

RELCO PURCHASE ORDER TERMS & CONDITIONS

as of January 31, 2014

As used herein, "RELCO" means RELCO Locomotives, Inc., 1001 Warrenville Road, Lisle, Illinois, 60532, and "Seller" means provider of materials and goods to whom the purchase order is directed and its subsidiaries and affiliates, whose address for notice purposes shall be the mailing address listed on the applicable purchase order unless otherwise provided in writing to RELCO. RELCO and Seller hereby agree as follows:

1) ACCEPTANCE.

These terms and conditions ("Terms and Conditions") apply to any purchase order ("PO") issued by RELCO, including those POs which may be issued under any agreement, including but not limited to supplier procurement agreement, confidentiality agreement or non-disclosure agreement, or letter of intent (collectively "Agreement") between RELCO and Seller, and constitute the entire agreement between the parties hereto. In the event of a conflict between these Terms and Conditions and any other applicable agreement between the parties, these Terms and Conditions shall control unless any such other applicable agreement between the parties specifically provides otherwise.

Acceptance by Seller of the PO shall be on, and is expressly limited to, these Terms and Conditions. Seller shall not ship any materials and/or goods ("Products") under reservation. Except to the extent specifically stated or referenced in the PO and its attachments, no provisions of any bid, proposal, quotation or specification of the Seller shall be deemed to be a part of the PO. No modification of, or amendment to, these Terms and Conditions or any claimed waiver of any provision hereof shall be binding unless signed in writing by RELCO. RELCO rejects any additional or inconsistent terms and conditions offered by Seller, and any purported terms or conditions referenced or otherwise proffered by Seller whether stated in Seller's invoices, billing statements, acknowledgement forms or otherwise, shall be deemed null and void and of no effect or consequence whatsoever unless specifically agreed to in writing by RELCO. By providing a quotation to RELCO, or accepting and/or fulfilling a PO issued by RELCO, the Seller acknowledges and confirms it has reviewed and agrees to these Terms and Conditions and that these Terms and Conditions will govern, and constitute the terms and conditions for, any transaction between RELCO and Seller. These Terms and Conditions are also available for review at: www.recolocomotives.com.

RELCO may purchase from Seller those quantities of the Products as are specified on POs issued by RELCO. Seller shall manufacture, if applicable, and supply such quantities of the Products as specified on POs and shall deliver the Products to RELCO in accordance with these Terms and Conditions.

Upon written notice to Seller, RELCO may make any of the following changes to its PO: (i) the drawings, designs and/or specifications, (ii) the method of shipping or packing, and/or (iii) the place of delivery. Seller shall be deemed to have accepted RELCO's changes without additional costs to RELCO and without extension of Seller's time for performance unless Seller notifies RELCO within ten (10) days of receipt of the change in PO of the need for any equitable adjustment in the price of the Products and/or the time for performance, which modifications must be approved by RELCO in writing.

2) PRICING.

The prices for Products ordered shall include applicable taxes, except sales and use taxes which are separately shown where applicable.

Seller agrees to offer to RELCO its lowest prices and best delivery dates then prevailing for such Products.

3) INVOICING AND PAYMENT.

Invoices and packing slips must be mailed promptly after shipment to RELCO's accounts payable department. Seller acknowledges that time is of the essence when sending invoices. In no event shall Seller submit invoices later than three (3) months of the date of delivery of the Products. Invoices not sent within this time period shall be

considered invalid. Invoices shall be legible, complete and accompanied by a bill of lading or express receipt when appropriate. Invoices lacking this required documentation shall be considered invalid.

Invoices received by RELCO for Products not yet delivered shall be considered either invalid or shall be held by RELCO pending receipt and acceptance of the Products. If held by RELCO, such invoices shall be deemed dated on the date of RELCO's acceptance of the Products.

Invalid invoices will be returned to the Seller with a clear notation as to the cause of the invalidation. In no case shall RELCO be responsible to research and remedy any invalidation, as the Seller maintains the sole responsibility for submitting valid invoices to RELCO. RELCO shall not pay, and the Seller shall not attempt to enforce payment, on invalid invoices.

Payment of invoice shall not constitute acceptance, and shall be subject to appropriate adjustment for failure of Seller to meet the requirements of the PO, these Terms and Conditions, or any Agreement, if applicable.

RELCO shall make payment either by check or ACH, at RELCO's sole discretion, pursuant to the payment terms on the PO, with time for payment beginning on the date RELCO receives Seller's valid invoice.

4) SHIPMENT AND DELIVERY.

Delivery quantities from Seller on behalf of RELCO are to be exact with no over or under shipments unless previously approved in writing by RELCO. Any over or under shipments from Seller not approved in writing by RELCO are subject to being rejected by RELCO or its designee. RELCO is not obligated in any way to accept over shipments and/or excess deliveries. RELCO's count of the delivered Products will be accepted as the final count on all shipments that are not accompanied by a packing slip.

Seller acknowledges that time is of the essence when delivering Products pursuant to this PO. No deviation from the delivery schedules in any PO shall be allowed without the prior written authorization of RELCO. If Seller is delinquent in delivery or if it is reasonably determined by RELCO that Seller will be delinquent and/or is delaying correction of previously rejected Products so that such delay is affecting or reasonably threatens to affect RELCO's commitments to its customers, Seller shall be in default hereof, and Seller shall be liable for all damages sustained by RELCO as a result thereof. Acceptance by RELCO of all or any part of any shipment of the Products shall in no way constitute a waiver by RELCO of any claims arising as a result of a delivery delay. In the event Products delivered pursuant to this PO are not made in accordance with the time specified in the PO, RELCO shall have the right to (i) direct expedited routings of the Products at the Seller's sole expense, (ii) terminate this PO, and/or (iii) pursue any and all other rights and remedies available to RELCO at law or in equity.

All Products shipped by Seller to RELCO at RELCO's designated shipping address shall be subject to inspection by RELCO or RELCO's designated inspector. Upon notice of RELCO that it desires to inspect or test any Products on Seller's premises, the Seller shall provide, without additional charge, reasonable assistance and facilities for such inspections and tests. Seller recognizes that RELCO may be unable to inspect Products upon delivery thereof, therefore, it is agreed that Products shall not be deemed to have been accepted by RELCO, until the same have actually been inspected by RELCO or RELCO's designated inspector and have been found to be in conformity with this PO. There shall be no deadline for RELCO or RELCO's designated inspector to so inspect the Products.

Upon determination by RELCO that the Products are defective or otherwise not in conformity with the requirements of this PO, RELCO, upon notice to the Seller, may, at RELCO's sole discretion: (i) rescind this PO to such Products, (ii) accept such Products at an agreed reduction in price, (iii) retain the Products and correct the defects or non-conforming aspects of such Products at Seller's sole expense, or (4) reject the defective Products and require replacement Products.

All rejected Products returned to Seller shall be at Seller's sole expense and no replacements of such defective Products shall be made unless specified by RELCO. RELCO shall determine a reasonable delivery date for all replacement Products. All replacement Products shall be accompanied by a notification specifying the Products are replacements of previously-rejected Products. RELCO reserves the right to reject all defective or nonconforming Products and return same to Seller for full reimbursement, including transportation and handling charges. If Seller fails to promptly replace and correct rejected Products to RELCO's satisfaction, RELCO may terminate this PO

and/or replace or correct such defective or nonconforming Products and Seller shall be liable to RELCO for any excess costs incurred thereby and any other damages sustained by RELCO as a result thereof.

All Bills of Lading and Packing Slips for Products drop shipped from Seller to RELCO's designated address shall bear the name of "RELCO Locomotives, Inc." and have the phone number for RELCO Locomotives, Inc. on them; provided, however, Seller acknowledges herein that the foregoing is not, in any way whatsoever, intended to confer any right, title or interest in or to the name "RELCO Locomotives, Inc." or its phone number, to Seller; RELCO retains sole and exclusive rights to the same.

5) TITLE & RISK OF LOSS.

Title to, and risk of loss, of the Products shall be borne by Seller until the Products are delivered to RELCO at RELCO's destination location and RELCO accepts the Products.

Products must be suitably packaged or otherwise prepared for transportation by the Seller to avoid damage, to comply with carriers' requirements, if any, and to secure reasonable transportation costs and insurance rates unless contrary instructions are provided in writing from RELCO. The Seller agrees that it is responsible for arranging transportation and insuring the Products while in transit and thereafter until acceptance by RELCO. Seller shall bear sole responsibility for the cost of such transportation and insurance.

IF THE PRODUCTS ARE EXPLOSIVE, FLAMMABLE, TOXIC, HAZARDOUS, OR CAUSE PROPERTY DAMAGE (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL CLAIMS) OR PERSONAL INJURY, SELLER SHALL DEFEND, INDEMNIFY, AND HOLD RELCO HARMLESS FROM AND AGAINST ALL CLAIMS ASSERTED AGAINST RELCO THAT ARISE OUT OF ANY PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY THE PRODUCTS OR BY THE TRANSPORTATION THEREOF PRIOR TO THE TIME RELCO ACCEPTS THEM.

6) REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants to RELCO that (1) Seller has good and marketable title to the Products, free of all liens, claims and encumbrances of any kind, (2) all Products supplied by Seller shall conform to specifications, drawings or other descriptions upon which the sale was made, (3) all Products are fit and sufficient for the purpose intended, (4) all Products are merchantable, of good material and workmanship and free from all defects, and (5) all Products are free from any claim of infringement of third party intellectual property rights or other infringement claims. Seller's representations and warranties as stated herein shall survive inspection, testing, acceptance and/or use of the Products by RELCO. RELCO's inspection, testing, acceptance and/or use of the Products shall have no affect on Seller's obligations hereunder. Seller agrees to replace or correct defects of any Products not conforming to the above representations and warranties at Seller's sole expense.

7) CONFIDENTIALITY.

The existence of, and content thereof, RELCO POs are "Confidential Information" as well as any additional information received with, or related to, POs, including but not limited to: technical data, or know-how belonging to RELCO, including, but not limited to, that which relates to the Products, RELCO's research, RELCO's customers, distributors, sales reps, financial information, market plans, strategy, other products, developments, inventions, manufacturing processes, production techniques, designs, drawings, blueprints, sketches, purchasing, accounting, assembly, distribution, engineering, pricing data, marketing, surveys, merchandising, sales and/or advertising and promotional support by RELCO, as well as any discoveries, concepts and ideas, whether patentable or not, processes, methods, formulas and techniques (as well as improvements thereof or know-how related thereto) concerning any present or future prospect or activities of RELCO, which is delivered by RELCO to Seller in writings, drawings, orally or by other media. Without limiting the foregoing, the term "Confidential Information" shall also be deemed to include any Confidential Information of any customer of RELCO.

Seller shall exercise the highest degree of care in order to ensure that no person or entity other than those persons who have a need to know the Confidential Information for purposes in furtherance of Seller's business with RELCO shall have access to any of the Confidential Information. Seller represents and warrants to RELCO that each such person (i) shall be advised of and become familiar with the terms of this PO and has been apprised of his or her obligation to maintain the trade secret status of Confidential Information and to restrict its use and disclosure as

provided in these Terms and Conditions, and (ii) is bound to protect the Confidential Information from unauthorized use and disclosure under the terms of a written agreement containing disclosure and use restrictions that are at least as protective of the Confidential Information as those set forth in these Terms and Conditions. If requested by RELCO, Seller shall cause each such person or entity to execute and deliver to RELCO a Confidentiality and Non-Disclosure Agreement similar hereto.

Seller recognizes and acknowledges that RELCO would suffer irreparable injury from the unauthorized use or disclosure of any Confidential Information and Seller agrees that it shall hold in strict confidence and not use for its own purposes (other than in accordance with the terms hereof) or disclose, transfer or make available, directly or indirectly, to any person or entity to whom disclosure is not authorized by these Terms and Conditions, any of the Confidential Information. Seller further agrees and acknowledges that RELCO shall have the right to obtain injunctive relief against the unauthorized use, disclosure or transfer of any of the Confidential Information, as well as the right to pursue all of its other remedies in equity and at law.

Seller's obligations related to the Confidential Information shall survive the return of any of the Confidential Information, or the termination of this PO, except to the extent that any such Confidential Information (i) is known by Seller or can be shown to have been in its possession prior to disclosure by RELCO; (ii) has entered or hereafter enters the public domain through no wrongful act of Seller with respect to the information or data in question, or its employees or those persons or entities to whom disclosure is made by it in accordance with the terms hereof; (iii) has been or is rightfully received by Seller from a third party which is under no obligation to maintain the confidentiality thereof; or (iv) is developed by Seller independently of the Confidential Information.

In the event Seller is required by law or legal process to disclose any Confidential Information, Seller shall provide immediate notice of such to RELCO so that it may seek legal protection for the Confidential Information and/or waive Seller's compliance with this PO. Seller shall notify RELCO immediately of any alleged or actual infringement of RELCO's Confidential Information. RELCO shall retain all rights of enforcement, including the right, in RELCO's sole discretion, to determine whether or not any action shall be taken on account of any infringement, misappropriation or imitation.

All rights, proprietary or otherwise, in and to the Confidential Information, including but not limited to copyrights, trademarks, RELCO customer names, trade secrets, patent rights, drawings, data, designs, engineering instructions, models, specifications, know-how, manufacturing processes, technical information, and other intellectual property whether in existence as of the commencement of this PO or developed at anytime by RELCO are the exclusive property of RELCO, and Seller shall not take any actions inconsistent therewith.

8) INDEMNIFICATION.

Seller shall indemnify, defend and hold RELCO, its successors, affiliates, assigns, shareholders, officers, directors, employees, and agents harmless from and against any damage, liability, claims, loss, costs, expenses and fees, including without limitation, reasonable attorneys' fees, arising from Seller's actions, omissions and performance of its obligations under this PO or any breach of these Terms and Conditions by Seller or any of its shareholders, members, partners, officers, directors, employees, and agents.

9) TERMINATION.

This PO may be terminated, in part or in its entirety, by RELCO at any time, and for any reason or no reason, without penalty to RELCO. Termination of this PO shall not relieve either party of any obligation previously accrued, or accrued under a separate purchase order or Agreement. The following Sections of these Terms and Conditions, and any other Sections that by their terms so provide, shall survive any such termination: 6 (Representations and Warranties to the extent applicable); 7 (Confidentiality); 8 (Indemnification); and 14 (Applicable Law).

10) RELATIONSHIP OF THE PARTIES.

The relationship of Seller and RELCO is that of vendor and purchaser, respectively. Seller is an independent contractor and this PO does not in any way create the relationship of principal and agent between Seller and RELCO.

11) NO WAIVER.

The failure of either party at anytime to require performance by the other party of any obligation provided for in this PO shall in no way affect the full right to require such performance at anytime thereafter, nor shall the waiver by a party of a breach of any provision of this PO, or applicable Agreement, by the other party constitute a waiver of any succeeding breach of the same or any other such provision nor constitute a waiver of the obligation itself.

12) ASSIGNMENT.

POs may not be assigned by Seller, nor may Seller subcontract its obligations hereunder, without the prior written consent of RELCO.

13) RETURN OF OVERSTOCK ITEMS.

Except for Products that Seller designates in writing to RELCO as custom/specialty items prior to RELCO's issuance of this PO, RELCO reserves the right to return to Seller, at RELCO's cost, any and all items purchased from Seller at the full cost invoiced to or paid by RELCO less any agreed upon restocking fee (not to exceed 10%). RELCO, at its sole option, may offset the returned amount from any open invoices then due, or request an immediate refund from Seller.

14) APPLICABLE LAW.

POs shall be governed by and construed and enforced in accordance with the laws of the State of Iowa, without reference to the principles of conflicts of laws. The parties hereby expressly submit to the jurisdiction of the courts of Iowa and any federal court located in Iowa.

15) FORCE MAJEURE.

Neither Seller nor RELCO shall be liable for failure to perform in accordance with this PO if such failure is caused by an act of war, sabotage, strike, fire, freight embargo, flood, explosion, epidemic and/or any other causes or events beyond the control and without the fault or negligence of RELCO or Seller. In the event Seller is unable to perform due to any of the foregoing events, RELCO shall be entitled to: (i) terminate the PO, (ii) obtain replacement Products from such other sources as RELCO may determine for the duration of Seller's inability to perform, or (iii) reduce, pro tanto, and without any obligation to Seller, the quantity of items specified in the PO.

16) PARTIAL INVALIDITY.

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect, the legality, validity or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17) NOTICE.

All notices or other communications which are required or permitted under this PO shall be in writing and shall be deemed to be sufficiently delivered personally or if sent by registered or certified mail (postage prepaid), and addressed to RELCO and Seller at addresses set forth in the first paragraph of these Terms and Conditions. Either Seller or RELCO may, by notice given hereunder, designate a different address to which subsequent notices or other communications shall be sent. Notices shall be deemed effectively delivered (i) immediately upon personal delivery or (ii) three (3) days after deposit with the U.S. Postal Service if sent by certified or registered mail.