

Remmele Engineering, Inc. (REI) Standard Terms and Conditions for Purchases

Unless otherwise agreed in writing by Remmele Engineering, Inc. ("Remmele"), the following terms and conditions ("Terms and Conditions") shall apply to any Remmele purchase of goods or services (collectively, "Goods"):

1. Applicable Terms and Conditions: Any Remmele Purchase Order is only a non-binding offer to buy the indicated Goods until accepted by the Seller ("Seller") with an express acknowledgement indicating such acceptance, including these Terms and Conditions. Remmele hereby rejects any proposal by Seller for additional or different terms. If a Remmele Purchase Order is deemed an acceptance of a prior offer by Seller, Remmele's acceptance thereof is conditional upon Seller's acceptance of these Terms and Conditions. Any proposal by Seller for additional or different terms or any attempt to modify these Terms and Conditions shall be deemed a material alteration of these Terms and Conditions, and Remmele hereby rejects such other terms. No amendment to these Terms and Conditions or to any Remmele Purchase Order shall be binding unless approved in writing by Remmele.
2. Delivery: Seller shall deliver the Goods on the date, at the location and in the manner specified in the Remmele Purchase Order or as otherwise approved in writing by Remmele.
3. Inspection, Acceptance and Return. Remmele shall have a reasonable time to inspect the Goods following receipt thereof and to notify Seller of any defects. Remmele may return defective Goods to Seller where reasonably required. Return shipping charges shall be collect, and the defective Goods shall be replaced with proper Goods as required in the original Remmele Purchase Order.
4. Title and Risk of Loss: Unless otherwise stated in the Remmele Purchase Order, title and risk of loss and/or damage to the Goods shall remain with Seller until the Goods are physically delivered to the specified location.
5. Warranties: Seller shall not disclaim or limit any express warranty heretofore made to Remmele or any express or implied warranty available by operation of applicable law.
6. Change Orders: At any time prior to delivery of the Goods, Remmele may change, by written or electronic change order, any Purchase Order, including drawings, designs, specifications, materials, packing, time and place of delivery or method of transportation. If any such change order increases or decreases the cost or time required for Seller's performance, an adjustment shall be made and the Remmele Purchase Order shall be modified accordingly. Upon receipt of such a change order, Seller shall promptly notify Remmele if Seller believes that such an adjustment is appropriate. Seller shall not make any change to the Goods that affects the cost, delivery terms, form, fit or function thereof unless approved in writing by Remmele.
7. Termination for Convenience: Remmele may terminate a Purchase Order (or any part of it) for its convenience by written notice to Seller. Upon receipt of such notice, Seller shall immediately stop all work under such Purchase Order and cause any of its suppliers or subcontractor to cease such work. Remmele shall pay Seller for all material and labor expended or committed, including reasonable profit, up to and including the date such notice was received by Seller. Upon payment by Remmele, all Goods completed by Seller shall become Remmele's property and shall be delivered to Remmele. Remmele shall not pay for any work done after Seller's receipt of notice of termination nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.
8. Prices: If price is not stated in a Remmele Purchase Order, the price of any Goods shall be billed at the price last quoted by Seller or the prevailing market price, whichever is lower.

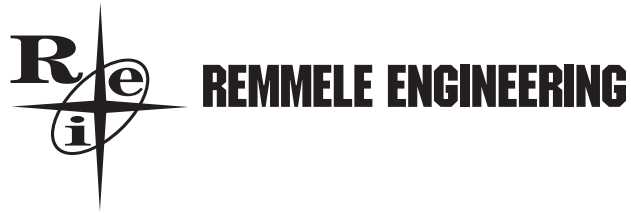


Standard Terms and Conditions for Purchases (cont.)

9. Taxes: Seller shall pay all taxes or duties that may arise out of its sale of the Goods to Remmele, except that Remmele shall pay any applicable Minnesota sales or use tax or provide Seller an exemption certificate.
10. Remedies: If Seller materially breaches any of these Terms and Conditions or any provision of a Remmele Purchase Order and does not cure such breach in a timely manner after written notice thereof, in addition to any other relief, Remmele may: (a) waive all or any part of such breach; (b) approve in writing a modification of such Terms and Conditions or Purchase Order; (c) cancel or terminate such Purchase Order, in whole or part; or (d) exercise any remedies under the Uniform Commercial Code or as may be otherwise available under applicable law.
11. Force Majeure: Upon reasonable notice to the other party, either party may be excused from performance made impractical by an event beyond its reasonable control, including, without limitation, any law, regulation, order, war, insurrection, civil disorder, strike, power or material shortage, storm, flood, fire, earthquake or other Act of God.
12. Compliance with Laws: In its manufacture and delivery of the Goods for Remmele, Seller shall comply with any applicable federal, state, and local laws, rules, and regulations, including:
 - patent, trademark or copyright laws, anti-boycott laws and export control laws;
 - Presidential Executive Orders 11246, 11375, and 12086; Sections 503 of the Rehabilitation Act of 1973; Section 402 of the Vietnam Era Veterans Readjustment Act of 1974; and 41 C.F.R. § 60-1.4(a) (all with respect to equal employment opportunity and non-discrimination in employment);
 - the Occupational Safety and Health Act of 1970, as amended (with respect to worker safety), and
 - the Fair Labor Standards Act of 1938, as amended (with respect to wages and overtime pay).

Seller shall hold Remmele harmless from any liability from Seller's failure to so comply.

13. Applicable Law: Any Remmele Purchase Order and these Terms and Conditions shall be governed by the laws of the State of Minnesota, excluding its choice of law rules.
14. Severability: If any provision of a Remmele Purchase Order or these Terms and Conditions is held unenforceable or invalid or in conflict with applicable law, it shall be deemed severed and the remaining portions of the Purchase Order or Terms and Conditions (as applicable) shall remain in full force and effect.
15. Resolution of Disputes: Any dispute arising out of or relating to a Remmele Purchase Order or these Terms and Conditions shall be settled as follows: Both parties shall first attempt in good faith to promptly resolve the dispute by negotiations between senior executives of the parties who have authority to settle the matter for not more than thirty (30) days. If such dispute cannot be so resolved, either party may seek final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association before a single arbitrator as to any dispute involving \$100,000 or less or a panel of three (3) arbitrators as to any larger dispute. For disputes in excess of \$100,000, the arbitral panel shall consist of a business attorney, a certified public accountant with a major international accounting firm and a technical or engineering professional experienced in industrial equipment manufacturing. Judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Any arbitration hearing shall be held in Minneapolis, Minnesota. The prevailing party in any such arbitration or related legal proceeding shall receive its reasonable attorneys' fees and legal costs thereby incurred in addition to any other relief that may be granted.
16. Government Contracts: If and to the extent required by law for any Remmele Purchase Order for Goods that will be incorporated in products or services supplied to a U.S. government customer, any applicable provisions of the Federal Acquisition Regulations (FAR) or Defense Federal Acquisition Regulations (DFAR) shall be



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deemed incorporated by reference as if fully set forth herein, including, without limitation, those cited below. Where necessary to make the context of these clauses applicable to any Remmele Purchase Order, the term "contractor" shall mean "Seller", the term "contract" shall mean the Remmele Purchase Order, and the term "Government" and equivalent phrases shall be deemed to mean "Remmele."

52-203-7	Anti-kickback procedures
52-204-7005	Overseas distribution of defense subcontracts
52-212-8	Defense priority allocation
52-215-24	Subcontractor cost or pricing data
52-222-1	Notice to the government of labor disputes
52-222-21	Certification of non-segregated facilities
52-222-26	Equality opportunity (over \$10,000)
52-222-35	Affirmative action for special disabled and Vietnam era veterans (over \$10,000)
52-222-36	Affirmative action for handicapped workers (over \$2,500)
52-223-1	Clean air and water certification (over \$100,000)
52-223-2	Clean air and water (over \$100,000)
52-223-3	Hazardous material identification and material safety data
52-227-1	Authorization and consent (over \$25,000)
52-222-7002	Restrictions on employment of personnel
52-248-1	Value engineering

17. Questions or Notices: All Seller questions or notices with respect to any Remmele Purchase Order or these Terms and Conditions shall be sent to: Director of Supply Chain Management, Remmele Engineering, Inc., 10 Old Highway 8 S.W., New Brighton, MN 55112 USA.

ACCEPTED BY:

Company Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____