CERTIFICATES**

CONSULT THE INFORMATION AGENT, YOUR BANK OR BROKER  
AS TO ANY QUESTIONS

The following instructions relate to a rights offering by Centrex, Inc., a Delaware corporation (“Centrex,” “we” or “us”), to the holders of record of its shares of common stock, par value \$0.001 per share, and series 1 warrants (“rights holders” or “you”), as described in Centrex’s Prospectus Supplement dated November 21, 2018.

The basic subscription privilege gives our rights holders the opportunity to purchase one share of common stock (subject to proration) for every one share of our common stock that they own on the record date, at a subscription price equal to the lesser of (i) \$1.06 or (ii) 95% of the volume weighted average price of our common stock for the five trading day period through and including December 19, 2018, rounded up to the nearest whole penny. We have granted to each holder of (i) common stock of record as of the record date, one subscription right for each one share of our common stock owned by such stockholder at that time and (ii) series 1 warrants of record as of the record date, one subscription right for every ten warrants owned by such holder at that time. For example, if you owned 1,000 shares of our common stock and 1,000 warrants as of 4:00 p.m., Eastern time, on the record date, you would receive 1,100 subscription rights and would have the right to purchase 1,100 shares at the subscription price (subject to proration) with your basic subscription privilege plus you would also be entitled to an over-subscription privilege, in each case subject to proration. You may exercise the basic subscription privilege of any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise your basic subscription privilege in full, you will not be entitled to purchase any shares under your over-subscription privilege.

Because we may only raise up to \$2,700,000 (the “Maximum Offering Amount”) in proceeds in this rights offering, the basic subscription privilege is subject to proration. Each subscriber will receive a number of shares per right equal to the product (disregarding fractions) obtained by multiplying the number of shares issuable by Centrex to ensure that the Maximum Offering Amount is not exceeded based on the subscription price (the “Maximum Available New Stock”) by a fraction of which the numerator is the number of shares subscribed for by that subscriber under the basic subscription privilege and the denominator is the aggregate number of shares subscribed for by all of the subscribers pursuant to the basic subscription privilege. Any fractional shares to which subscribers would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. For example, assume that the subscription price is \$1.06 per share and 3,000,000 rights are exercised during the course of the rights offering. The gross proceeds to Centrex, without proration, would equal \$3,180,000 which is in excess of the Maximum Offering Amount. Accordingly, we would be required to prorate the subscriptions for each subscriber. If you exercised 1,000 rights subscribing for 1,000 shares, your subscription would be prorated and you would receive only 849 shares of common stock (1,000 shares multiplied by the quotient of \$2,700,000, or the Maximum Offering Amount, divided by \$3,180,000) and would be refunded any additional money, without interest.

The over-subscription privilege provides each rights holder that fully exercises all of such holder’s basic subscription privilege the opportunity to purchase the shares that are not purchased by other rights holders (the “Remaining New Stock”). If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares unclaimed by other holders of subscription rights in the rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription privilege requests, we will allocate the available shares pro-rata among those stockholders exercising their over-subscription privilege based on the number of available shares such that each subscriber would receive such number of shares equal to the product (disregarding fractions) obtained by multiplying the number of shares of Remaining New Stock by a fraction of which the numerator is the number of shares subscribed for by that participant under the over-subscription privilege and the denominator is the aggregate number of shares of Remaining New Stock subscribed for by all participants under the over-subscription privilege. Any fractional shares to which persons exercising their over-subscription privilege would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. The subscription agent will notify subscription rights holders of the number of shares, if any, allocated to each holder exercising the over-subscription privilege as promptly as may be practicable after the allocations are completed.

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To properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the subscription period.

**There may not be sufficient shares available to purchase the number of shares issuable upon the exercise of basic subscription privileges or over-subscription privileges. Centrex will only honor over-subscription privileges to the extent sufficient unsubscribed shares are available following the exercise of subscription rights under the basic subscription privilege. Centrex will not issue more than \$2,700,000 worth of shares at the subscription price per share.**

The subscription rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on December 19, 2018, unless extended (the "Expiration Date").

To the extent the aggregate subscription available to you pursuant to the subscription privileges is less than the amount you actually paid in connection with the exercise of the subscription privileges, you will be allocated only the number of unsubscribed shares available to you promptly after the expiration of the rights offering.

To the extent the amount you actually paid in connection with the exercise of the subscription privileges is less than the aggregate subscription price of the maximum number of shares available to you, you will be allocated the number of shares for which you actually paid in connection with the privilege.

The number of shares subscribed is further subject to reduction as a result of tax attribute considerations as described in the prospectus supplement.

Each rights holder will be required to submit payment in full for all the shares it wishes to buy. Payment must be made assuming the subscription price of \$1.06 per share. Any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be put towards the purchase of additional shares in the rights offering unless the rights holder makes an election on the rights certificate to have the excess subscription payment returned in cash. Accordingly, the number of shares you receive may be greater than the number of shares that you subscribed for.

Centrex will not be required to issue shares to you if the subscription agent does not receive your payment prior to the Expiration Date, regardless of when you send the subscription payment and related documents, unless you send the documents in compliance with the guaranteed delivery procedures described below. Centrex may extend the rights offering by giving oral or written notice to the subscription agent on or before the Expiration Date. If Centrex elects to extend the rights offering, it will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced Expiration Date.

The rights will be evidenced by non-transferable rights certificates. The number of rights to which you are entitled in the basic subscription privilege is printed on the face of your rights certificate. You should indicate your wishes with regard to the exercise of your rights by completing the appropriate portions of your rights certificate and returning the certificate to the subscription agent in the envelope provided.

YOUR RIGHTS CERTIFICATES, OR NOTICE OF GUARANTEED DELIVERY, AND SUBSCRIPTION PRICE PAYMENT FOR EACH RIGHT THAT IS EXERCISED PURSUANT TO THE BASIC SUBSCRIPTION PRIVILEGE PLUS THE FULL SUBSCRIPTION PRICE FOR ANY ADDITIONAL SHARES SUBSCRIBED FOR PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE, INCLUDING FINAL CLEARANCE OF ANY CHECKS, MUST BE RECEIVED BY THE SUBSCRIPTION AGENT, ON OR BEFORE THE EXPIRATION OF THE RIGHTS OFFERING. ONCE A HOLDER OF RIGHTS HAS EXERCISED THE BASIC SUBSCRIPTION PRIVILEGE OR THE OVER-SUBSCRIPTION PRIVILEGE, SUCH EXERCISE MAY NOT BE REVOKED. RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION THE RIGHTS OFFERING WILL EXPIRE.

***Method of Subscription - Exercise of Rights***

To exercise rights, complete your rights certificate and send the properly completed and executed rights certificate evidencing such rights with any signatures required to be guaranteed so guaranteed, together with payment in full of the subscription price for each share subscribed for pursuant to the basic subscription privilege plus the full subscription price for any shares you elect to subscribe for pursuant to the over-subscription privilege, to the subscription agent, on or prior to the Expiration Date. Payment of the subscription price will be held in a segregated account to be maintained by the subscription agent. All payments must be made in U.S. dollars for the full number of shares being subscribed for (a) by check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order payable to Continental Stock Transfer & Trust Co., as subscription agent, or (b) by wire transfer of immediately available funds, to the account maintained by the Subscription Agent for purposes of accepting subscriptions in the rights offering at J.P. Morgan Chase; ABA No. 021000021; Account No. 475-588908; Reference: Continental Stock Transfer & Trust as agent for Cemtrex, Inc. Rights Offering (the "Subscription Account"). Any wire transfer should clearly indicate the identity of the subscriber who is paying the subscription price by wire transfer. Payments will be deemed to have been received upon (i) clearance of any uncertified check, (ii) receipt by the subscription agent of any certified check or bank draft drawn upon a U.S. bank or of any postal, telegraphic or express money order or (iii) receipt of collected funds in the Subscription Account designated above. If paying by uncertified personal check, please note that the funds paid thereby may take five or more business days to clear. Accordingly, rights holders who wish to pay the subscription price by means of uncertified personal check are urged to make payment sufficiently in advance of the expiration of the rights offering to ensure that such payment is received and clears by such date and are urged to consider payment by means of certified or cashier's check, money order or wire transfer of funds.

All checks must be made payable to Continental Stock Transfer & Trust Co., Account No. 475-588908, as escrow agent for Cemtrex Inc.

The rights certificate and payment of the subscription price or, if applicable, Notices of Guaranteed Delivery (as defined below) must be delivered to the subscription agent by mail, hand delivery, express mail, courier or other expedited service:

Continental Stock Transfer & Trust Co.  
17 Battery Place, 8<sup>th</sup> Floor  
New York, New York 10004  
Attn: Corporate Actions Department  
*Telephone Number for Confirmation:(800) 509-5586*

Any questions or requests for assistance concerning the rights offering should be directed to Okapi Partners LLC, at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com).



**Delivery to an address other than those above does not constitute valid delivery.**

By making arrangements with your bank or broker for the delivery of funds on your behalf you may also request such bank or broker to exercise the rights certificate on your behalf. Alternatively, you may cause a written guarantee substantially in the form of Exhibit A to these instructions (the "Notice of Guaranteed Delivery"), from a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, or from a commercial bank or trust company having an office or correspondent in the United States or from a bank, shareholder, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, (each, an "Eligible Institution"), to be received by the Subscription Agent on or prior to the expiration of the rights offering together with payment in full of the applicable subscription price. Such Notice of Guaranteed Delivery must state your name, the number of rights represented by the rights certificate(s) held by you, the number of shares being subscribed for pursuant to the basic subscription privilege, the number of additional shares you wish to subscribe for pursuant to the over-subscription privilege and that you will guarantee the delivery to the subscription agent of any properly completed and executed rights certificate(s) evidencing such rights within three business days following the date of the Notice of Guaranteed Delivery. If this procedure is followed, the properly completed rights certificate(s) evidencing the right(s) being exercised, with any signatures required to be guaranteed so guaranteed, must be received by the subscription agent within three business days following the date of the Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery may be delivered to the subscription agent in the same manner as rights certificate(s) at the address set forth above, or may be transmitted to the subscription agent by facsimile transmission (Facsimile No. (212) 616-7610). Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the subscription agent at the address set forth above, or by calling the information agent or by calling the subscription agent at the telephone numbers set forth above.

If you do not indicate the number of rights being exercised, or do not forward full payment of the subscription price, then you will be deemed to have exercised your rights with respect to the maximum number of whole rights that may be exercised with the aggregate subscription price you delivered to the subscription agent.

If your aggregate subscription price is greater than the amount you owe for exercise of your basic subscription privilege in full, you will be deemed to have exercised your over-subscription privilege to purchase the maximum number of shares with your over-payment. If you make an election on the rights certificate to have the excess subscription payment returned in cash or if we do not otherwise apply your full subscription price payment to your purchase of shares, the excess subscription payment received by the subscription agent will be returned to you, without interest, as soon as practicable.

Brokers, custodian banks and other nominee holders of rights who exercise the basic subscription privilege and the over-subscription privilege on behalf of beneficial owners of rights will be required to certify to the subscription agent, information agent and Centrex, in connection with the exercise of the over-subscription privilege, as to the aggregate number of rights that have been exercised pursuant to the basic subscription privilege and the number of shares that are being subscribed for pursuant to the over-subscription privilege, by each beneficial owner of rights (including such nominee itself) on whose behalf such nominee holder is acting.

### ***Subscription by DTC Participants***

Banks, trust companies, securities dealers and brokers that hold our common stock as nominee for more than one beneficial owner may, upon proper showing to the subscription rights agent, exercise their subscription privileges on the same basis as if the beneficial owners were record holders on the record date through the Depository Trust Company (the "DTC"). The DTC will issue one basic subscription privilege to purchase one share (subject to proration) for each share of common stock or every ten (10) warrants that are held by you as of the record date. Each basic subscription privilege can then be used to purchase one share for \$1.06. As described in the prospectus supplement, the subscription price may be decreased on the Expiration Date. For more information, consult the prospectus supplement. You may exercise these subscription privileges through DTC's PSOP Function and instructing DTC to charge your applicable DTC account for the subscription payment for the shares and deliver such amount to the subscription rights agent. DTC must receive the subscription instructions and payment for the shares by the expiration date of the rights offering.

### ***Subscription by Beneficial Owners***

If you are a beneficial owner of our common stock and/or warrants that are registered in the name of a broker, custodian bank or other nominee, or if you hold common stock certificates and/or warrants and would prefer to have an institution conduct the transaction relating to the subscription rights on your behalf, you should instruct your broker, custodian bank or other nominee or institution to exercise your subscription rights and deliver all documents and payment on your behalf prior to the Expiration Date. Your subscription rights will not be considered exercised unless the subscription rights agent receives from you, your broker, custodian, nominee or institution, as the case may be, all of the required documents and your full subscription price payment prior to the Expiration Date.

### ***Transferability of Subscription Rights***

The subscription rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your subscription rights to anyone. The subscription rights will not be listed for trading on any stock exchange or market.

### ***Execution***

- **Execution by Registered Holder.** The signature on the rights certificate(s) must correspond with the name of the registered holder exactly as it appears on the face of the rights certificate(s) without any alteration or change whatsoever. Persons who sign the rights certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the subscription agent in its sole and absolute discretion, must present to the subscription agent satisfactory evidence of their authority to so act.
- **Execution by Person Other than Registered Holder.** If a rights certificate is executed by a person other than the holder named on the face of the rights certificate, proper evidence of authority of the person executing the rights certificate must accompany the same unless, for good cause, the subscription agent dispenses with proof of authority.
- **Signature Guarantees.** Your signature must be guaranteed by an Eligible Institution if you specify special payment or delivery instructions.

***Method of Delivery***

The method of delivery of rights certificates and payment of the subscription price to the subscription agent will be at the election and risk of the rights holder. However, if you elect to exercise your rights, Centrex urges you to consider using a certified or cashier's check, money order, or wire transfer of funds to ensure that the subscription agent receives your funds prior to the Expiration Date. If you send an uncertificated check, payment will not be deemed to have been received by the subscription agent until the check has cleared, but if you send a certified check, bank draft drawn upon a U.S. bank, a postal, telegraphic or express money order or wire or transfer funds directly to the subscription agent's account, payment will be deemed to have been received by the subscription agent immediately upon receipt of such instruments and wire or transfer. Any personal check used to pay for shares must clear the appropriate financial institutions prior to the Expiration Date. The clearinghouse may require five or more business days. Accordingly, rights holders that wish to pay the subscription price by means of an uncertified personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure such payment is received and clears by such date.

***Substitute Form W-9***

Each rights holder who elects to exercise rights should provide the subscription agent with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, a copy of which is included as Exhibit B hereto. Additional copies of Substitute Form W-9 may be obtained upon request from the subscription agent at the address set forth above or by contacting Okapi Partners LLC, the information agent for the rights offering, at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com). Failure to provide the information on the form may subject such holder to a \$50.00 penalty for each such failure and to U.S. federal income tax backup withholding (currently at a 24% rate) with respect to dividends that may be paid by Centrex on securities underlying shares purchased upon the exercise of rights (for those holders exercising rights).



**FORM OF LETTER  
CENTREX, INC.**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Holders of Common Stock and Series 1 Warrants of

Centrex, Inc.

November 21, 2018

To Our Clients:

Enclosed for your consideration is the Prospectus Supplement dated November 21, 2018 (and the “Instructions as to Use of Centrex, Inc. Subscription Rights Certificates”) relating to the rights offering by Centrex, Inc. (“Centrex,” “us,” “our” or “we”) of non-transferable subscription rights distributed to all holders of record of shares of Centrex’s common stock, par value \$0.001 per share, and series 1 warrants, at 4:00 p.m., Eastern time, on November 20, 2018 (the “record date”). The rights are described in the Prospectus Supplement.

The subscription rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on December 19, 2018, unless extended (the “Expiration Date”).

The basic subscription privilege gives our rights holders the opportunity to purchase one share of common stock (subject to proration) for every one share of our common stock and every ten warrants that they own on the record date, at a subscription price equal to the lesser of (i) \$1.06 per share (the “Initial Price”) or (ii) 95% of the volume weighted average price of our common stock for the five trading day period through and including December 19, 2018 (the “Alternate Price”), rounded up to the nearest whole penny. We have granted to each holder of common stock of record as of the record date, one subscription right for every one share of our common stock owned by such holder at that time and we have granted to each holder of warrants owned of record as of the record date, one subscription right for every ten series 1 warrants owned by such holder at that time. For example, if you owned 1,000 shares of our common stock and 1,000 of our warrants as of 5:00 p.m., Eastern time, on the record date, you would receive 1,100 subscription rights (and in the case of holders of warrants, 100 subscription rights) and would have the right to purchase 1,100 shares at the subscription price with your basic subscription privilege plus you would also be entitled to an over-subscription privilege, in each case subject to proration. You may exercise the basic subscription privilege of any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise your basic subscription privilege in full, you will not be entitled to purchase any shares under your over-subscription privilege.

Because we may only raise up to \$2,700,000 (the “Maximum Offering Amount”) in proceeds in this rights offering, the basic subscription privilege is subject to proration. Each subscriber will receive a number of shares per right equal to the product (disregarding fractions) obtained by multiplying the number of shares issuable by Centrex to ensure that the Maximum Offering Amount is not exceeded based on the subscription price (the “Maximum Available New Stock”) by a fraction of which the numerator is the number of shares subscribed for by that subscriber under the basic subscription privilege and the denominator is the aggregate number of shares subscribed for by all of the subscribers pursuant to the basic subscription privilege. Any fractional shares to which subscribers would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. Centrex will not accept any subscriptions that are less than 100 shares. For example, assume that the subscription price is \$1.06 per share and 3,000,000 rights are exercised during the course of the rights offering. The gross proceeds to Centrex, without proration, would equal \$3,180,000, which is in excess of the Maximum Offering Amount. Accordingly, we would be required to prorate the subscriptions for each subscriber. If you exercised 1,000 rights subscribing for 1,000 shares, your subscription would be prorated and you would receive only 849 shares of common stock (1,000 shares multiplied by the quotient of \$2,700,000, or the Maximum Offering Amount, divided by \$3,180,000) and would be refunded any additional money, without interest.

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The over-subscription privilege provides each rights holder that fully exercises all of such holder's basic subscription privilege the opportunity to purchase the shares that are not purchased by other rights holders (the "Remaining New Stock"). If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares unclaimed by other holders of subscription rights in the rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription privilege requests, we will allocate the available shares pro-rata among those stockholders exercising their over-subscription privilege based on the number of available shares such that each subscriber would receive such number of shares equal to the product (disregarding fractions) obtained by multiplying the number of shares of Remaining New Stock by a fraction of which the numerator is the number of shares subscribed for by that participant under the over-subscription privilege and the denominator is the aggregate number of shares of Remaining New Stock subscribed for by all participants under the over-subscription privilege. Any fractional shares to which persons exercising their over-subscription privilege would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. The subscription agent will notify subscription rights holders of the number of shares, if any, allocated to each holder exercising the over-subscription privilege as promptly as may be practicable after the allocations are completed.

To properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the subscription period.

**There may not be sufficient shares available to purchase the number of shares issuable upon the exercise of basic subscription privileges or over-subscription privileges. Cemtrex will only honor over-subscription privileges to the extent sufficient unsubscribed shares are available following the exercise of subscription rights under the basic subscription privilege. Cemtrex will not issue more than \$2,700,000 worth of shares at the subscription price per share.**

To the extent the aggregate subscription available to you pursuant to the subscription privileges is less than the amount you actually paid in connection with the exercise of the subscription privileges, you will be allocated only the number of unsubscribed shares available to you promptly after the expiration of the rights offering.

To the extent the amount you actually paid in connection with the exercise of the subscription privileges is less than the aggregate subscription price of the maximum number of shares available to you, you will be allocated the number of shares for which you actually paid in connection with the privilege.

The number of shares subscribed is further subject to reduction as a result of tax attribute considerations as described in the prospectus supplement.

Each rights holder will be required to submit payment in full for all the shares it wishes to buy. Payment must be made assuming the subscription price of \$1.06 per share. Any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be put towards the purchase of additional shares in the rights offering unless the rights holder makes an election in the rights certificate to have the excess subscription payment returned in cash. Accordingly, the number of shares you receive may be greater than the number of shares that you subscribed for.

Centrex will not be required to issue shares to you if the subscription agent does not receive your payment prior to the Expiration Date, regardless of when you send the subscription payment and related documents, unless you send the documents in compliance with the guaranteed delivery procedures described below. Centrex may extend the rights offering by giving oral or written notice to the subscription agent on or before the Expiration Date. If Centrex elects to extend the rights offering, it will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced Expiration Date.

The rights will be evidenced by non-transferable rights certificates, which will cease to have value at the Expiration Date.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK AND/OR WARRANTS CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES OF SUBSCRIPTION RIGHTS MAY BE MADE ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed prospectus supplement. However, we urge you to read the document carefully before instructing us to exercise your subscription rights.

If you wish to have us, on your behalf, exercise the subscription rights for any shares to which you are entitled, please so instruct us by completing, executing and returning to us the instruction form on the reverse side of this letter.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise subscription rights on your behalf in accordance with the provisions of the rights offering. The rights offering will expire at the Expiration Date. Once you have exercised the basic subscription privilege or the over-subscription privilege, such exercise may not be revoked.

Additional copies of the enclosed materials may be obtained from Okapi Partners LLC, the information agent for the Rights Offering. Any questions or requests for assistance concerning the rights offering should be directed to Okapi Partners LLC, at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com).





**FORM OF LETTER  
CENTREX, INC.**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Holders of Common Stock and Series 1 Warrants of

Centrex, Inc.

November 21, 2018

To Security Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering by Centrex, Inc. of subscription rights certificates ("Subscription Rights Certificates") relating to the rights offering by Centrex, Inc. ("Centrex") of non-transferable subscription rights distributed to all holders of record of Centrex's shares of common stock, par value \$0.001 per share, and series 1 warrants, at 4:00 p.m., Eastern time, on November 20, 2018 (the "record date"). The rights are described in the prospectus supplement.

The subscription rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on December 19, 2018, unless extended (the "Expiration Date").

As described in the accompanying prospectus supplement, each record holder of common stock and/or warrants registered in your name or the name of your nominees is entitled to one subscription right for every one share of our common stock and one subscription right for every ten series 1 warrants owned by such holder on the record date. For example, if you owned 1,000 shares of our common stock and 1,000 warrants as of 4:00 p.m., Eastern time, on the record date, you would receive 1,100 subscription rights and would have the right to purchase 1,100 shares at the subscription price with your basic subscription privilege plus you would also be entitled to an over-subscription privilege, in each case subject to proration. You may exercise the basic subscription privilege of any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise your basic subscription privilege in full, you will not be entitled to purchase any shares under your over-subscription privilege.

Because we may only raise up to \$2,700,000 (the "Maximum Offering Amount") in proceeds in this rights offering, the basic subscription privilege is subject to proration. Each subscriber will receive a number of shares per right equal to the product (disregarding fractions) obtained by multiplying the number of shares issuable by Centrex to ensure that the Maximum Offering Amount is not exceeded based on the subscription price (the "Maximum Available New Stock") by a fraction of which the numerator is the number of shares subscribed for by that subscriber under the basic subscription privilege and the denominator is the aggregate number of shares subscribed for by all of the subscribers pursuant to the basic subscription privilege. Any fractional shares to which subscribers would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. For example, assume that the subscription price is \$1.06 per share and 3,000,000 rights are exercised during the course of the rights offering. The gross proceeds to Centrex, without proration, would equal \$3,180,000, which is in excess of the Maximum Offering Amount. Accordingly, we would be required to prorate the subscriptions for each subscriber. If you exercised 1,000 rights subscribing for 1,000 shares, your subscription would be prorated and you would receive only 849 shares of common stock (1,000 shares multiplied by the quotient of \$2,700,000, or the Maximum Offering Amount, divided by \$3,180,000) and would be refunded any additional money, without interest.

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The over-subscription privilege provides each rights holder that fully exercises all of such holder's basic subscription privilege the opportunity to purchase the shares that are not purchased by other rights holders (the "Remaining New Stock"). If you fully exercise your basic subscription privilege, the over-subscription privilege entitles you to subscribe for additional shares unclaimed by other holders of subscription rights in the rights offering at the same subscription price per share. If an insufficient number of shares is available to fully satisfy all over-subscription privilege requests, we will allocate the available shares pro-rata among those stockholders exercising their over-subscription privilege based on the number of available shares such that each subscriber would receive such number of shares equal to the product (disregarding fractions) obtained by multiplying the number of shares of Remaining New Stock by a fraction of which the numerator is the number of shares subscribed for by that participant under the over-subscription privilege and the denominator is the aggregate number of shares of Remaining New Stock subscribed for by all participants under the over-subscription privilege. Any fractional shares to which persons exercising their over-subscription privilege would otherwise be entitled pursuant to such allocation shall be rounded down to the nearest whole share. The subscription agent will notify subscription rights holders of the number of shares, if any, allocated to each holder exercising the over-subscription privilege as promptly as may be practicable after the allocations are completed.

**There may not be sufficient shares available to purchase the number of shares issuable upon the exercise of basic subscription privileges or over-subscription privileges. Centrex will only honor over-subscription privileges to the extent sufficient unsubscribed shares are available following the exercise of subscription rights under the basic subscription privilege. Centrex will not issue more than \$2,700,000 worth of shares at the subscription price per share.**

To the extent the aggregate subscription available to you pursuant to the subscription privileges is less than the amount you actually paid in connection with the exercise of the subscription privileges, you will be allocated only the number of unsubscribed shares available to you promptly after the expiration of the rights offering.

To the extent the amount you actually paid in connection with the exercise of the subscription privileges is less than the aggregate subscription price of the maximum number of shares available to you, you will be allocated the number of shares for which you actually paid in connection with the privilege.

The number of shares subscribed is further subject to reduction as a result of tax attribute considerations as described in the prospectus supplement.

Each rights holder will be required to submit payment in full for all the shares it wishes to buy. Payment must be made assuming the subscription price of \$1.06 per share. Any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be put towards the purchase of additional shares in the rights offering unless the rights holder makes an election on the rights certificate to have the excess subscription payment returned in cash. Accordingly, the number of shares you receive may be greater than the number of shares that you subscribed for.

The rights will be evidenced by non-transferable rights certificates, which will cease to have value at the Expiration Date.

We are asking persons who hold common stock and/or warrants beneficially and who have received the subscription rights distributable with respect to those securities through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold these securities directly and prefer to have such institutions effect transactions relating to the subscription rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate rights certificate to contact the appropriate nominee as soon as possible and request that a separate rights certificate be issued.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the subscription agent, incurred in connection with the exercise of the subscription rights will be for the account of the holder of the subscription rights, and none of such commissions, fees or expenses will be paid by Centrex or the subscription agent.

Enclosed are copies of the following documents:

1. Prospectus Supplement;
2. Instructions as to the use of Centrex, Inc. Rights Certificates;
3. A form of letter which may be sent to your clients for whose accounts you hold shares of common stock and/or warrants registered in your name or the name of your nominee, with an attached form of instruction;
4. Nominee Holder Certification;
5. Notice of Guaranteed Delivery for Rights Certificates Issued by Centrex, Inc.; and
6. A return envelope addressed to Continental Stock Transfer & Trust Co., the subscription agent.

Your prompt action is requested. To exercise the subscription rights, you should deliver the properly completed and signed rights certificate (or Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures), with payment of the subscription price in full for shares subscribed for pursuant to the basic subscription privilege and the over-subscription privilege, to the subscription agent, as indicated in the prospectus. The subscription agent must receive the rights certificate or Notice of Guaranteed Delivery with payment of the subscription price, including final clearance of any checks, prior to the Expiration Date. A subscription rights holder cannot revoke the exercise of its subscription rights. Subscription rights not exercised prior to the Expiration Date will expire.

Additional copies of the enclosed materials may be obtained from Okapi Partners LLC , the information agent for the rights offering. Any questions or requests for assistance concerning the rights offering should be directed to Okapi Partners LLC, the information agent for the Rights Offering, at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com).

Very truly yours,

Centrex, Inc.



CEMTREX, INC.

NOMINEE HOLDER CERTIFICATION

The undersigned, a broker, custodian bank, trustee, depository or other nominee holder of subscription rights to purchase shares of common stock of Centrex, Inc. (“Centrex”) pursuant to the rights offering described and provided for in Centrex’s Prospectus Supplement dated November 21, 2018, hereby certifies to Centrex, Continental Stock Transfer & Trust Co., as subscription agent for the rights offering, and to Okapi Partners LLC, as information agent for the rights offering, that (1) the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of subscription rights specified below pursuant to the basic subscription privilege (as described in the prospectus supplement), and on behalf of beneficial owners of subscription rights who have subscribed for the purchase of additional shares pursuant to the over-subscription privilege (as described in the prospectus supplement), listing separately below each such exercised basic subscription privilege and the corresponding over-subscription privilege (without identifying any such beneficial owner), and (2) each such beneficial owner’s basic subscription privilege has been exercised in full:

#	Number of Shares of Common Stock and/or Warrants Owned on the Record Date	Rights Exercised Pursuant to Basic Subscription Privilege	Number of Shares Subscribed For Pursuant to Over-Subscription Privilege	Elected to Receive Cash in lieu of Shares if the Subscription Price Decreases at the Expiration Date (Y/N)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Provide the following information if applicable:

Depository Trust Company (“DTC”)

Participant Number

[PARTICIPANT]

By: \_\_\_\_\_

Name:

Title:

DTC Basic Subscription Confirmation Number(s)

\_\_\_\_\_

**BENEFICIAL OWNER ELECTION FORM**

The undersigned acknowledge(s) receipt of your letter and the enclosed materials relating to the grant of non-transferable rights to purchase shares of common stock of Centrex, Inc., subject to proration, at a subscription price equal to the lesser of (i) \$1.06 per share or (ii) 95% of the volume weighted average price of our common stock for the five trading day period through and including December 19, 2018, which is the initial expiration date of the rights offering, rounded up to the nearest whole penny.

This will instruct you whether to exercise rights to purchase shares distributed with respect to the shares of common stock and/or series 1 warrants held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the prospectus supplement and the related "Instructions as to Use of Centrex, Inc. Subscription Rights Certificates."

I (we) hereby instruct you as follows:

(CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION)

Box 1.  Please DO NOT EXERCISE RIGHTS for shares of common stock.

Box 2.  Please EXERCISE RIGHTS for shares of common stock as set forth below:

	<u>Shares</u>		<u>Subscription Price</u>		<u>Payment</u>
Basic Subscription Privilege	_____	x	\$ 1.06	=	\$ _____ (Line 1)
Over-Subscription Privilege	_____	x	\$ 1.06	=	\$ _____ (Line 1)
<b>Total Payment Required</b>					<b>\$ _____ (Sum of Lines 1 and 2)</b>

NOTE: I (we) acknowledge that the subscription price may be lower than \$1.06 per share and will not be final until the expiration date of the rights offering and that unless I (we) check Box 3 below, the number of shares that I (we) are subscribing for in this rights offering will be based on my (our) total subscription payment for the additional shares at the lower price, not the number of shares that I (we) indicated in Box 2.

Box 3.  Please ensure that I (we) only purchase the number of shares described in Box 2 above if the subscription price decreases and that any excess cash from my (our) total subscription payment is returned to me promptly in accordance with the prospectus supplement.

Box 4.  Payment in the following amount is enclosed: \$ \_\_\_\_\_

Box 5.  Please deduct payment of \$ \_\_\_\_\_ from the following account maintained by you as follows:

(The total of Box 4 and Box 5 must equal the total payment specified above.)

Type of Account \_\_\_\_\_

Account No. \_\_\_\_\_

I (we) on my (our) own behalf, or on behalf of any person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- irrevocably elect to purchase the shares indicated above upon the terms and conditions specified in the prospectus supplement; and
- agree that if I (we) fail to pay for the shares of common stock I (we) have elected to purchase, you may exercise any remedies available to you under law.

Name of Beneficial Owner(s): \_\_\_\_\_

Signature of Beneficial Owners(s): \_\_\_\_\_

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Address (including zip code): \_\_\_\_\_

Telephone Number: \_\_\_\_\_





**FORM OF NOTICE OF GUARANTEED DELIVERY FOR RIGHTS  
CERTIFICATES ISSUED****BY CEMTREX, INC.**

This form, or one substantially equivalent hereto, must be used to exercise the subscription rights pursuant to the rights offering as described in the Prospectus Supplement dated November 21, 2018 of Cemtrex, Inc., a Delaware corporation (“Cemtrex”), if a holder of subscription rights cannot deliver the certificate(s) evidencing the rights to the subscription agent listed below prior to 5:00 p.m., Eastern time, on December 19, 2018 (as it may be extended, the “Expiration Date”). Such form must be delivered by hand or sent by telegram, facsimile transmission, first class mail or overnight courier to the subscription agent, and must be received by the subscription agent prior to the Expiration Time. See “The Rights Offering — Methods for Exercising Subscription Rights” in the prospectus supplement.

Payment of the subscription price of \$1.06 per share subscribed for upon exercise of such subscription rights must be received by the subscription agent in the manner specified in the prospectus supplement prior to the Expiration Date even if the rights certificate(s) evidencing such rights is (are) being delivered pursuant to the Guaranteed Delivery Procedures thereof. See “The Rights Offering — Methods for Exercising Subscription Rights” and “— Guaranteed Delivery Procedures” in the prospectus supplement.

*By Mail, Hand Delivery, Express Mail, Courier or Other Expedited Service:*

Continental Stock Transfer & Trust Co.  
17 Battery Place, 8<sup>th</sup> Floor  
New York, New York 10004  
Attention: Corporate Actions Department

*By Facsimile Transmission:*

(212) 616-7612

*Telephone Number for Information:*

(800) 509-5586

If you have other questions or need assistance, please contact Okapi Partners LLC, information agent at 1-212-297-0720 (bankers and brokers) or 1-855-208-8903 (all others), or by email at [info@okapipartners.com](mailto:info@okapipartners.com).

**Delivery of this instrument to an address other than as set forth above  
or transmission of this instrument via facsimile other than as set forth above  
does not constitute a valid delivery**

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Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of rights certificate(s) representing subscription right(s) and that such rights certificate(s) cannot be delivered to the subscription agent prior to the Expiration Date. Upon the terms and subject to the conditions set forth in the prospectus supplement, receipt of which is hereby acknowledged, the undersigned hereby elects to (i) exercise the basic subscription privilege to subscribe for \_\_\_\_\_ shares with respect to the subscription rights represented by such rights certificate(s), subject to proration as described in the prospectus supplement, and (ii) exercise the over-subscription privilege relating to such rights, to the extent that shares that are not otherwise purchased pursuant to the exercise of subscription rights are available therefor, for an aggregate of up to \_\_\_\_\_ shares, subject to availability and allocation as described in the prospectus supplement.

The undersigned understands that payment of the subscription price of \$1.06 per share subscribed for pursuant to the basic subscription privilege and the over-subscription privilege must be received by the subscription agent prior to the Expiration Date, and represents that such payment, in the aggregate amount of \$ \_\_\_\_\_, either (check appropriate box):

is being delivered to the subscription agent herewith

Or

has been delivered separately to the subscription agent in the manner set forth below (check appropriate box and complete information relating thereto):

Wire transfer of funds

Name of transferor institution:

Date of transfer:

Confirmation number (if available):

Uncertified check (Payment by uncertified check will not be deemed to have been received by the subscription agent until such check has cleared. Holders paying by such means are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment clears by such date.)

Certified check

Bank draft (cashier's check)

Money order

Name of maker:

Date of check, draft or money order:

Check, draft or money order number:

Bank on which check is drawn or issuer or money order:

Because we will not know the final subscription price until the Expiration Date of the rights offering, it is possible that the aggregate subscription amount paid to the Company in the rights offering will exceed the number of shares that the undersigned has subscribed for above. Accordingly, any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be put towards the purchase of additional shares in the rights offering. If the undersigned desires to instead receive the cash difference, promptly and without interest, check the box below.

By checking this box, the undersigned acknowledges that any excess subscription payments received by the subscription agent as a result of the subscription price decreasing will be returned to the undersigned, promptly, without interest.

The undersigned understands and acknowledges that the undersigned will not be able to make a new election with respect to any excess subscription payments when it delivers the rights certificate to the subscription agent.

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Signature(s)

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Names

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Address

---

Area Code and Telephone No.(s)

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(Please type or print)

Rights Certificate No(s). (if available)

**GUARANTEE OF DELIVERY**  
**(Not to Be Used for Rights Certificate Signature Guarantee)**

The undersigned, a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees that the undersigned will deliver to the subscription agent the certificates representing the subscription rights being exercised hereby, with any required signature guarantee and any other required documents, all within three business days after the date hereof.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(Authorized Signature)

The institution that completes this form must communicate the guarantee to the subscription agent and must deliver the rights certificate(s) to the subscription agent within the time period shown in this prospectus. Failure to do so could result in a financial loss to such institution.

