

ALTO-SHAAM, INC.
TERMS AND CONDITIONS OF PURCHASE

revised 6/10/11

1. **ACCEPTANCE OF TERMS AND CONDITIONS WITHOUT CHANGES:** This order is contingent upon its acceptance without change or modification. Additional or different terms already or hereafter proposed by Seller, whether in a quotation, acknowledgment, invoice or otherwise, are rejected and shall not apply. No change, modification of or revision to this order shall be binding unless agreed to in writing signed by Alto-Shaam, Inc. ("Alto-Shaam"). This order, including the terms and conditions contained herein, is the complete and final agreement between Alto-Shaam and Seller.

2. **SHIPMENT DEEMED ACCEPTANCE BY SELLER:** Any different terms or conditions in Seller's acknowledgment of this order are not binding on Alto-Shaam unless accepted in writing by Alto-Shaam, and shipment of items requested by Alto-Shaam on the reverse side of this order (herein the "goods") pursuant to this order shall be deemed to be an acceptance by Seller of the terms and conditions of this order.

3. **SPECIFICATIONS FOR GOODS:** If the goods ordered are to be manufactured according to specifications supplied by Alto-Shaam, Seller shall manufacture the goods in strict accordance with those specifications or otherwise supply goods which comply with the sample or specifications provided by Seller to Alto-Shaam.

4. **CANCELLATION FOR FAILURE OF COMPLIANCE:** Alto-Shaam may cancel this order without penalty: (a) If Seller fails to comply with specifications, terms or conditions of this order; (b) if delivery is delayed beyond the requested delivery date, if any; (c) if a petition in bankruptcy is filed by or against Seller, or Seller is declared insolvent or has a receiver or trustee appointed for it or its assets, or if Seller makes an assignment for the benefit of creditors or commences proceedings under any state insolvency or similar law; or (d) if Alto-Shaam encounters any strike, fire, accident or other cause beyond its control which affects its ability to receive and use the goods ordered.

5. **CHANGES:** Alto-Shaam shall have the right, at any time prior to shipment, to change (a) the quantity of goods ordered; (b) any drawings and specifications provided by Alto-Shaam; (c) the method of shipment or packaging; and (d) the place or time of inspection, acceptance or delivery.

6. **INSPECTION AND ACCEPTANCE:** All goods are subject to Alto-Shaam's inspection upon arrival. Alto-Shaam shall have the right of inspection, approval and acceptance within a reasonable time after arrival of the goods at their destination. If inspection discloses that part of the goods received are not in accordance with Alto-Shaam's specifications, Alto-Shaam may cancel any unshipped portion of this order. Payment for the goods prior to inspection shall not constitute acceptance thereof, and shall be made without prejudice to any and all claims that Alto-Shaam may have against Seller. In the event the goods must be installed, tested, inspected or assembled prior to commercial use, they shall not be deemed finally accepted until such installation, testing, inspection or assembly, as the case may be, indicates that the goods are in accordance with specifications and are operating properly.

7. **PACKAGING AND SHIPPING:** All packages shall be clearly marked with Alto-Shaam's purchase order number, purchase order line number, appropriate description of the goods and the part number(s) and quantity of items contained within each package. No additional charges of any kind, including charges for boxing, packaging, cartage or other extras shall be added unless specified on the face of this order.

8. **TAXES:** Unless otherwise specified on the face of this order, the prices herein include all applicable federal, state and local taxes, customs, duties and fees of every kind and nature, including without limitation sales and use taxes.

9. **COMPLIANCE WITH LAWS:** Seller shall comply with all applicable federal, state and local laws and regulations in connection with the performance of its obligations under this order. Seller warrants that the goods and their intended use will comply with all such laws and regulations. Seller further warrants that all goods and services furnished hereunder will have been produced or furnished in full compliance with the Fair Labor Standards Act, as amended, and any other applicable law. E.O. 11246.38 USC 4212, SEC. 503 Rehabilitation Act Of 1973, as amended hereby included.

10. **WARRANTIES:** Seller warrants that it has title to the goods, and that all goods furnished hereunder will be in exact conformity with this order and with any other description, specification, drawing or sample supplied by Seller to Alto-Shaam or supplied to Seller by Alto-Shaam, as appropriate. Seller further warrants that the goods shall be free from defects in materials and workmanship, and shall be merchantable and fit for the purpose, if any, indicated by Alto-Shaam to Seller. Such warranty shall survive delivery and shall not be deemed waived by reason of Alto-Shaam's acceptance of the goods or by payment for them. Supplier shall warranty parts for 3 years from date of purchase.

11. **WARRANTY AGAINST PATENT INFRINGEMENT:** Seller warrants that neither the sale nor use of the goods furnished pursuant to this order will infringe upon any patent of the United States. Seller will defend every suit which may be brought against Alto-Shaam or anyone selling or using any of the goods which alleges infringement of any such patent by reason of the sale or use of such goods and will indemnify Alto-Shaam for and hold Alto-Shaam harmless from all costs and expenses (including attorney's fees) which Alto-Shaam incurs in defending any such suit, together with all costs, damages and profits recoverable therein. Alto-Shaam and other parties to any such suit shall have the right to employ, at Seller's expense, counsel on their own behalf, and shall have the right to participate in the defense of such suit.

12. **INDEMNITY FOR INJURY OR DAMAGE:** If Seller, or any of its agents or employees, enters upon Alto-Shaam's premises for the purpose of construction, erection, inspection or delivery under this order. Seller will take all proper precautions against the occurrence of accidents, injuries or damage to any person or property. In the event of any such injury or damage, Seller shall be responsible therefor, and shall indemnify Alto-Shaam for and hold Alto-Shaam harmless from any and all loss or damage arising by reason of any such accident, injury or damage, except as may be by the sole and direct result of Alto-Shaam's negligence, and Seller shall defend, at Seller's expense, any and all suits or actions arising out of such claims or matters. Seller warrants that it carries sufficient insurance to cover any such accidents, injury or damage. Alto-Shaam reserves the right to request certificates of insurance where deemed necessary to assess and reduce risk to our supply chain.

13. MISCELLANEOUS: (a) This order and the parties' performance hereunder shall be governed by the internal laws of the State of Wisconsin, including the Uniform Commercial Code as adopted by such state; (b) no remedy provided herein shall be exclusive of any other remedy hereunder or provided by any applicable law; (c) the invalidity or unenforceability of any provision of this order shall not affect the validity or enforceability of any of the other provisions of this order; and (d) Seller shall not delegate in any manner to any other person the performance of any work or the supplying of any goods or services under this order without the prior written consent of Alto-Shaam.

14. PAYMENT TERMS: Effective August 2010, standard terms default for business with Alto-Shaam is 2% 30, net 60. Existing and future contracts in effect may supersede these default terms where applicable at Alto-Shaam Purchasing discretion. Supplier must be procurement card capable for payments.

15. PRODUCT CHANGES by Supplier: Supplier is to notify Alto-Shaam, in writing, prior to conducting any significant change to a process, component part, or raw material related to the production or assembly of ordered part.

16. NONCONFORMANCE CHARGE: Effective July 1, 2011, there will be a \$100 charge for all supplier-generated quality non-conformances. Charges will escalate at buyer discretion for repeated non-conformances.

17. FINANCIALS: Each supplier shall provide summary level financials twice annually upon request to Alto-Shaam for the purpose of assessing financial strength and risk to our supply chain.