



WAUPACA FOUNDRY, INC.

1955 Brunner Drive

P.O. Box 249

Waupaca, WI 54981

PHONE (715) 258-6611

WEB WaupacaFoundry.com

Customer Terms and Conditions

1. **Process change notification.** Waupaca Foundry, Inc. will notify the customer and, if required, submit product for part approval prior to first production shipment in the follow situations:
 - a. A new part, including additional or replacement tooling, or a part that has been inactive for 12 months or more and has been re-released.
 - b. An engineering change affecting the part's dimensional or material specifications.
 - c. A correction for a non-conformance on a previously submitted part. This includes gating changes as a result of corrective action initiated by the customer.
 - d. Use of an optional iron type (base chemistry, major alloy changes, etc.) or core type different than that which was used in the previously approved part.
 - e. Changes in a source of Subcontracted Services (Painting, Heat Treating, Machining) from the originally submitted parts during Production Part Approval Process. This may include a change in a subcontractor source of material or product that in its as-received-form (i.e. composite plates) becomes a part of the casting.
 - f. Part production tooling transferred to a different unapproved plant location.
 - g. The elimination or reduction in frequency of an inspection specified on the Part Number control Plan.
 - h. Continuous improvement activities should not affect the form, fit, or function of supplied product and will go through Waupaca Foundry, Inc.'s internal Waiver system for verification. Waupaca Foundry, Inc. is responsible for foundry-related defects and this agreement does not permit the shipment of non-conforming product.
2. **Capacity verification and record retention.**
 - a. Minimum retention time for inspection and test results will be 1 year after the year in which they were created. Internal quality systems audits and management review records to be retained for a minimum of 3 years. All other part number submission, tooling, and contract related documents to be retained for a minimum of life of the part plus one year.
 - b. Submission of quote signifies completion of Manufacturing Feasibility and Capacity verification through the APQP process. No additional supporting documents to be submitted with the quote.
3. **Terms and conditions of sale.** All sales, agreements for sales, offers to sell, acknowledgements and contracts of sales, including but not limited to, purchase orders presented by a customer (hereinafter referred to as "BUYER") and accepted by Waupaca Foundry, Inc. (hereinafter referred to as "SELLER") based on the quotations herein, are subject to the following Terms and Conditions.
 - a. 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.
 - b. All prices are subject to change without notice, except when specifically held for a length of time as set forth on the quotation herein. Written quotations expire automatically, without notice, thirty (30) calendar days after the date issued, but any quotation may be terminated prior thereto by written notice mailed by SELLER to BUYER within that period.
 - c. In addition to the quoted purchase price, BUYER shall pay:
 - i. Any tax imposed by federal, state or other governmental authority on the sale of the merchandise and service referred to in this quotation;

- ii. Any increased cost due to any governmental enactment or ruling;
 - iii. Any additional costs, resulting from any engineering change, material specification, special shipping container or pallets, etc. shall be the obligation of the BUYER.
- d. 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.
- e. 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 non-visual testing methods, unless such testing methods are specifically requested by BUYER and consented to by SELLER, SELLER makes no other warranty of any kind whatever, express or implied, and all implied warranties of merchantability and fitness for a particular purpose which exceed the aforesaid 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. Buyer is responsible for visual inspections after machining. SELLER will not be responsible for visually defective parts that BUYER ships to their customer. If BUYER'S customer discovers a visually defective part, SELLER shall be responsible for the cost of the casting only. SELLER'S liability is limited to the sale price of the particular product. In no event shall SELLER be liable for any 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.
- f. 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.
- g. 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.
- h. Shipping dates on any purchase order or material release order are approximate only. SELLER will use its best efforts to meet the estimated shipping date, provided the BUYER supplies all necessary information and data promptly, but SELLER shall not be held responsible for failure to do so.
 - i. If the BUYER requires special production service to secure unusual deliveries, an additional charge shall be made, which charge shall be mutually agreed to in writing by SELLER and the BUYER.
 - ii. SELLER shall be subject to no penalty or liability and in no event shall it be held responsible for loss of profits, damages incurred by the BUYER or its customers, or for any other consequential damages resulting from SELLER'S failure to deliver within the time specified or in the event the item of sale does not perform according to the specifications, including administrative fees.
 - iii. SELLER shall not be responsible for damages or losses in transit, and all such claims must be made by the purchaser direct to the carrier.
- i. Claims for shortages or irregularities regarding receipt of items, other than claims covered by the warranty section, must be made in writing within ten (10) days after receipt of the shipment by the BUYER, and failure to give SELLER such written notice within such ten (10) day period, shall be an unqualified acceptance of the item of sale and waiver by the BUYER of all such claims.

- j. Unless otherwise agreed upon, the BUYER shall accept an over run or under run of ten (10%) percent of the quantities specified on the order or release, but SELLER will make every reasonable effort at all times to furnish as near the exact quantity as specified as operating conditions will permit.
- k. All sales, agreements for sale, offers to sell, proposals, acknowledgements and contracts of sale, including, but not limited to purchase orders accepted by SELLER, shall be considered a contract under the laws of the State of Wisconsin, and the rights and duties of all persons, and the construction and effect of all provisions hereof, shall be governed by and construed according to the laws of the State of Wisconsin.
- l. BUYER shall hold SELLER harmless from any action arising by reason of alleged infringement of any patent relating to the design, construction or use of the item of sale manufactured by SELLER according to the specifications or direction of the BUYER. BUYER acknowledges that BUYER has complete design responsibility for BUYER'S products and shall indemnify and hold SELLER harmless with respect to same.
- m. BUYER to supply pattern equipment, including coreboxes for every core, in good condition, to reproduce economically the quality and quantity of casting required. SELLER is not responsible for variations existing between drawings and pattern or other equipment supplied by BUYER.
 - i. Repairs and changes to patterns at BUYER'S request will be made at expense of BUYER.
 - ii. 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 beyond SELLER'S control.
 - iii. SELLER'S insurance does not cover BUYER'S patterns, which are held at BUYER'S risk.
 - iv. All packing, crating and transportation charges on patterns, to and from SELLER, shall be paid by BUYER.
 - v. 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'S 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.
- n. 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.
- o. 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 terminate any agreement and recover 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.
- p. Ownership and possession of all tooling will remain in Waupaca Foundry, Inc. until the tooling and all castings made from such tooling have been fully paid.
- q. All Waupaca Foundry, Inc. provided reusable dunnage shall be returned to the Plant of origin.