

1. Packaging and Shipping:

(a) All goods shall be suitably packed, marked and shipped as designated by Buyer in accordance with the requirements of common carriers in a manner to secure the lowest transportation cost. Seller may not charge Buyer any additional amount unless otherwise stated in this Order. (b) Unless otherwise specified differently on an invoice, shipment shall be F.O.B. Destination (Buyer's Dock). (c) Cash discount terms must be shown on all invoices. (d) Transportation must be prepaid on all shipments to which a delivered price applies. (e) Charges for prepaid transportation must be substantiated by attaching to the invoice the original transportation bills receipted by the carrier. (f) This order may not be filled at prices higher than those last charged or quoted to Buyer for the same goods and/or services without notification and acceptance by Buyer of the increased prices. (g) No charges for packaging package or drayage will be accepted without Buyer's prior written agreement. (h) Drafts against Buyer will not be honored, and C.O.D. shipments will not be accepted without Buyer's prior written agreement. (i) Shipments by commercial steamship lines must be insured at full value plus 10%. Do not insure parcel post, United Parcel or airfreight for more than the minimum coverage offered by the carrier. (j) Shipments for which Buyer is responsible for transportation charges must be properly described on the bill of trading to obtain the lowest applicable charge. The lowest valuation available must be declared when the carrier offers released valuation.

2. Prices; Payment:

Seller represents that the prices for the articles and/or goods by this order are the lowest prices charged by Seller to buyers of the same class as Buyer under conditions similar to those specified in this Purchase Order. Seller agrees that any price reduction made in the articles covered by the Purchase Order subsequent to its placement but prior to payment therefore will be applicable to it. Unless otherwise agreed in writing, Buyer shall not be obligated to pay any invoice until forty-five (45) days after delivery is completed. Buyer may set-off against all claims for money due or to become due from Buyer any amounts due or to become due to Buyer from Seller, whether or not related to this order. If Buyer determines that Seller's performance hereunder is likely to be impaired, it may establish a reserve to satisfy Seller's obligations by withholding payment of invoices.

3. Contract:

Any acceptance of this order is limited to acceptance of the express terms of the offer contained on the face and reverse side hereof. Any additional or different terms proposed by Seller, or any attempt by Seller to vary in any degree any of the terms herein in its acceptance, confirmation, invoice or any other writing are hereby objected to and rejected. Such additional or different terms shall not operate as a rejection of this offer, and this offer shall be deemed accepted by Seller without such additional or different terms. If a prior offer has been made by you with respect to the goods or services that are the subject of this order, Buyer's acceptance of Seller's offer is expressly conditioned on Seller's assent to the terms contained herein. Seller's acceptance of this order, promise of shipment, commencement of work on the goods, shipment of the goods or commencement of the performance of services to be rendered hereunder, whichever occurs first, shall be deemed an acceptance of Buyer's offer or counteroffer, as the case may be, to purchase solely on the terms set forth in this order. Prior courses of dealing and performance, projections, forecasts or past purchasing history, trade usage and verbal agreements not reduced to a writing signed by Buyer, to the extent they differ from, modify, add to or detract from the terms herein, shall not be binding on Buyer. This order embodies the entire agreement and understanding between Buyer and Seller and supersedes all prior agreements and understandings relating to the subject matter hereof, whether oral or written.

If any item or provision of this contract or the application thereof shall, to any extent, be invalid or unenforceable, the remainder of this contract or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this contract shall be valid and be enforced to the fullest extent permitted by law.

4. Delivery Schedules:

Time is of the essence on this order and deliveries are to be made in quantities and at times specified in schedules furnished by Buyer. Buyer will have no liability for payment for goods delivered to Buyer or services performed which are in excess of quantities or statement of work specified in the delivery schedules. Acceptance by Buyer of late delivery or performance by Seller of either the whole or part of the order shall not constitute a waiver of any claim for damages which Buyer may have arising from and out of such late delivery or performance. Goods shipped to Buyer in advance of delivery schedule without express written consent of Buyer may be returned to Seller at Seller's risk and expense for redelivery to Buyer on the scheduled delivery date.

5. Excusable Delays; Limitation of Liability:

(a) Strikes, fires, accidents or other causes beyond the reasonable control of Buyer which affect its ability to receive and use the goods and/or services ordered hereunder shall constitute valid groundings for suspension of shipment or performance under this order upon notification to Seller by telegram or letter, and any such suspension shall be without penalty or cost to Buyer. Except for delays of Sellers subcontractors Seller shall not be liable for damages to Buyer or Buyer's customers for delays or defaults in deliveries or performance due to unforeseeable contingencies beyond Seller's control and without Seller's fault or negligence. Seller's delays or defaults in deliveries or performance shall be grounds for cancellation of this order regardless of the cause thereof. Seller shall within five (5) days of the occurrence thereof notify Buyer in writing of the occurrence of any cause which will give rise to delay in delivery

or performance. Failure to give such notice shall render Seller liable for all damages to Buyer and its customer occasioned by delay in the delivery of the goods and performances of the services covered by this order.

(b) In no event shall Buyer be liable for anticipated profits or for incidental or consequential damages. Buyer's liability on any claim of any kind for loss or damage arising out of or in connection with or resulting from this order or from performance or breach thereof shall in no case exceed the price allocable to the goods and/or services or unit thereof which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach of this order or any other breach of contract claim or any other breach on the part of Buyer as to goods and/or services delivered hereunder must be commenced within one year after the cause of action has occurred.

6. Warranty:

Whether or not Seller is the manufacturer of goods and/or the performer of services provided by it, Seller expressly warrants that all the goods and/or services provided by it (a) shall be of good quality and workmanship, (b) shall be free from defects including but not limited to design defects, latent or patent, (c) shall conform to all specifications, drawings, samples or other descriptions of Buyer or Seller agreed upon by the parties (d) shall be merchantable and fit and sufficient for the intended purposes, and (e) shall be free of any claim of any third party.

7. Inspection:

All goods and/or services shall be received subject to Buyer's inspection and acceptance or rejection. In case any of the goods and/or services are found to be defective or otherwise not in conformity with the requirements of this order, Buyer shall have the right to reject the same or require that such goods and/or services be corrected or replaced promptly with goods and/or services which are not defective or are in conformity with such requirements. If Buyer rejects the goods and/or services or if Seller, when requested by Buyer, fails to proceed promptly with the replacement or correction thereof, Buyer may (i) terminate this order for default or replace or correct such goods and/or services and (ii) charge Seller the cost and/or damages occasioned Buyer thereby. Rejected goods that are not corrected by Buyer will be held by Buyer at Seller's risk and expense. Unless Seller delivers to Buyer written instructions as to the disposition of such rejected goods within twenty (20) days of Buyer's rejection, such goods may be returned to Seller at Seller's expense. Unless Buyer notifies Seller to the contrary, no rejected goods shall be resubmitted to Buyer under this or any other order without the express written consent of Buyer. Payment for goods and/or services under this order prior to inspection shall not constitute an acceptance thereof.

8. Inspection at Source

If it is indicated elsewhere under this order that goods to be furnished hereunder shall be subject to inspection by Buyer or its representatives on the premises of Seller. Seller shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors in the performance of such inspection. At the time of inspections, without additional cost, Seller shall make available copies of all drawings, specifications and packaging data applicable to the goods ordered hereunder. Such inspection shall be deemed as preliminary only and all goods ordered hereunder shall be subject to final inspection and acceptance in Buyer's plant.

9. Records:

For the longer of the life of the goods covered by this order or five years, Seller agrees to maintain on its premises and make available for inspection by Buyer during Seller's normal business hours, all records pertaining to this order and the goods and services sold hereby, including but not limited, to all records of inspection, certification of processes, certification of goods, test reports, qualification data, purchase order records and design data. Upon request, Seller shall furnish to Buyer copies of such records.

10. Changes:

Buyer reserves the right at any time to make changes in (a) delivery schedules, (b) drawings and applications, (c) methods of shipment and packaging, (d) quantities, and (e) the place of delivery, as to any goods and/or services covered by this order. Any difference in price or time for performance resulting from such changes shall be equitably adjusted and the order shall be modified in writing accordingly, but any claim by Seller for any adjustment must be made within ten (10) days of the receipt of notice of such changes.

11. Remedies:

Any right, cause of action or remedy under the terms and conditions hereof, including warranty and patent indemnity, assumed by or imposed upon Seller shall extend without exception to any company (i) affiliated with Buyer, or (ii) upon whose behalf this order is issued by Buyer and shall also extend to the customers of Buyer. The remedies provided herein shall be cumulative and in addition to any other remedies provided by law or at equity. The waiver of any right under this order by either party shall not be construed as a waiver of such right at a future time or as a waiver of any other right under this order.

12. Indemnity:

Seller shall defend, hold harmless and indemnify Buyer, its subsidiaries, affiliates and customers, and their employees, agents and representatives from and against any and all claims, actions, liabilities, losses, fines, penalties, costs and expenses (including reasonable attorneys' and experts' fees) arising out of any of the following provided that Seller's obligation to defend shall apply only to claims or actions brought by a third party against Buyer:

- (a) Any actual or alleged infringement or misappropriation of any patent, trademark, trade name, trade dress, copyright or

other right relating to any goods;

(b) Any actual or alleged injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, claimed to result in whole or in part from the goods or any actual or alleged defect in such goods, whether latent or patent, including any alleged failure to provide adequate warnings, labeling or instructions; or

(c) Any actual or alleged violation of any law, statute or ordinance or any judicial or administrative order, rule or regulation relating to the goods, or to its manufacture, shipment, import, labeling, weights and measurements, use or sale, or any failure to provide an MSDS or certification; or

(d) Any act, activity or omission of Seller or any of its affiliates, employees, representatives, agents or contractors in the manufacturing, sale or service of the goods sold by Seller to Buyer, including any such actions or omissions occurring on Buyer's premises.

The foregoing indemnities and obligations of Seller shall not be affected, expanded or limited in any way by Buyer's extension of warranties to its customers concerning Seller's goods that are not approved by Seller, or by any approval, specification, act or omission of Buyer, provided that Seller shall have no obligation to defend, hold harmless and indemnify Buyer to the extent of Buyer's negligence or intentional wrongful acts.

13. Insurance:

(a) Seller shall obtain and maintain, at its expense, a policy or policies of:

(i) Commercial General Liability (including product and completed operations, personal and advertising injury, contractual liability coverage) with a minimum of \$2,000,000 General Aggregate limit; \$2,000,000 Products and Completed Operations Aggregate limit; and \$1,000,000 each occurrence, written on an occurrence form. Insurance shall be written on a world-wide basis.

(ii) For Sellers whose employees or agents enter Buyer's premises, Workers' Compensation Insurance with statutory limits and Employers' Liability insurance with minimum limits of \$1,000,000 per accident combined single limit for bodily injury and property damage; Automobile Liability Insurance with \$1,000,000 per accident combined single limit for bodily injury and property damage limits for each accident, including owned, non-owned and hired vehicles. Such insurance shall contain a waiver of subrogation endorsement in favor of Buyer.

(b) Seller will provide Certificates of Insurance at all times naming Cotta Transmission Company, LLC and/or any subsidiary, partnership or joint venturer thereof as "Additional Insureds" with respect to General Liability and Automobile Liability policies, and attach the Broad Form Vendor Endorsement executed in favor of Buyer and Additional Insureds, to the Certificates of Insurance, and protecting all parties from the liability set forth in 13(a) above.

(c) Policy limits may not be reduced, terms changed, or the policy canceled with less than thirty (30) days' prior written notice to Buyer. Seller's insurance shall be primary with respect to any other insurance available to Buyer. Coverage and limits referred to above shall not in any way limit the liability of Seller.

14. Advertising:

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertised or published the fact that Seller has contracted to furnish Buyer the goods and/or services herein ordered and for failure to observe this provision, Buyer shall have the right to terminate the contract resulting from the acceptance of this order without any obligation to accept deliveries after the date of termination or make further payments except for completed goods and/or services delivered prior to the date of termination.

15. Financial Condition of Seller:

This order may be terminated by Buyer by giving written notice to Seller in the event Buyer concludes that Seller's financial condition is unsatisfactory to Buyer.

16. Compliance with Laws:

Seller guarantees that all goods delivered, or services performed by Seller pursuant to this order will comply with all applicable federal, state and local laws, ordinances and regulations. Unless otherwise expressly set forth herein, the laws of the state from which this order issues as shown by the address of Buyer shall apply to and govern the interpretation, performance and enforcement of this order. Seller further guarantees that all goods and/or services furnished by Seller in performance of this order will comply fully with the Occupational Safety and Health Act of 1970 (84 U.S. Stat. 1590) as amended and state plans approved under such Act and the regulations thereunder, to the extent applicable to such goods and/or services, and Seller shall indemnify Buyer and its customer, if any, from and against any and all claims, loss or liability arising from failure of such goods and/or services to comply.

Seller agrees, in connection with the production of the goods specified herein and services performed hereunder, to comply with all applicable local, state and federal laws, regulations, rulings and executive orders issued pursuant thereto and agrees to indemnify Buyer against any loss cost, liability or damage by reason of Seller's violation of this paragraph. Without limiting the generality of the foregoing, Seller agrees to comply with the applicable provisions of the following laws and any regulations, rulings or executive orders thereunder (or any amendments thereof, successors thereto or other similar laws and regulations); any and all of which provisions are incorporated herein by reference. Applicable laws, regulations, rulings and executive orders include, but are not limited to the following:

- (a) The Wage Hour Act (40 U.S.C. 324-326)
- (b) The Fair Labor Standards Act (29 U.S.C. 201-219)
- (c) The Federal Occupational Safety and Health Act (Pub L. 91-596)
- (d) Non-discrimination in Employment (Executive Order 11246 as amended, Executive Order 11375 and the rules, regulations, and relevant orders of the Secretary of Labor)
- (e) The Vietnam Era Veterans Readjustment Assistance Act of 1974 (Pub. L. 93-508, as it amends 38 U.S.C. 2012)
- (f) The Rehabilitation Act of 1973 (Pub. L. 93-112 as amended by Pub. L. 93-516)
- (g) The Walsh-Health Public Contracts Act as amended (41 U.S.C. 35-45).

17. Independent Contractor:

Nothing in this contract shall be construed to create the relationship of employer and employee between the parties hereto. Seller will at all times be deemed to be an independent contractor and accordingly Buyer will not make any deductions required by law to be made from the compensation paid by an Employer to an employee except as may be required by the laws from the state in which this order issues as shown by the address of Buyer.

18. Assignment/Subcontracting:

This contract is non-assignable by Seller. No contract shall be made by Seller with any other party for furnishing any of the completed or substantially completed articles or work covered by this order without the prior written approval of Buyer.

19. Buyer's Design and Property:

Seller shall keep confidential the features of any equipment tools, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer and will use such items only for the production of goods and/or performance of services covered by this order or other orders from Buyer. In no event shall Seller use data, designs, or information supplied by or on behalf of Buyer for manufacture of Buyer's products or cause others to do so without the express written consent of Buyer. Upon completion or termination of this order, Seller shall return all such items and copies thereof made by Seller to Buyer or make such other disposition thereof as may be directed or approved by Buyer.

Any goods furnished by Buyer on other than a change basis in connection with this order shall be deemed to be held by Seller on consignment. Until such goods have been used by Buyer, Seller shall bear all risk of loss, damage or destruction of such goods. Buyer will specify acceptable scrap allowances, if any, and any amount in excess of such amount will be paid for by Seller at Buyer's cost. All tools, gauges, patterns, dies and other equipment furnished to Seller by Buyer or whose cost is included in the price to be paid hereunder shall remain the property of Buyer. Such property shall be plainly identified by Seller as "Property of (insert the exact corporate name as it appears on the face of this order)", and shall be safely stored and not used except in filling Buyers orders. Seller shall maintain such property in good condition at Seller's expense and maintain at all times adequate insurance, with a coverage limit no less than an amount equal to the replacement cost of such property and a loss payable to Buyer, to cover the loss, damage or destruction of Buyer's property. Buyer may remove its property from Seller's facilities at any time.

20. Patent Rights:

Where payment is made for experimental, developmental or research work to be performed under this order, Seller shall promptly disclose to Buyer, and to assign to Buyer free and clear of any encumbrances or restrictions without additional compensation, full and complete title to each improvement and invention conceived or reduced to practice under this order. In connection with such assignment, Seller shall procure all documents necessary to vest full title to such improvements and inventions exclusively in Buyer, including, at Buyer's request, any foreign or domestic patent applications on such improvements or inventions. Seller will procure the execution of all oaths, declarations and other documents necessary or required to vest title improvements and inventions, including patent applications therefore, in Buyer.

21. Termination Clause:

(a) Buyer may terminate work under this order in whole or in part at any time upon written notice to Seller. Such notice shall state the extent and effective date of such termination and upon receipt thereof. Upon receipt of any such notice, Seller shall, unless the notice requires otherwise: (i) immediately discontinue work on the date and to the extent specified in the notice; (ii) place no further orders for materials other than as may be necessarily required for completion of any portion of the work that is not terminated; (iii) promptly make every reasonable effort to either obtain cancellation on terms satisfactory to Buyer of all orders to sub-suppliers; and (iv) assist Buyer upon request in the maintenance, protection, and disposition of property acquired by Buyer under this order.

(b) Upon termination, in addition to making promptly payment of amounts due for goods delivered or services rendered prior to the effective date of termination, Buyer will pay to Seller the following amounts without duplication:

- (1) actual costs that are properly allocable or apportionable under U.S. Generally Accepted Accounting Principles to the terminated portion of this order for any goods then in production; provided that no such adjustment shall be made in favor of Seller with respect to any goods which are Seller's standard stock
- (2) actual costs that are properly allocable or apportionable under U.S. Generally Accepted Accounting Principles for settling and paying claims arising out of the cancelled orders in fulfillment of this order
- (3) The reasonable costs of Seller in protecting the property in which Buyer has or may acquire an interest.

Except for payments under this sub-paragraph (3), payments made under this Section 21(b) shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made.

(c) With the consent of Buyer, Seller may retain at an agreed price or sell at an approved price any completed goods, work in process or other things, the cost of which is allocable or apportionable to this order under sub-paragraph (b) (1) above, and will credit or pay the amount so agreed or received as Buyer directs. As directed by Buyer, Seller will transfer title to and make delivery of any such articles, material or work.

22. Cancellation:

If Seller does not make deliveries or provide services as specified in the agreed upon schedules under this order or if Seller breaches any of the terms hereof, including the warranties of Seller, Buyer reserves the right to cancel all or any part of the undelivered portion of this order after giving written notice to Seller specifying such failure or breach provided that if Seller corrects such failure or breach within ten (10) days of the receipt of written notice thereof from Buyer. Buyer may not exercise such right of cancellation.

23. Government Contract:

If a government contract number appears on the face of this order the attached ADDITIONAL TERMS AND CONDITIONS – GOVERNMENT CONTRACTS (“Additional Terms”) Form No. G011080 are incorporated herein by reference and in the event of **conflict between the Additional Terms and the Terms and Conditions appearing above, the Additional Terms will be the controlling document.**

24. Governing Law; Jurisdiction:

This order shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Wisconsin. Seller agrees to the jurisdiction of any state or federal court located within Rock County, Wisconsin. Seller waives any objection based on forum non conveniens and any objection to venue of any action instituted hereunder.

25. Assignment:

No right or interest hereunder shall be assigned by you, and no delegation of any obligation owed, or of the performance of any obligation, by you shall be made, without Buyer’s prior written consent.