

## TERMS AND CONDITIONS

In the terms and conditions listed herewith and on the face of this quotation, Grede Foundries, Inc., will be known as the SELLER and the customer or customers as the BUYER.

1. ANY PURCHASE ORDER OF BUYER PURSUANT TO THE ACCOMPANYING QUOTATION SHALL NOT RESULT IN A CONTRACT UNTIL IT IS ACCEPTED AND ACKNOWLEDGED BY SELLER AT SELLER'S OFFICE. ACCEPTANCE BY SELLER OF BUYER'S PURCHASE ORDER IS EXPRESSLY CONDITIONED UPON BUYER'S ASSENT TO THESE TERMS AND CONDITIONS AND TO THE TERMS AND CONDITIONS OF SELLER'S ACKNOWLEDGEMENT. BUYER'S SUBSEQUENT ACCEPTANCE OF SELLER'S GOODS SHALL CONSTITUTE ASSENT BY BUYER OF SAID TERMS AND CONDITIONS. SELLER ASSENTS TO NO TERMS AND CONDITIONS OTHER THAN THESE AND THOSE OF SELLER'S ACKNOWLEDGEMENT. THIS IS NOT AN OFFER TO SELL. QUOTATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE. PRICES PREVAILING AT TIME OF SHIPMENT WILL APPLY ON ALL GOODS COVERED BY THIS QUOTATION.

2. Applicable state and federal laws shall govern any transactions arising herefrom and the construction of any written agreement between the parties.

3. In addition to the quoted purchase price, Buyer shall pay

- a) Any tax imposed by federal, state or other governmental authority on the sale of the merchandise and service referred to in this quotation;
- b) Any increased cost due to any governmental enactment or ruling.

4. WHEN CHEMICAL SPECIFICATIONS ARE PROPOSED BY BUYER, SELLER SHALL NOT BE HELD TO PHYSICAL TESTS EXCEPT BY WRITTEN AGREEMENT. Any inspections performed by Buyer, regardless of result shall be at Buyer's expense and for Buyer's account.

5. a) All products are sold F.O.B. our plant.

b) Seller shall not be liable for failure or delay in shipping goods hereunder if such failure or delay is due to an act of God, war, labor difficulties, accident, inability to obtain containers or raw materials, any other causes of any kind whatever beyond the control of Seller.

c) Seller's policy is to earnestly endeavor to comply with reasonable delivery requests of Buyer. Accordingly, any delivery dates or delivery schedule shall be deemed to be the delivery date requested (but not required) by Buyer.

6. a) Special shipping containers or pallets requested by Buyer are to be at Buyer's expense.

b) Casting returned per Seller's authorization of return for credit must be returned to Seller's shipping plant.

7. No order shall be changed or cancelled by Buyer unless notice is sent to and accepted by Seller, in writing, before work is in process. If work is in process, Buyer is to be charged for any castings made, as well as for cost of cores, molds or equipment discarded and other expenses reasonably incurred, because of such changes or cancellation.

8. a) All shipments of materials on order resulting from this quotation shall be subject to government priorities and/or allocations applicable thereto.

b) Unless specific routing and classification is on order, Seller will use best known routing and classification but will not be liable for delays or excessive transportation charges resulting from its selection.

c) To be allowable, claims of error in weight or quantity of casting shall be made by the Buyer within ten (10) days after receipt of the castings.

9. EACH PRODUCT SOLD HEREUNDER IS WARRANTED TO BE FREE FROM MANUFACTURING DEFECTS, EXCEPT THOSE DEFECTS ASCERTAINABLE ONLY THROUGH RADIOGRAPHIC GAMMA RAY OR OTHER NONDESTRUCTIVE OR NONVISUAL TESTING METHODS, UNLESS SUCH TESTING METHODS ARE SPECIFICALLY REQUESTED BY BUYER AND CONSENTED TO BY SELLER. SELLER MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEED THE AFORESTATED OBLIGATION ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED FROM THIS AGREEMENT. IF MANUFACTURING DEFECTS OCCUR, THE PRODUCT WILL EITHER BE REPAIRED OR REPLACED WITHOUT CHARGE, OR THE PURCHASE PRICE WILL BE REFUNDED. AT THE OPTION OF SELLER, PROVIDED THAT SUCH DEFECTS ARE BROUGHT TO SELLER'S ATTENTION WITHIN NINETY (90) DAYS FOLLOWING DELIVERY, SELLER'S LIABILITY IS LIMITED TO THE SALES PRICE OF THE PARTICULAR PRODUCT. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR EXPENSE OCCASIONED BY THE USE OF DEFECTIVE PRODUCTS. SELLER'S LIABILITY AS ABOVE SET OUT SHALL NOT BE EXTENDED BECAUSE OF ADVICE GIVEN BY SELLER IN CONNECTION WITH DESIGN, INSTALLATION OR USE OF ANY PRODUCT. BUYER ASSUMES FULL RESPONSIBILITY FOR DESIGN AND SPECIFICATIONS OF THE CASTINGS AND THEIR SUITABILITY FOR THE USE TO WHICH THEY ARE TO BE APPLIED, AND SELLER MAKES NO WARRANTIES WITH RESPECT THERETO. BUYER AGREES TO INDEMNIFY SELLER AGAINST ANY CLAIM BY BUYER, BUYER'S CUSTOMERS, OR OTHERS BASED ON DEFECTS IN SUCH DESIGN OR SPECIFICATIONS, AND AGAINST ANY RECOVERIES BEYOND THE LIMITATIONS HEREIN, AND WILL INCLUDE IN ANY CONTRACT FOR RESALE, PROVISIONS WHICH LIMIT RECOVERIES AGAINST THIS SELLER IN ACCORDANCE WITH THIS PARAGRAPH.

10. Unless otherwise agreed, Buyer shall accept and pay for an overrun or underrun of ten (10) percent of quantities specified on order over 100 pcs. and for less quantities as determined by the pattern equipment and molding method used. However, the Seller will make an effort to furnish at all times as near the exact quantity specified as operating conditions will permit.

11. UNLESS BUYER NOTIFIES SELLER TO THE CONTRARY, IN WRITING, PRIOR TO SELLER'S COMMENCEMENT OF PRODUCTION, BUYER WARRANTS AND REPRESENTS THAT CASTINGS OR OTHER MATERIALS ORDERED ARE NOT TO BE USED AS AIRCRAFT COMPONENTS.

12. a) Buyer to supply pattern equipment, including coreboxes for every core, in good condition, to reproduce economically the quality and quantity of castings required. Seller is not responsible for variations existing between drawings and pattern or other equipment supplied by Buyer.

b) Follow boards, core driers, checking gauges and similar devices when required, are to be furnished by Buyer.

c) Patterns, core boxes, checking gauges, and loose pieces thereof shall be properly marked, for identification, by Buyer.

d) Repairs and changes to patterns at Buyer's request will be made at expense of Buyer.

e) Seller is not responsible for ordinary wear and/or damage resulting from use, or for loss or damage to patterns and other equipment belonging to Buyer by fire or other casualties, resulting from any cause whatsoever. Buyer assumes all risk of loss or damage and shall indemnify and save Seller harmless from any and all claims and expense resulting from such loss or damage.

f) Seller's insurance does not cover Buyer's patterns and other equipment, which are held at Buyer's risk. Buyer assumes full responsibility for purchase of insurance, in amounts sufficient to cover the actual cash value of Buyer's property, and Buyer shall include Seller as an additional insured under such policy, or shall waive all rights of subrogation against Seller by Buyer or Buyer's Insurance Company.

g) All packing, crating and transportation charges on patterns, to and from Seller, shall be paid by Buyer.

h) Pattern storage facilities are provided by Seller for active patterns only. Patterns are received by Seller and will be stored for Buyer in Seller's pattern storage building, subject to Buyer's order, without charge, (but without fire or other insurance coverage), and will be held for a period of not to exceed three years, unless otherwise agreed between Buyer and Seller; but patterns not used during that time will be considered obsolete and of no value to Buyer, and will be scrapped by Seller after thirty days' written notice to Buyer to remove the same from Seller's premises, and Buyer's failure to do so will constitute Buyer's consent to such disposal.

13. a) Seller shall not be liable in any manner whatsoever for any infringement or alleged infringement of any patent or patents covering the castings subject to this quotation, and which castings may ultimately be used in the manufacture or sale of Buyer's product or for use in Buyer's places of business or factory. Buyer by placing its order for such castings, explicitly covenants and agrees to assume full liability for any and all suits which may be brought against the Seller or its agents on account of such infringement or alleged infringement.

b) Seller will defend, indemnify and save harmless Buyer, its successors, assigns, customers, and agents against all cost and damages for actual or alleged infringement of any United States patent because of the use of any material or process in the manufacture of these castings unless following Buyer's directions and specifications in producing said castings.

14. If a receiver, or trustee, for the benefit of creditors or a trustee in bankruptcy should be appointed for Buyer or if Buyer shall make an assignment for benefit of creditors, then in any such event Seller shall have the right to cancel any unfilled portion of this contract without liability.

15. Failure to make payments at the time provided in any contract shall give Seller the right to suspend work until payment is made, or at Seller's option, after fifteen (15) days' notice in writing, should default continue, to pursue any and all legal remedies against the Buyer including, but not limited to, terminating any agreement and recovering the price of all work done and materials provided and all damages sustained; and, such failure to make payments at the times provided shall be a bar to any claim by Buyer for delay in completion of the work. Amounts past due shall bear interest at the maximum lawful rate. In the event Buyer breaches any provision of any contract with Seller, Seller should be entitled to recover reasonable attorney's fees in addition to any other damages for such breach.

16. Stenographic and clerical errors are subject to correction.

17. Grede Foundries, Inc., produces castings to the customer's design and specifications. In making castibility or other suggestions for the customer's acceptance, Grede Foundries, Inc., assumes no responsibility for design of castings.