

PURCHASE ORDER - TERMS AND CONDITIONS

- **ACCEPTANCE:** This Purchase Order is Grede Foundries, Inc.'s ("Buyer") offer to purchase the goods and services described on the face hereof (the "Goods") from the addressee of this Purchase Order ("Seller"). BUYER'S PLACEMENT OF THIS PURCHASE ORDER WITH SELLER IS EXPRESSLY CONDITIONED UPON SELLER'S ACCEPTANCE OF ALL OF THE TERMS AND CONDITIONS OF PURCHASE CONTAINED IN OR ATTACHED TO THIS PURCHASE ORDER. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS WHICH MAY APPEAR IN ANY COMMUNICATION FROM SELLER ARE HEREBY EXPRESSLY OBJECTED TO AND SHALL NOT BE EFFECTIVE OR BINDING UNLESS SPECIFICALLY AGREED TO IN WRITING BY BUYER, AND NO SUCH ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS IN ANY PRINTED FORM OF SELLER SHALL BECOME PART OF THIS CONTRACT DESPITE BUYER'S ACCEPTANCE OF GOODS OR SERVICES, UNLESS SUCH ACCEPTANCE SPECIFICALLY RECOGNIZES AND ASSENTS TO THEIR INCLUSION IN WRITING. Any objection by Seller to the terms and conditions hereof shall be ineffective unless Buyer is advised in writing thereof within ten (10) days of the date of this Purchase Order.
- **DELIVERIES; TIME:** Time is of the essence with respect to the performance of this Purchase Order. If the Goods are not completed at the time agreed upon, Buyer reserves the right to: (i) cancel all or any part of this Purchase Order for any Goods not rendered as specified, and hold Seller accountable for any damages resulting therefrom, or (ii) extend the time for delivery (for such time as Buyer may determine).
- **REJECTION:** All Goods purchased hereunder are subject to Buyer's inspection and approval, notwithstanding prior payment by Buyer. Goods rightfully rejected by Buyer shall be held, transported and stored at Seller's expense. Seller shall promptly reimburse Buyer for any costs and expenses incurred by Buyer to inspect defective or otherwise nonconforming Goods. Rejected Goods shall not be replaced except upon replacement orders.
- **IDENTIFICATION:** All invoices, packages, notices, instruction manuals and other documents affecting this Purchase Order shall contain this applicable Purchase Order number. Packing lists shall be enclosed in each package shipped pursuant to this Purchase Order, indicating its contents. Invoices will not be processed for payment until all Goods invoiced are received.
- **PRICING:** If the price for the Goods is not stated in this Purchase Order, the Goods or services shall be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower, and price reductions for such Goods subsequent to the placement of this Purchase Order but before delivery will be applicable to this Purchase Order. Seller is liable for taxes payable or collectible on services or deliveries under any present or future laws, ordinances or regulations.
- **OWNERSHIP:** All machinery, supplies, materials, tools, jigs, dies, gauges, fixtures, artwork, engravings, molds, patterns, equipment, ancillary products and other items furnished by Buyer ("Tools") to Seller to perform this agreement, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer. Seller shall bear the risk of loss and damage to the Tools. The Tools shall (i) at all times be properly housed and maintained by Seller; (ii) not be used by Seller for any purpose other than the performance of this agreement; (iii) be deemed to be personal property, not a fixture; (iv) be conspicuously identified as property of Buyer; (v) not be commingled with the property of Seller or with that of a third party; and (vi) shall not be moved from Seller's premises without Buyer's prior written approval. Upon the request of Buyer, the Tools immediately shall be released to Buyer or delivered to Buyer by Seller. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect to the property. Seller, at its own expense, shall furnish, keep in good condition, and replace when necessary all Tools. Seller shall insure the Tools with full fire and extended coverage insurance for replacement value. Buyer shall be entitled to the sole benefit and exclusive ownership of any and all inventions and improvements in the Goods, and all patents to the same, that may be made or discovered by Seller, its employees or subcontractors in the process of filling this Purchase Order. Seller shall do all acts necessary or required to give effect to this section, including but not limited to, procuring from its employees or subcontractors assignments and transfers of all such inventions and improvements and patents thereto to Buyer. Seller shall consent and acquiesce to Buyer's use of all such inventions and improvements and patents thereto.
- **CONFIDENTIALITY:** All specifications, drawings, inventions, engineering notices, financial information, and technical data supplied by Buyer shall be held in confidence by Seller. Such information shall not be reproduced, used or disclosed to others by Seller without Buyer's prior written consent, and shall be returned to Buyer upon demand or upon completion by Seller of its obligations under this agreement. Any information that Seller discloses to Buyer with respect to the design, manufacture, sale, or use of the items covered by this agreement shall be deemed to have been disclosed as part of the consideration for this agreement, and Seller shall not assert any claim against Buyer by reason of Buyer's use of such information.
- **LIENS AND ENCUMBRANCES:** Seller warrants and represents that the Goods will, when delivered, be free and clear of all liens, claims and encumbrances of every kind.
- **WARRANTY:** SELLER WARRANTS THAT THE GOODS SUPPLIED AND SERVICES PERFORMED UNDER THIS PURCHASE ORDER CONFORM TO THE SPECIFICATIONS CONTAINED IN THIS PURCHASE ORDER, AND ARE MERCHANTABLE AND FIT FOR THE PARTICULAR PURPOSES FOR WHICH THE GOODS ARE ORDINARILY EMPLOYED. SELLER FURTHER WARRANTS TO BUYER AND TO ANY THIRD PARTY ULTIMATELY USING ANY GOODS, WHETHER SUCH THIRD PARTY IS A CUSTOMER OF BUYER OR NOT, THAT ALL GOODS DELIVERED UNDER THIS PURCHASE ORDER WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP AND WILL CONFORM TO APPLICABLE SPECIFICATIONS, DRAWINGS, SAMPLES AND DESCRIPTIONS. IF SELLER IS RESPONSIBLE FOR DESIGN OF GOODS, SELLER WARRANTS THAT ALL GOODS DELIVERED UNDER THIS PURCHASE ORDER WILL BE SUITABLE FOR USE BY BUYER, INCLUDING INSTALLATION BY BUYER OF ITS PRODUCTS. BUYER'S WRITTEN APPROVAL OF DESIGNS FURNISHED BY SELLER SHALL NOT RELIEVE SELLER OF ITS OBLIGATIONS UNDER THIS WARRANTY. SELLER SHALL BE LIABLE FOR ALL DAMAGES TO BUYER AND ITS CUSTOMERS INCURRED AS A RESULT OF ANY DEFECT OR BREACH OF WARRANTY CONTAINED IN THIS PURCHASE ORDER. THE FOREGOING EXPRESS WARRANTIES SHALL BE IN ADDITION TO ANY WARRANTY CUSTOMARILY MADE BY SELLER OF ITS GOODS AND ANY IMPLIED WARRANTIES, AND SHALL BE CONSTRUED AS CONDITIONS AS WELL AS WARRANTIES. Seller's warranty shall extend for a period of twelve (12) months after the goods are delivered and accepted by Buyer and applied to its intended use. Where Buyer incorporates the Goods into a product of Buyer to be delivered to its customer, Seller's obligation under this warranty shall also be for the benefit of the Buyer's customer and shall extend to one (1) year after application of the Goods to its intended use. These warranties shall survive the delivery of the goods or completion of the services provided and shall be fully enforceable thereafter. Seller's warranty hereunder is part of the consideration for this Purchase Order and any payment by Buyer hereunder is conditional upon this warranty remaining in effect. No modification or other change of this warranty shall be valid unless evidenced by Buyer's written consent.
- **SELLER'S INDEMNITY:** Seller agrees to indemnify and hold Buyer harmless from and against any all claims, liabilities, losses, damages and other expenses (including attorneys' fees) suffered or incurred by Buyer as a result of or arising out of any breach by Seller of this Purchase Order (including a breach of any warranties provided pursuant to this Purchase Order) or Seller's negligence in supplying Goods or performing services under this Purchase Order.
- **INSURANCE AND WORKMEN'S COMPENSATION:** Seller, if providing contractual work on Buyer's premises, shall provide workmen's compensation coverage for all employees engaged in the work as required by the appropriate state laws. Public liability insurance shall be carried in the amount of not less than one million dollars (\$1,000,000) for injuries, including accidental death, occurring in any one accident. Property damage insurance shall be carried in the amount of not less than one million dollars (\$1,000,000). Seller shall furnish Buyer with a certificate of insurance to evidence the foregoing requirements prior to the commencement of work. A notification in writing shall be given to Buyer of cancellation or material changes in the coverage required by this section. If Seller, in connection with this agreement, uses subcontractors, such subcontractor shall be subject to the same requirements as Seller. It is Seller's responsibility to maintain compliance of any subcontractors.
- **FORCE MAJEURE:** Neither Seller nor Buyer shall be liable for delays occasioned by unforeseeable causes beyond their control and without their fault or negligence; provided, however, that if any such delay occurs, Buyer shall have the option to cancel all or any part of the Goods requested hereunder and shall have the right to acquire Goods furnished, work in process and special raw materials set aside for the performance of this Purchase Order upon payment of a reasonable proportion of the purchase price. Written notice of any such delay, including the anticipated duration of such delay, must be given by the nonperforming party within seven (7) days of the unforeseeable cause or event.
- **TERMINATION FOR CONVENIENCE:** Buyer may, for its convenience, terminate all or any part of this Purchase Order upon notice to Seller without incurring liability to Seller for lost profits or breach of contract. Upon termination, Seller shall immediately stop work on the terminated portion of the order. Buyer shall be liable only for the actual, direct and unavoidable costs resulting from the termination, less salvage value.
- **BLANKET PURCHASE ORDERS:** Notwithstanding anything to the contrary in this Purchase Order, if this Purchase Order is designated in any way as a "blanket" or "open" Purchase Order, the quantity specified on the Purchase Order shall be deemed an estimate and not a firm commitment for any exact quantities. Actual volumes under "blanket" or "open" orders may vary at the sole discretion of Buyer.
- **MISCELLANEOUS:** Buyer's failure to insist on the strict performance of any of the terms hereof, or to exercise any right or privilege hereunder, or Buyer's waiver of any breach by Seller hereof, shall not thereafter waive any such terms, conditions, rights or privileges that Buyer may have hereunder. This Purchase Order shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to its rules regarding conflict of laws. Seller shall comply with all relevant federal, state and local regulations, laws and ordinances. This Purchase Order, and any documents referred to on the face hereof, constitute the entire agreement between the parties regarding the subject matter hereof and supersede all prior agreements, understandings and statements, whether oral or written, regarding such subject matter. No modification to, change in, or departure from, the provisions of this Purchase Order shall be valid or binding on Buyer, unless approved in writing by Buyer. No course of dealing or usage of trade shall be applicable unless expressly incorporated into this Purchase Order. Seller may not assign performance of its obligations hereunder without the prior written consent of Buyer.
- **ADDITIONAL TERMS:** Any additional terms and conditions supplied by Buyer as an attachment, exhibit or addendum to a Purchase Order ("Additional Terms") are expressly incorporated into and made part of the terms and conditions contained herein. In the event any Additional Terms conflict with the terms and conditions set forth herein, the relevant provisions of the Additional Terms shall prevail.