

TWIN DISC, INCORPORATED**ORDER ACKNOWLEDGMENT TERMS**

We acknowledge receipt of your order which is hereby accepted on the express condition that you assent to the following terms and conditions.

1. **PRICES** - Orders are accepted at prices in effect upon date of shipment, cancellation, or deferred delivery.

2. **TRANSPORTATION** - Products manufactured in the USA for delivery within the USA are shipped F.O.B. point of manufacture-Racine, WI. Products manufactured at locations outside the USA are shipped F.O.B. port of USA entry. Products shipped from locations within the USA to locations outside the USA are shipped "EX-FACTORY INSURED TO DESTINATION" which is defined as follows:

Legal title to, control over, and the right of possession of the goods shipped shall remain the Seller's, at its own risk, until the goods reach the port or country of entry. The purchase price reflects "EX-FACTORY" and includes costs for insurance, freight, duties and other costs paid by the Seller. These costs shall be reimbursed by the Buyer unless otherwise expressly agreed in writing. All charges caused by the Buyer's delay in taking possession of the goods at the port of delivery shall be borne by the Buyer.

3. **DELIVERIES** - We shall provide our best efforts to make delivery as close as is reasonably practicable to our estimated or deferred delivery date, specified in the schedule accompanying this form, but our obligation to deliver is subject to change as a result of fires, acts of God, adverse weather, plant shutdowns or slowdowns, strikes, accidents, tenor or transportation difficulties, vehicle shortage, failure to obtain deliveries of materials, shortage or limitation of manufacturing capacity, action of any State, Federal or Local Government, force majeure or other causes, whether similar or not and which are beyond our practicable and reasonable control.

4. **CANCELLATION AND DEFERRED DELIVERIES** - Cancellation of accepted orders and deferral of deliveries we have scheduled can be made only with our written consent. Cancellation and deferred deliveries shall be consented to only on our terms, which shall protect us against all loss and which will vary depending upon the advance notice you provide. All invoices we submit to you for cancellation or deferred delivery charges must be paid in full before we will be deemed to have consented to the cancellation or deferred delivery.

5. **TAXES AND GOVERNMENTAL OBLIGATIONS** - Any taxes imposed on the sale of articles made or sold by us shall be in addition to the sales price thereof. We believe we are complying with all State and Federal laws. Acceptance of your order is subject to the condition that our obligations under these laws, rules, regulations and/or executive orders issued thereunder whether now in force or hereafter made effective, will not be increased as to your order without our written agreement.

6. **TERMS OF PAYMENT** - If you do not pay in accordance with the Terms of payment as set forth on the invoice, you will be charged interest, compounded daily, at a rate of 1 1/2% per month, or the maximum permitted by law, whichever is lower.

7. **YOUR BREACH** - If you fail to fulfill the terms of any existing contracts with us, we may defer further shipments on any contract until such terms are fulfilled or may at our option terminate the contract or contracts. We reserve the right, even after partial shipments on account of the contract, to require adequate assurance that you will perform your obligations; failure to furnish such assurance will entitle us to suspend our performance or terminate the contract. Termination of the contract or contracts under any of these circumstances shall not prejudice any claim we may be entitled to make for cancellation charges or damages.

8. **EXCLUSION OF CONSEQUENTIAL AND PUNITIVE DAMAGES** - In consideration of the Limited Twin Disc General Warranty and remedies and the price Twin Disc, Incorporated charges (which price reflects Twin Disc, Incorporated's limited liability) you agree that under no circumstances shall we be responsible to you, or anyone else, for any consequential damages or economic loss whether caused by us or not, and whether arising out of our breach of contract, tort, negligence, strict liability, or otherwise. Under no circumstances shall we be liable for punitive damages.

9. **WISCONSIN LAW** - The laws of the State of Wisconsin, U.S.A., not including the United Nations Convention on Contracts for the International Sale of Goods shall control the construction of our agreement and shall apply to any disputes which may arise between us.

10. **WARRANTY, LIMITATION OF REMEDIES, LIMITATION OF OTHER WARRANTIES, CONFLICTING TERMS, MERGER AND INTEGRATION CLAUSE** - All sales are made subject to the Limited Twin Disc General Warranty, and Limitation of Remedies and Limitation of Other Warranties, which are listed on the right hand side of this sheet. Your order is accepted upon the express condition that you assent to our terms including the standard warranty terms which shall control and take precedence over any terms contained in your order, confirmation or other form or communication which are inconsistent, in conflict with or additional to our terms. The terms and conditions set forth herein supersede and replace any prior inconsistent agreements or warranties and constitute the full understanding of the parties. These terms and conditions cannot be added to or modified except by a later writing signed by us.

LIMITED TWIN DISC GENERAL WARRANTY, LIMITATION OF REMEDIES AND LIMITATION OF OTHER WARRANTIES*

A. Twin Disc, Incorporated warrants all assembled products and parts, (except component products or parts on which written warranties are issued by the respective manufacturers thereof and are furnished to the original customer, as to which Twin Disc, Incorporated makes no warranty and assumes no liability) against defective materials or workmanship. For products and parts other than Rockford power take offs, such warranty shall extend for a period of twenty-four (24) months from the date of original shipment by Twin Disc, Incorporated to the original customer, but not to exceed twelve (12) months of service or two thousand (2,000) hours of service, whichever occurs first. For Rockford power take-offs products and parts, such warranty shall extend for a period of fifteen (15) months from the date of original shipment by Twin Disc, Incorporated to the original customer, but not to exceed twelve (12) months of service or one thousand five hundred (1,500) hours of service, whichever occurs first. This is the only warranty made by Twin Disc, Incorporated and is in lieu of any and all other warranties, express or implied, including the warranties of merchantability and fitness for a particular purpose and no other warranties are implied or intended to be given by Twin Disc, Incorporated.

The original customer does not rely upon any tests or inspections by Twin Disc, Incorporated or on Twin Disc, Incorporated's application engineering.

B. In consideration of the Limited Twin Disc General Warranty and price Twin Disc, Incorporated charges (which reflects Twin Disc, Incorporated's limited liability), the exclusive remedy provided by Twin Disc, Incorporated, whether arising out of warranty within the applicable warranty period as specified, or otherwise, (including tort liability) shall at the sole option of Twin Disc, Incorporated, be either the repair or replacement of any Twin Disc, Incorporated part or product found by Twin Disc, Incorporated, to be defective (or equivalent credit). Under no circumstances, including a failure of the exclusive remedy, shall Twin Disc, Incorporated be liable for economic loss, consequential, punitive or incidental damages. The above warranty and remedy are subject to the following terms and conditions:

1. Complete parts or products, upon request must be returned transportation prepaid, and in all cases claims must be submitted to Twin Disc, Incorporated, within sixty (60) days after completion of warranty repair.

2. The Limited Twin Disc General Warranty is void if, in the opinion of Twin Disc, Incorporated, the failure of the part or product resulted from abuse, neglect, improper maintenance or accident.

3. The Limited Twin Disc General Warranty is void if any modifications are made to any product or part without the prior written consent of Twin Disc, Incorporated.

4. The Limited Twin Disc General Warranty is void unless the product or part is properly transported, stored and cared for from the date of shipment to the date placed in service.

5. The Limited Twin Disc General Warranty is void unless the product or part is properly installed and maintained within the rated capacity of the product or part with installations properly engineered and in accordance with the practices, methods and instructions approved or provided by Twin Disc, Incorporated.

6. The Limited Twin Disc General Warranty is void unless all required replacement parts or products are of Twin Disc origin or equal, and otherwise identical with components of the original equipment.

C. As consideration for the Limited Twin Disc General Warranty, the original customer and subsequent purchaser agree to indemnify and hold Twin Disc, Incorporated, harmless from and against all and any loss, liability, damages or expenses for injury to persons or property, including without limitation, the original customer's and subsequent purchaser's employees and property, due to their acts or omissions or the acts or omissions of their agents, and employees in the installation, transportation, maintenance, use and operation of said equipment.

D. Only a Twin Disc, Incorporated authorized factory representative shall have authority to assume any cost or expense for the service, repair or replacement of any part or product within the Limited Twin Disc General Warranty period, except when such cost or expense is authorized in advance in writing by Twin Disc, Incorporated.

E. Twin Disc, Incorporated reserves the right to improve the product through changes in design or materials without being obligated to incorporate such changes in products of prior manufacture. The original customer and subsequent purchasers will not use any such changes as evidence of insufficiency or inadequacy of prior designs or materials.

F. If failure occurs within the Limited Twin Disc General Warranty period, and constitutes a breach of warranty, repair or replacement parts will be furnished on a no-charge basis and these parts will be covered by the remainder of the unexpired Limited Twin Disc General Warranty which remains in effect on the complete unit.

*NOTE: The above constitutes the basic Twin Disc, Incorporated General Limited Warranty and may be supplemented by additional published warranty terms dependent upon the product involved. Supplementary warranty terms are available upon request.