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## **FORM 10-Q**

**TITAN INTERNATIONAL INC - TWI**

**Filed: October 28, 2010 (period: September 30, 2010)**

Quarterly report with a continuing view of a company's financial position

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarterly Period Ended: September 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-12936

**TITAN INTERNATIONAL, INC.**

(Exact name of Registrant as specified in its Charter)

**Illinois**  
(State of Incorporation)

**36-3228472**  
(I.R.S. Employer Identification No.)

**2701 Spruce Street, Quincy, IL 62301**  
(Address of principal executive offices, including Zip Code)

**(217) 228-6011**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding at October 25, 2010
Common stock, no par value per share	35,355,477

TITAN INTERNATIONAL, INC.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**TITAN INTERNATIONAL, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)**  
(Amounts in thousands, except earnings per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 222,818	\$ 141,496	\$ 648,922	\$ 581,083
Cost of sales	194,872	144,526	560,986	524,304
Gross profit (loss)	27,946	(3,030)	87,936	56,779
Selling, general & administrative expenses	12,037	10,114	36,008	34,409
Research and development expenses	1,112	1,158	5,039	5,016
Royalty expense	2,275	1,464	6,809	6,123
Income (loss) from operations	12,522	(15,766)	40,080	11,231
Interest expense	(5,867)	(3,997)	(19,713)	(11,819)
Gain (loss) on note repurchase	(473)	0	(3,195)	1,398
Other income	401	644	307	1,302
Income (loss) before income taxes	6,583	(19,119)	17,479	2,112
Income tax provision (benefit)	2,568	(8,006)	6,817	274
Net income (loss)	\$ 4,015	\$ (11,113)	\$ 10,662	\$ 1,838
<b>Earnings (loss) per common share:</b>				
Basic	\$ .12	\$ (.32)	\$ .31	\$ .05
Diluted	.11	(.32)	.30	.05
<b>Average common shares outstanding:</b>				
Basic	34,868	34,746	34,819	34,692
Diluted	51,773	34,746	51,740	35,251

See accompanying Notes to Consolidated Condensed Financial Statements.

**TITAN INTERNATIONAL, INC.**  
**CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)**  
(Amounts in thousands, except share data)

<b>Assets</b>	<b>September 30, 2010</b>	<b>December 31, 2009</b>
Current assets		
Cash and cash equivalents	\$ 159,315	\$ 229,182
Accounts receivable	114,140	67,513
Inventories	135,976	110,136
Deferred income taxes	3,065	11,108
Prepaid and other current assets	20,826	27,277
Total current assets	<u>433,322</u>	<u>445,216</u>
Property, plant and equipment, net	248,689	254,461
Deferred income taxes	1,671	7,253
Other assets	44,012	29,533
Total assets	<u>\$ 727,694</u>	<u>\$ 736,463</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 47,135	\$ 24,246
Other current liabilities	43,886	45,826
Total current liabilities	<u>91,021</u>	<u>70,072</u>
Long-term debt	312,448	366,300
Other long-term liabilities	38,431	38,138
Total liabilities	<u>441,900</u>	<u>474,510</u>
Stockholders' equity		
Common stock (no par, 120,000,000 shares authorized, 37,475,288 issued)	30	30
Additional paid-in capital	299,862	299,519
Retained earnings	26,509	16,377
Treasury stock (at cost, 2,127,428 and 2,214,347 shares, respectively)	(19,494)	(20,274)
Treasury stock reserved for contractual obligations	(2,936)	(5,393)
Accumulated other comprehensive loss	(18,177)	(28,306)
Total stockholders' equity	<u>285,794</u>	<u>261,953</u>
Total liabilities and stockholders' equity	<u>\$ 727,694</u>	<u>\$ 736,463</u>

See accompanying Notes to Consolidated Condensed Financial Statements.

**TITAN INTERNATIONAL, INC.**  
**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)**  
(All amounts in thousands, except share data)

	<u>Number of common shares</u>	<u>Common Stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Treasury stock</u>	<u>Treasury stock reserved for contractual obligations</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Total</u>
<b>Balance January 1, 2010</b>	#35,260,941	\$ 30	\$ 299,519	\$ 16,377	\$ (20,274)	\$ (5,393)	\$ (28,306)	<u>\$ 261,953</u>
Comprehensive income:								
Net income				10,662				10,662
Pension liability adjustments, net of tax							1,724	1,724
Unrealized gain on investment, net of tax							8,405	<u>8,405</u>
Comprehensive income								<u>20,791</u>
Dividends on common stock				(530)				(530)
Exercise of stock options	45,000		(163)		404			241
Contractual obligation transactions			501			2,457		2,958
Issuance of treasury stock under 401(k) plan	<u>41,919</u>		<u>5</u>		<u>376</u>			<u>381</u>
<b>Balance September 30, 2010</b>	<u>#35,347,860</u>	<u>\$ 30</u>	<u>\$ 299,862</u>	<u>\$ 26,509</u>	<u>\$ (19,494)</u>	<u>\$ (2,936)</u>	<u>\$ (18,177)</u>	<u>\$ 285,794</u>

See accompanying Notes to Consolidated Condensed Financial Statements.

**TITAN INTERNATIONAL, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(Amounts in thousands)

	Nine months ended September 30,	
	2010	2009
<b>Cash flows from operating activities:</b>		
Net income	\$ 10,662	\$ 1,838
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,617	24,759
Deferred income tax provision	8,043	550
(Gain) loss on note repurchase	3,195	(1,398)
Excess tax benefit from stock options exercised	0	(86)
Issuance of treasury stock under 401(k) plan	382	398
(Increase) decrease in assets:		
Accounts receivable	(46,627)	46,326
Inventories	(25,840)	22,473
Prepaid and other current assets	6,451	(2,236)
Other assets	(458)	(1,753)
Increase (decrease) in liabilities:		
Accounts payable	22,889	(40,483)
Other current liabilities	(1,740)	(5,070)
Other liabilities	3,074	6,330
<b>Net cash provided by operating activities</b>	<b>7,648</b>	<b>51,648</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(20,056)	(36,482)
Acquisition of shares of Titan Europe Plc	0	(2,399)
Other	91	1,030
<b>Net cash used for investing activities</b>	<b>(19,965)</b>	<b>(37,851)</b>
<b>Cash flows from financing activities:</b>		
Repurchase of senior notes	(56,674)	(4,726)
Payment on debt	0	(25,000)
Proceeds from exercise of stock options	240	1,142
Excess tax benefit from stock options exercised	0	86
Payment of financing fees	(586)	(1,070)
Dividends paid	(530)	(527)
<b>Net cash used for financing activities</b>	<b>(57,550)</b>	<b>(30,095)</b>
Net decrease in cash and cash equivalents	(69,867)	(16,298)
Cash and cash equivalents at beginning of period	229,182	61,658
Cash and cash equivalents at end of period	<u>\$ 159,315</u>	<u>\$ 45,360</u>

See accompanying Notes to Consolidated Condensed Financial Statements.

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**1. ACCOUNTING POLICIES**

In the opinion of Titan International, Inc. (Titan or the Company), the accompanying unaudited consolidated condensed financial statements contain all adjustments, which are normal and recurring in nature, necessary to present fairly the Company's financial position as of September 30, 2010, the results of operations for the three and nine months ended September 30, 2010 and 2009, and cash flows for the nine months ended September 30, 2010 and 2009.

Accounting policies have continued without significant change and are described in the Description of Business and Significant Accounting Policies contained in the Company's 2009 Annual Report on Form 10-K. These interim financial statements have been prepared pursuant to the Securities and Exchange Commission's rules for Form 10-Q's and, therefore, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2009 Annual Report on Form 10-K. Certain amounts from prior periods have been reclassified to conform to the current period financial presentation.

**Fair value of financial instruments**

The Company records financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable and other accruals at cost, which approximates fair value. Investments in marketable equity securities are recorded at fair value. The senior unsecured 8% notes due January 2012 (senior unsecured notes) and convertible senior subordinated 5.625% notes due 2017 (convertible notes) are carried at cost of \$139.9 million and \$172.5 million at September 30, 2010, respectively. The fair value of these notes at September 30, 2010, as obtained through independent pricing sources, was approximately \$148.3 million for the senior unsecured notes and approximately \$263.7 million for the convertible notes.

**Cash dividends**

The Company declared cash dividends of \$.005 and \$.015 per share of common stock for each of the three and nine months ended September 30, 2010 and 2009. The third quarter 2010 cash dividend of \$.005 per share of common stock was paid October 15, 2010, to stockholders of record on September 30, 2010.

**2. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Accounts receivable	\$ 118,275	\$ 71,471
Allowance for doubtful accounts	(4,135)	(3,958)
Accounts receivable, net	\$ 114,140	\$ 67,513

The Company had net accounts receivable balance of \$114.1 million at September 30, 2010, and \$67.5 million at December 31, 2009. These amounts are net of allowance for doubtful accounts of \$4.1 million at September 30, 2010, and \$4.0 million at December 31, 2009.



**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**3. INVENTORIES**

Inventories consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Raw materials	\$ 56,557	\$ 44,336
Work-in-process	23,064	21,378
Finished goods	60,476	46,067
	140,097	111,781
Adjustment to LIFO basis	(4,121)	(1,645)
	<u>\$ 135,976</u>	<u>\$ 110,136</u>

Inventories were \$136.0 million at September 30, 2010, and \$110.1 million at December 31, 2009. At September 30, 2010, cost is determined using the first-in, first-out (FIFO) method for approximately 69% of inventories and the last-in, first-out (LIFO) method for approximately 31% of the inventories. At December 31, 2009, the FIFO method was used for approximately 74% of inventories and LIFO was used for approximately 26% of the inventories. Included in the inventory balances were reserves for slow-moving and obsolete inventory of \$2.1 million at September 30, 2010, and \$2.3 million at December 31, 2009.

**4. PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment, net consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Land and improvements	\$ 3,040	\$ 2,993
Buildings and improvements	97,391	97,238
Machinery and equipment	370,090	359,244
Tools, dies and molds	83,550	77,926
Construction-in-process	17,041	16,383
	571,112	553,784
Less accumulated depreciation	(322,423)	(299,323)
	<u>\$ 248,689</u>	<u>\$ 254,461</u>

The Company had property, plant and equipment of \$248.7 million and \$254.5 million at September 30, 2010, and December 31, 2009, respectively. Depreciation on fixed assets for the three months ended September 30, 2010 and 2009, totaled \$8.4 million and \$7.8 million, respectively. Depreciation on fixed assets for the nine months ended September 30, 2010 and 2009, totaled \$25.7 million and \$22.8 million, respectively.

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**5. INVESTMENT IN TITAN EUROPE PLC**

Investment in Titan Europe Plc consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Investment in Titan Europe Plc	\$ 19,386	\$ 6,456

Titan Europe Plc is publicly traded on the AIM market in London, England. The Company's investment in Titan Europe represents a 22.9% ownership percentage. The Company has considered the applicable guidance in ASC 323 Investments – Equity Method and Joint Ventures and has concluded that the Company's investment in Titan Europe Plc should be accounted for as an available-for-sale security and recorded at fair value in accordance with ASC 320 Investments – Debt and Equity Securities as the Company does not have significant influence over Titan Europe Plc. The investment in Titan Europe Plc is included as a component of other assets on the Consolidated Condensed Balance Sheets. Titan's cost basis in Titan Europe is \$5.0 million. Titan's other comprehensive income includes a gain on the Titan Europe Plc investment of \$9.3 million, which is net of tax of \$5.0 million. The increased value in the Titan Europe Plc investment at September 30, 2010, was due primarily to a higher publicly quoted Titan Europe Plc market price.

**6. WARRANTY**

Changes in the warranty liability consisted of the following (in thousands):

	2010	2009
Warranty liability, January 1	\$ 9,169	\$ 7,488
Provision for warranty liabilities	12,469	12,735
Warranty payments made	(11,181)	(11,398)
Warranty liability, September 30	\$ 10,457	\$ 8,825

The Company provides limited warranties on workmanship on its products in all market segments. The majority of the Company's products have a limited warranty that ranges from zero to ten years, with certain products being prorated after the first year. The Company calculates a provision for warranty expense based on past warranty experience. Warranty accruals are included as a component of other current liabilities on the Consolidated Condensed Balance Sheets.

**7. REVOLVING CREDIT FACILITY AND LONG-TERM DEBT**

Long-term debt consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Senior unsecured 8% notes due January 2012	\$ 139,948	\$ 193,800
Convertible senior subordinated 5.625% notes due 2017	172,500	172,500
Revolving credit facility	0	0
	312,448	366,300
Less: Amounts due within one year	0	0
	\$ 312,448	\$ 366,300

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

Aggregate maturities of long-term debt at September 30, 2010, were as follows (in thousands):

October 1 – December 31, 2010	\$	0
2011		0
2012		139,948
2013		0
2014		0
Thereafter		172,500
	\$	<u>312,448</u>

**Senior unsecured 8% notes due January 2012**

The Company's senior unsecured 8% notes (senior unsecured notes) are due January 2012. In the nine months ended September 30, 2010, the Company repurchased \$53.9 million of principal value of senior unsecured notes resulting in a loss on note repurchase of \$3.2 million. In the first quarter of 2009, the Company repurchased \$6.2 million of principal value of senior unsecured notes for approximately \$4.8 million resulting in a \$1.4 million gain on the note repurchases. The Company's senior unsecured notes outstanding balance was \$139.9 million at September 30, 2010.

**Tender offer and loss on senior unsecured note repurchase**

In May 2010, the Company commenced a tender offer to purchase its outstanding senior unsecured 8% notes due January 2012. As of the expiration of the tender offer in June 2010, there were \$47.4 million of the notes tendered and accepted for payment which represented 24.4% of the principal amount of notes outstanding. In July 2010, the Company repurchased an additional \$6.5 million of senior unsecured notes outstanding. In connection with the tender offer and additional note repurchase, Titan recorded expenses of \$3.2 million in the nine months ended September 30, 2010. These expenses were related to: (i) early tender premium of \$2.6 million, (ii) unamortized deferred financing fees of \$0.4 million and (iii) other fees of \$0.2 million.

**Convertible senior subordinated 5.625% notes due 2017**

The Company's convertible senior subordinated 5.625% notes (convertible notes) are due January 2017. The initial base conversion rate for the convertible notes is 93.0016 shares of Titan common stock per \$1,000 principal amount of convertible notes, equivalent to an initial base conversion price of approximately \$10.75 per share of Titan common stock. If the price of Titan common stock at the time of determination exceeds the base conversion price, the base conversion rate will be increased by an additional number of shares (up to 9.3002 shares of Titan common stock per \$1,000 principal amount of convertible notes) as determined pursuant to a formula described in the indenture. The base conversion rate will be subject to adjustment in certain events. The Company's convertible notes balance was \$172.5 million at September 30, 2010.

**Revolving credit facility**

The Company's \$100 million revolving credit facility (credit facility) with agent Bank of America, N.A. has a January 2014 termination date and is collateralized by the accounts receivable and inventory of Titan and certain of its domestic subsidiaries. During the first nine months of 2010 and at September 30, 2010, there were no borrowings under the credit facility. The credit facility contains certain financial covenants, restrictions and other customary affirmative and negative covenants. Titan is in compliance with these covenants and restrictions as of September 30, 2010.

In September 2010, Titan amended its credit facility with Bank of America, N.A. The amendment extended the credit facility termination date to January 2014 from the previous January 2012 date. The amendment also reduced the revolving commitment to \$100 million from \$150 million and released the lender's lien on property, plant and equipment.

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**8. LEASE COMMITMENTS**

The Company leases certain buildings and equipment under operating leases. Certain lease agreements provide for renewal options, fair value purchase options, and payment of property taxes, maintenance and insurance by the Company.

At September 30, 2010, future minimum commitments under noncancellable operating leases with initial or remaining terms of at least one year were as follows (in thousands):

October 1 – December 31, 2010	\$	303
2011		392
2012		64
2013		14
Thereafter		1
Total future minimum lease payments	\$	<u>774</u>

**9. EMPLOYEE BENEFIT PLANS**

The Company has three frozen defined benefit pension plans and one defined benefit plan that previously purchased a final annuity settlement. The Company also sponsors four 401(k) retirement savings plans. The Company expects to contribute approximately \$0.4 million to the pension plans during the remainder of 2010.

The components of net periodic pension cost consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Interest cost	\$ 1,300	\$ 1,364	\$ 3,900	\$ 4,092
Expected return on assets	(1,227)	(1,235)	(3,681)	(3,703)
Amortization of unrecognized prior service cost	34	34	102	102
Amortization of unrecognized deferred taxes	(14)	(14)	(42)	(42)
Amortization of net unrecognized loss	907	1,076	2,721	3,228
Net periodic pension cost (income)	<u>\$ 1,000</u>	<u>\$ 1,225</u>	<u>\$ 3,000</u>	<u>\$ 3,677</u>

**10. ROYALTY EXPENSE**

Royalty expense consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Royalty expense	<u>\$ 2,275</u>	<u>\$ 1,464</u>	<u>\$ 6,809</u>	<u>\$ 6,123</u>

The Company has a trademark license agreement with The Goodyear Tire & Rubber Company to manufacture and sell certain off-highway tires in North America under the Goodyear name. Royalty expenses recorded were \$2.3 million and \$1.5 million for the quarters ended September 30, 2010 and 2009, respectively. Royalty expenses were \$6.8 million and \$6.1 million for the nine months ended September 30, 2010 and 2009, respectively.

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**11. OTHER INCOME**

Other income consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Investment gain on contractual obligations	\$ 638	\$ 583	\$ 285	\$ 1,028
Interest income	92	35	266	147
Other income (expense)	(329)	26	(244)	127
	<u>\$ 401</u>	<u>\$ 644</u>	<u>\$ 307</u>	<u>\$ 1,302</u>

In September 2010, Titan recorded other expense of \$0.4 million related to deferred financing fees when the Company's credit facility was amended.

**12. INCOME TAXES**

Income tax provision (benefit) consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Income tax provision (benefit)	<u>\$ 2,568</u>	<u>\$ (8,006)</u>	<u>\$ 6,817</u>	<u>\$ 274</u>

The Company recorded income tax provision of \$2.6 million and \$6.8 million for the three and nine months ended September 30, 2010, respectively, as compared to income tax benefit of \$(8.0) million and income tax provision of \$0.3 million for the three and nine months ended September 30, 2009. The Company's effective income tax rate was 39% and 13% for the nine months ended September 30, 2010 and 2009, respectively. The 2009 effective income tax rate was impacted by a reduction to the Company's income tax provision of \$0.5 million that related to one of the Company's foreign subsidiaries.

**13. COMPREHENSIVE INCOME (LOSS)**

Comprehensive income (loss) consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net income (loss)	\$ 4,015	\$ (11,113)	\$ 10,662	\$ 1,838
Unrealized gain on investment, net of tax	5,137	1,686	8,405	2,633
Pension liability adjustments, net of tax	575	680	1,724	2,039
	<u>\$ 9,727</u>	<u>\$ (8,747)</u>	<u>\$ 20,791</u>	<u>\$ 6,510</u>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**14. SEGMENT INFORMATION**

The table below presents information about certain revenues and income from operations used by the chief operating decision maker of the Company for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
<b>Revenues from external customers</b>				
Agricultural	\$ 170,675	\$ 105,426	\$ 497,503	\$ 453,098
Earthmoving/construction	47,848	30,732	139,161	113,085
Consumer	4,295	5,338	12,258	14,900
	<u>\$ 222,818</u>	<u>\$ 141,496</u>	<u>\$ 648,922</u>	<u>\$ 581,083</u>
<b>Gross profit (loss)</b>				
Agricultural	\$ 25,283	\$ (522)	\$ 78,201	\$ 48,400
Earthmoving/construction	2,495	(1,815)	10,294	8,727
Consumer	827	(142)	2,302	1,254
Corporate expenses	(659)	(551)	(2,861)	(1,602)
	<u>\$ 27,946</u>	<u>\$ (3,030)</u>	<u>\$ 87,936</u>	<u>\$ 56,779</u>
<b>Income (loss) from operations</b>				
Agricultural	\$ 21,440	\$ (3,775)	\$ 66,222	\$ 35,530
Earthmoving/construction	1,077	(2,951)	4,080	3,711
Consumer	734	(282)	2,030	842
Corporate expenses	(10,729)	(8,758)	(32,252)	(28,852)
Income (loss) from operations	12,522	(15,766)	40,080	11,231
Interest expense	(5,867)	(3,997)	(19,713)	(11,819)
Other income (expense)	(72)	644	(2,888)	2,700
Income (loss) before income taxes	<u>\$ 6,583</u>	<u>\$ (19,119)</u>	<u>\$ 17,479</u>	<u>\$ 2,112</u>

Assets by segment were as follows (in thousands):

	September 30, 2010	December 31, 2009
<b>Total Assets</b>		
Agricultural segment	\$ 328,603	\$ 257,523
Earthmoving/construction segment	191,881	188,169
Consumer segment	11,761	8,305
Other assets	195,449	282,466
	<u>\$ 727,694</u>	<u>\$ 736,463</u>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**15. EARNINGS PER SHARE**

Earnings per share (EPS) are as follows (amounts in thousands, except per share data):

	Three months ended,					
	September 30, 2010			September 30, 2009		
	Net Income	Weighted average shares	Per share amount	Net Loss	Weighted average shares	Per share amount
Basic EPS	\$ 4,015	34,868	\$ .12	\$ (11,113)	34,746	\$ (.32)
Effect of stock options/trusts	0	529		0	0	
Effect of convertible notes	1,598	16,376		0	0	
Diluted EPS	<u>\$ 5,613</u>	<u>51,773</u>	<u>\$ .11</u>	<u>\$ (11,113)</u>	<u>34,746</u>	<u>\$ (.32)</u>

	Nine months ended,					
	September 30, 2010			September 30, 2009		
	Net Income	Weighted average shares	Per share amount	Net Income	Weighted average shares	Per share amount
Basic EPS	\$ 10,662	34,819	\$ .31	\$ 1,838	34,692	\$ .05
Effect of stock options/trusts	0	545		0	559	
Effect of convertible notes	4,827	16,376		0	0	
Diluted EPS	<u>\$ 15,489</u>	<u>51,740</u>	<u>\$ .30</u>	<u>\$ 1,838</u>	<u>35,251</u>	<u>\$ .05</u>

The effect of stock options/trusts has been excluded for the three months ended September 30, 2009, as the effect would have been antidilutive. The weighted average share amount excluded was 0.6 million shares.

**16. FAIR VALUE MEASUREMENTS**

ASC 820 Fair Value Measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as:

Level 1 – Quoted prices in active markets for identical instruments;

Level 2 – Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities measured at fair value on a recurring basis consisted of the following (in thousands):

	September 30, 2010			December 31, 2009		
	Total	Level 1	Levels 2&3	Total	Level 1	Levels 2&3
Investment in Titan Europe Plc	\$ 19,386	\$ 19,386	\$ 0	\$ 6,456	\$ 6,456	\$ 0
Investments for contractual obligations	9,112	9,112	0	5,869	5,869	0
Total	<u>\$ 28,498</u>	<u>\$ 28,498</u>	<u>\$ 0</u>	<u>\$ 12,325</u>	<u>\$ 12,325</u>	<u>\$ 0</u>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**17. LITIGATION**

The Company is a party to routine legal proceedings arising out of the normal course of business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, the Company believes at this time that none of these actions, individually or in the aggregate, will have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the Company. However, due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations or cash flows as a result of efforts to comply with or its liabilities pertaining to legal judgments.

**18. RECENTLY ISSUED ACCOUNTING STANDARDS**

**Fair Value Measurements and Disclosures**

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements." This guidance requires new disclosures for transfers in and out of Level 1 and Level 2 fair value measurements. This guidance requires separate presentation about purchases, sales, issuances, and settlements for activity in Level 3 fair value measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The guidance for new disclosures and clarifications of existing disclosures was effective for reporting periods beginning after December 15, 2009. The adoption of this part of the guidance had no material effect on the Company's financial position, results of operations or cash flows. The guidance related to presentation of Level 3 fair value measurements is effective for fiscal years beginning after December 15, 2010. The adoption of this part of the guidance is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

**Receivables**

In July 2010, FASB issued ASU No. 2010-20, "Receivables (Topic 310) – Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." This guidance amends Topic 310 to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to disaggregate by portfolio segment or class certain existing disclosures and provide certain new disclosures about its financing receivables and related allowance for credit losses. The disclosures as of the end of a reporting period are effective for reporting periods ending on or after December 15, 2010. The disclosures about activity that occurs during a reporting period are effective for reporting periods beginning on or after December 15, 2010. The adoption of this ASU is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

**19. SUBSEQUENT EVENTS**

**Senior Secured 7.875% Notes due 2017**

On October 1, 2010, the Company closed on an offering of \$200 million senior secured 7.875% notes due 2017. Titan used a portion of the net proceeds from the offering to finance the repurchase of \$138.9 million of its 8% senior unsecured notes due January 2012 and to pay all consent payments, accrued interest and costs and expenses associated therewith. The Company intends to use the remaining net proceeds from this offering of approximately \$44 million for general corporate purposes, which may include potential future acquisitions.

**Senior Unsecured 8% Note due January 2012 Repurchase**

On October 1, 2010, the Company closed on a tender transaction to purchase \$138.9 million, or 99.2%, of its outstanding senior unsecured 8% notes due January 2012. In connection with this transaction, Titan will record expenses of approximately \$12 million in the fourth quarter of 2010. These expenses relate primarily to a tender and consent premium of \$75 per \$1,000 principal amount of the notes. After this transaction, Titan's senior unsecured 8% note due January 2012 outstanding balance was \$1.1 million as of October 1, 2010, compared to a balance of \$139.9 million at September 30, 2010.



**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**20. SUBSIDIARY GUARANTOR FINANCIAL INFORMATION**

The Company's 8% senior unsecured notes and 5.625% convertible senior subordinated notes are guaranteed by each of Titan's current and future wholly owned domestic subsidiaries other than its immaterial subsidiaries (subsidiaries with total assets less than \$250,000 and total revenues less than \$250,000.) The note guarantees are full and unconditional, joint and several obligations of the guarantors. Non-guarantors consist primarily of foreign subsidiaries of the Company, which are organized outside the United States of America. The following condensed consolidating financial statements are presented using the equity method of accounting.

**Consolidating Condensed Statements of Operations**

(Amounts in thousands)

**For the Three Months Ended September 30, 2010**

	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net sales	\$ 0	\$ 222,818	\$ 0	\$ 0	\$ 222,818
Cost of sales	387	194,485	0	0	194,872
Gross income (loss)	(387)	28,333	0	0	27,946
Selling, general and administrative expenses	4,843	7,185	9	0	12,037
Research and development expenses	0	1,112	0	0	1,112
Royalty expense	0	2,275	0	0	2,275
Income (loss) from operations	(5,230)	17,761	(9)	0	12,522
Interest expense	(5,867)	0	0	0	(5,867)
Loss on note repurchase	(473)	0	0	0	(473)
Other income	377	24	0	0	401
Income (loss) before income taxes	(11,193)	17,785	(9)	0	6,583
Income tax provision (benefit)	(4,366)	6,937	(3)	0	2,568
Equity in income of subsidiaries	10,842	0	0	(10,842)	0
Net income (loss)	<u>\$ 4,015</u>	<u>\$ 10,848</u>	<u>\$ (6)</u>	<u>\$ (10,842)</u>	<u>\$ 4,015</u>

**Consolidating Condensed Statements of Operations**

(Amounts in thousands)

**For the Three Months Ended September 30, 2009**

	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net sales	\$ 0	\$ 141,496	\$ 0	\$ 0	\$ 141,496
Cost of sales	273	144,253	0	0	144,526
Gross loss	(273)	(2,757)	0	0	(3,030)
Selling, general and administrative expenses	3,512	6,580	22	0	10,114
Research and development expenses	2	1,156	0	0	1,158
Royalty expense	0	1,464	0	0	1,464
Loss from operations	(3,787)	(11,957)	(22)	0	(15,766)
Interest expense	(3,997)	0	0	0	(3,997)
Other income	618	26	0	0	644
Loss before income taxes	(7,166)	(11,931)	(22)	0	(19,119)
Income tax provision (benefit)	3,070	(11,085)	9	0	(8,006)
Equity in loss of subsidiaries	(877)	0	0	877	0
Net loss	<u>\$ (11,113)</u>	<u>\$ (846)</u>	<u>\$ (31)</u>	<u>\$ 877</u>	<u>\$ (11,113)</u>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**(Unaudited)**

**Consolidating Condensed Statements of Operations**

(Amounts in thousands)

**For the Nine Months Ended September 30, 2010**

	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net sales	\$ 0	\$ 648,922	\$ 0	\$ 0	\$ 648,922
Cost of sales	1,996	558,990	0	0	560,986
Gross profit (loss)	(1,996)	89,932	0	0	87,936
Selling, general and administrative expenses	14,624	21,334	50	0	36,008
Research and development expenses	0	5,039	0	0	5,039
Royalty expense	0	6,809	0	0	6,809
Income (loss) from operations	(16,620)	56,750	(50)	0	40,080
Interest expense	(19,713)	0	0	0	(19,713)
Loss on note repurchase	(3,195)	0	0	0	(3,195)
Other income	203	104	0	0	307
Income (loss) before income taxes	(39,325)	56,854	(50)	0	17,479
Income tax provision (benefit)	(15,337)	22,173	(19)	0	6,817
Equity in earnings of subsidiaries	34,650	0	0	(34,650)	0
Net income (loss)	<u>\$ 10,662</u>	<u>\$ 34,681</u>	<u>\$ (31)</u>	<u>\$ (34,650)</u>	<u>\$ 10,662</u>

**Consolidating Condensed Statements of Operations**

(Amounts in thousands)

**For the Nine Months Ended September 30, 2009**

	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net sales	\$ 0	\$ 581,083	\$ 0	\$ 0	\$ 581,083
Cost of sales	707	523,597	0	0	524,304
Gross profit (loss)	(707)	57,486	0	0	56,779
Selling, general and administrative expenses	12,437	21,907	65	0	34,409
Research and development expenses	38	4,978	0	0	5,016
Royalty expense	0	6,123	0	0	6,123
Income (loss) from operations	(13,182)	24,478	(65)	0	11,231
Interest expense	(11,819)	0	0	0	(11,819)
Gain on note repurchase	1,398	0	0	0	1,398
Other income	1,072	230	0	0	1,302
Income (loss) before income taxes	(22,531)	24,708	(65)	0	2,112
Income tax provision (benefit)	(2,922)	3,204	(8)	0	274
Equity in earnings of subsidiaries	21,447	0	0	(21,447)	0
Net income (loss)	<u>\$ 1,838</u>	<u>\$ 21,504</u>	<u>\$ (57)</u>	<u>\$ (21,447)</u>	<u>\$ 1,838</u>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
(Unaudited)

**Consolidating Condensed Balance Sheets**

(Amounts in thousands)

	<b>September 30, 2010</b>				
	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 159,158	\$ 24	\$ 133	\$ 0	\$ 159,315
Accounts receivable	0	114,140	0	0	114,140
Inventories	0	135,976	0	0	135,976
Prepaid and other current assets	7,004	16,887	0	0	23,891
Total current assets	166,162	267,027	133	0	433,322
Property, plant and equipment, net	3,483	245,206	0	0	248,689
Investment in subsidiaries	36,234	0	0	(36,234)	0
Other assets	19,427	6,870	19,386	0	45,683
<b>Total assets</b>	<b>\$ 225,306</b>	<b>\$ 519,103</b>	<b>\$ 19,519</b>	<b>\$ (36,234)</b>	<b>\$ 727,694</b>
<b>Liabilities and Stockholders' Equity</b>					
Accounts payable	\$ 1,554	\$ 45,581	\$ 0	\$ 0	\$ 47,135
Other current liabilities	487	43,399	0	0	43,886
Total current liabilities	2,041	88,980	0	0	91,021
Long-term debt	312,448	0	0	0	312,448
Other long-term liabilities	6,785	31,646	0	0	38,431
Intercompany accounts	(381,762)	393,776	(12,014)	0	0
Stockholders' equity	285,794	4,701	31,533	(36,234)	285,794
<b>Total liabilities and stockholders' equity</b>	<b>\$ 225,306</b>	<b>\$ 519,103</b>	<b>\$ 19,519</b>	<b>\$ (36,234)</b>	<b>\$ 727,694</b>

**Consolidating Condensed Balance Sheets**

(Amounts in thousands)

	<b>December 31, 2009</b>				
	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 229,004	\$ 11	\$ 167	\$ 0	\$ 229,182
Accounts receivable	(201)	67,714	0	0	67,513
Inventories	0	110,136	0	0	110,136
Prepaid and other current assets	19,857	18,528	0	0	38,385
Total current assets	248,660	196,389	167	0	445,216
Property, plant and equipment, net	7,602	246,859	0	0	254,461
Investment in subsidiaries	10,748	0	0	(10,748)	0
Other assets	23,870	6,460	6,456	0	36,786
<b>Total assets</b>	<b>\$ 290,880</b>	<b>\$ 449,708</b>	<b>\$ 6,623</b>	<b>\$ (10,748)</b>	<b>\$ 736,463</b>
<b>Liabilities and Stockholders' Equity</b>					
Accounts payable	\$ 1,086	\$ 23,160	\$ 0	\$ 0	\$ 24,246
Other current liabilities	8,288	37,538	0	0	45,826
Total current liabilities	9,374	60,698	0	0	70,072
Long-term debt	366,300	0	0	0	366,300
Other long-term liabilities	5,574	32,564	0	0	38,138
Intercompany accounts	(352,321)	377,281	(24,960)	0	0
Stockholders' equity	261,953	(20,835)	31,583	(10,748)	261,953
<b>Total liabilities and stockholders' equity</b>	<b>\$ 290,880</b>	<b>\$ 449,708</b>	<b>\$ 6,623</b>	<b>\$ (10,748)</b>	<b>\$ 736,463</b>

**TITAN INTERNATIONAL, INC.**  
**Notes to Consolidated Condensed Financial Statements**  
(Unaudited)

**Consolidating Condensed Statements of Cash Flows**

(Amounts in thousands)

	<b>For the Nine Months Ended September 30, 2010</b>			
	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Consolidated</b>
<b>Net cash provided by (used for) operating activities</b>	\$ (10,887)	\$ 18,569	\$ (34)	\$ 7,648
<b>Cash flows from investing activities:</b>				
Capital expenditures	(1,409)	(18,647)	0	(20,056)
Other, net	0	91	0	91
<b>Net cash used for investing activities</b>	<b>(1,409)</b>	<b>(18,556)</b>	<b>0</b>	<b>(19,965)</b>
<b>Cash flows from financing activities:</b>				
Repurchase of senior notes	(56,674)	0	0	(56,674)
Proceeds from exercise of stock options	240	0	0	240
Payment of financing fees	(586)	0	0	(586)
Other, net	(530)	0	0	(530)
<b>Net cash used for financing activities</b>	<b>(57,550)</b>	<b>0</b>	<b>0</b>	<b>(57,550)</b>
Net decrease in cash and cash equivalents	(69,846)	13	(34)	(69,867)
Cash and cash equivalents, beginning of period	229,004	11	167	229,182
Cash and cash equivalents, end of period	<u>\$ 159,158</u>	<u>\$ 24</u>	<u>\$ 133</u>	<u>\$ 159,315</u>

**Consolidating Condensed Statements of Cash Flows**

(Amounts in thousands)

	<b>For the Nine Months Ended September 30, 2009</b>			
	<b>Titan Intl., Inc. (Parent)</b>	<b>Guarantor Subsidiaries</b>	<b>Non- Guarantor Subsidiaries</b>	<b>Consolidated</b>
<b>Net cash provided by operating activities</b>	\$ 18,609	\$ 33,032	\$ 7	\$ 51,648
<b>Cash flows from investing activities:</b>				
Capital expenditures	(2,389)	(34,093)	0	(36,482)
Acquisition of shares of Titan Europe Plc	0	0	(2,399)	(2,399)
Other, net	0	1,030	0	1,030
<b>Net cash used for investing activities</b>	<b>(2,389)</b>	<b>(33,063)</b>	<b>(2,399)</b>	<b>(37,851)</b>
<b>Cash flows from financing activities:</b>				
Repurchase of senior notes	(4,726)	0	0	(4,726)
Payment on debt	(25,000)	0	0	(25,000)
Proceeds from exercise of stock options	1,142	0	0	1,142
Payment of financing fees	(1,070)	0	0	(1,070)
Other, net	(441)	0	0	(441)
<b>Net cash used for financing activities</b>	<b>(30,095)</b>	<b>0</b>	<b>0</b>	<b>(30,095)</b>
Net decrease in cash and cash equivalents	(13,875)	(31)	(2,392)	(16,298)
Cash and cash equivalents, beginning of period	59,011	60	2,587	61,658
Cash and cash equivalents, end of period	<u>\$ 45,136</u>	<u>\$ 29</u>	<u>\$ 195</u>	<u>\$ 45,360</u>

**TITAN INTERNATIONAL, INC.**  
**Management's Discussion and Analysis of**  
**Financial Condition and Results of Operations**

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's discussion and analysis of financial condition and results of operations (MD&A) is designed to provide a reader of these financial statements with a narrative from the perspective of the management of Titan International, Inc. (Titan or the Company) on Titan's financial condition, results of operations, liquidity and other factors which may affect the Company's future results. The MD&A in this quarterly report should be read in conjunction with the MD&A in Titan's 2009 annual report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2010.

**FORWARD-LOOKING STATEMENTS**

This Form 10-Q contains forward-looking statements, including statements regarding, among other items:

- Anticipated trends in the Company's business
- Future expenditures for capital projects
- The Company's ability to continue to control costs and maintain quality
- Ability to meet financial covenants and conditions of loan agreements
- The Company's business strategies, including its intention to introduce new products
- Expectations concerning the performance and success of the Company's existing and new products
- The Company's intention to consider and pursue acquisition and divestiture opportunities

Readers of this Form 10-Q should understand that these forward-looking statements are based on the Company's expectations and are subject to a number of risks and uncertainties (including, but not limited to, the factors discussed in Item 1A. Risk Factors of the Company's most recent annual report on Form 10-K), certain of which are beyond the Company's control.

Actual results could differ materially from these forward-looking statements as a result of certain factors, including:

- The effect of the recession on the Company and its customers and suppliers
- Changes in the Company's end-user markets as a result of world economic or regulatory influences
- Changes in the marketplace, including new products and pricing changes by the Company's competitors
- Ability to maintain satisfactory labor relations, which may be affected by the closing of some facilities
- Unfavorable outcomes of legal proceedings
- Availability and price of raw materials
- Levels of operating efficiencies
- Unfavorable product liability and warranty claims
- Actions of domestic and foreign governments
- Results of investments
- Fluctuations in currency translations
- Ability to secure financing at reasonable terms
- Laws and regulations related to climate change
- Risks associated with environmental laws and regulations

Any changes in such factors could lead to significantly different results. The Company cannot provide any assurance that the assumptions referred to in the forward-looking statements or otherwise are accurate or will prove to transpire. Any assumptions that are inaccurate or do not prove to be correct could have a material adverse effect on the Company's ability to achieve the results as indicated in forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this document will in fact transpire.

**TITAN INTERNATIONAL, INC.**  
**Management's Discussion and Analysis of**  
**Financial Condition and Results of Operations**

**OVERVIEW**

Titan International, Inc. and its subsidiaries are leading manufacturers of wheels, tires and assemblies for off-highway vehicles used in the agricultural, earthmoving/construction and consumer markets. Titan manufactures both wheels and tires for the majority of these market applications, allowing the Company to provide the value-added service of delivering complete wheel and tire assemblies. The Company offers a broad range of products that are manufactured in relatively short production runs to meet the specifications of original equipment manufacturers (OEMs) and/or the requirements of aftermarket customers.

*Agricultural Market:* Titan's agricultural rims, wheels and tires are manufactured for use on various agricultural and forestry equipment, including tractors, combines, skidders, plows, planters and irrigation equipment, and are sold directly to OEMs and to the aftermarket through independent distributors, equipment dealers and Titan's own distribution centers.

*Earthmoving/Construction Market:* The Company manufactures rims, wheels and tires for various types of off-the-road (OTR) earthmoving, mining, military and construction equipment, including skid steers, aerial lifts, cranes, graders and levelers, scrapers, self-propelled shovel loaders, articulated dump trucks, load transporters, haul trucks and backhoe loaders. The earthmoving/construction market is often referred to as OTR, an acronym for off-the-road.

*Consumer Market:* Titan builds select products for all-terrain vehicles (ATV), turf, golf and trailer applications. The Company provides wheels/tires and assembles brakes, actuators and components for the domestic boat, recreational and utility trailer markets.

The Company's major OEM customers include large manufacturers of off-highway equipment such as AGCO Corporation, CNH Global N.V., Deere & Company and Kubota Corporation, in addition to many other off-highway equipment manufacturers. The Company distributes products to OEMs, independent and OEM-affiliated dealers, and through a network of distribution facilities.

The table provides highlights for the quarter ended September 30, 2010, compared to 2009 (amounts in thousands):

	Three months ended September 30,		
	2010	2009	% Increase
Net sales	\$ 222,818	\$ 141,496	57%
Gross profit (loss)	27,946	(3,030)	n/a
Income (loss) from operations	12,522	(15,766)	n/a
Net income (loss)	4,015	(11,113)	n/a

*Quarter:* The Company recorded sales of \$222.8 million for the third quarter of 2010, which were 57% higher than the third quarter 2009 sales of \$141.5 million. The higher quarterly sales were primarily the result of substantial increase in demand in the Company's agricultural segment, up approximately 62%; and earthmoving/construction segment, up approximately 56%. Third quarter sales in 2009 were affected by reduced demand for the Company's products, as many of the Company's major customers implemented extended shutdowns during the period as a consequence of the recession. Titan in turn implemented extended shutdowns at its production facilities in response to lower demand during the quarter. Extended shutdowns were not required during the third quarter of 2010 as Titan's customers were aided by the stabilization of the overall economy.

The Company's income from operations was \$12.5 million for the third quarter of 2010, compared to loss from operations of \$(15.8) million in 2009. The increased income from operations was primarily related to the significant increase in sales levels. Net income was \$4.0 million for the quarter, compared to net loss of \$(11.1) million in 2009. Basic earnings per share were \$.12 in 2010, compared to loss per share of \$(.32) in 2009.

**TITAN INTERNATIONAL, INC.**  
**Management's Discussion and Analysis of**  
**Financial Condition and Results of Operations**

The table provides highlights for the nine months ended September 30, 2010, compared to 2009 (amounts in thousands):

	Nine months ended September 30,		% Increase
	2010	2009	
Net sales	\$ 648,922	\$ 581,083	12%
Gross profit	87,936	56,779	55%
Income from operations	40,080	11,231	257%
Net income	10,662	1,838	480%

*Year-to-date:* The Company recorded sales of \$648.9 million for the nine months ended September 30, 2010, as compared to \$581.1 million in 2009. The lower sales in the Company's first quarter have been offset by higher sales in the second and third quarter.

Titan's income from operations was \$40.1 million for the nine months ended September 30, 2010, as compared to \$11.2 million in 2009. Net income was \$10.7 million for the nine months ended September 30, 2010, as compared to \$1.8 million in 2009. Basic earnings per share were \$.31 for the nine months ended September 30, 2010, compared to \$.05 in 2009. The year-to-date operating gains were primarily the result of the significant increase in third quarter 2010 results as compared to the extended shutdown influenced third quarter 2009 results.

**COLLECTIVE BARGAINING AGREEMENT NOTICES**

The collective bargaining agreements covering employees at Titan Tire Corporation of Bryan and Titan Tire Corporation of Freeport have notice requirements for plant closure and termination of these agreements. The expiration date of these agreements is November 19, 2010. The Company has met the notification requirement of six months prior to the expiration date of these agreements for plant closure. In addition, the collective bargaining agreement covering employees at Titan Tire Corporation in Des Moines, Iowa, also expires November 19, 2010.

**LOSS ON SENIOR UNSECURED NOTE REPURCHASE**

In May 2010, the Company commenced a tender offer to purchase its outstanding senior unsecured 8% notes due January 2012. As of the expiration of the tender offer in June 2010, there were \$47.4 million of the notes tendered and accepted for payment which represented 24.4% of the principal amount of notes outstanding. In July 2010, the Company repurchased an additional \$6.5 million of senior unsecured notes outstanding. In connection with the tender offer and additional note repurchase, Titan recorded expenses of \$3.2 million in the nine months ended September 30, 2010. These expenses were related to: (i) early tender premium of \$2.6 million, (ii) unamortized deferred financing fees of \$0.4 million and (iii) other fees of \$0.2 million.

**SUBSEQUENT EVENTS**

**October 2010 – Senior Secured 7.875% Notes due 2017**

In October 2010, the Company closed on an offering of \$200 million senior secured 7.875% notes due 2017. Titan used a portion of the net proceeds from the offering to finance the repurchase of \$138.9 million of its 8% senior unsecured notes due January 2012 and to pay all consent payments, accrued interest and costs and expenses associated therewith. The Company intends to use the remaining net proceeds from this offering of approximately \$44 million for general corporate purposes, which may include potential future acquisitions.

**October 2010 – Senior Unsecured 8% Note due January 2012 Repurchase**

In October 2010, the Company closed on a tender transaction to purchase \$138.9 million, or 99.2%, of its outstanding senior unsecured 8% notes due January 2012. In connection with this transaction, Titan will record expenses of approximately \$12 million in the fourth quarter of 2010. These expenses relate primarily to a tender and consent premium of \$75 per \$1,000 principal amount of the notes. After this transaction, Titan's senior unsecured 8% note due January 2012 outstanding balance was \$1.1 million as of October 1, 2010, compared to a balance of \$139.9 million at September 30, 2010.

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**CRITICAL ACCOUNTING ESTIMATES**

Preparation of the financial statements and related disclosures in compliance with accounting principles generally accepted in the United States of America requires the application of appropriate technical accounting rules and guidance, as well as the use of estimates. The Company's application of these policies involves assumptions that require difficult subjective judgments regarding many factors, which, in and of themselves, could materially impact the financial statements and disclosures. A future change in the estimates, assumptions or judgments applied in determining the following matters, among others, could have a material impact on future financial statements and disclosures.

**Asset and Business Acquisitions**

The allocation of purchase price for asset and business acquisitions requires management estimates and judgment as to expectations for future cash flows of the acquired assets and business and the allocation of those cash flows to identifiable intangible assets in determining the estimated fair value for purchase price allocations. If the actual results differ from the estimates and judgments used in determining the purchase price allocations, impairment losses could occur. To aid in establishing the value of any intangible assets at the time of acquisition, the Company typically engages a professional appraisal firm.

**Inventories**

Inventories are valued at lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method for approximately 69% of inventories and the last-in, first-out (LIFO) method for approximately 31% of inventories. The major rubber material inventory and related work-in-process and their finished goods are accounted for under the FIFO method. The major steel material inventory and related work-in-process and their finished goods are accounted for under the LIFO method. Market value is estimated based on current selling prices. Estimated provisions are established for slow-moving and obsolete inventory, as well as inventory carried above market price based on historical experience. Should there be an adverse change in experience, increases to estimated provisions would be necessary.

**Income Taxes**

Deferred income tax provisions are determined using the liability method whereby deferred tax assets and liabilities are recognized based upon temporary differences between the financial statement and income tax basis of assets and liabilities. The Company assesses the realizability of its deferred tax asset positions and recognizes and measures uncertain tax positions in accordance with ASC 740 Income Taxes.

As a result of the 2009 net loss, the Company has a net operating loss carryforward for income tax purposes. If Titan would continue to incur net losses, the Company may not be able to realize the tax benefit of these net operating losses.

**Retirement Benefit Obligations**

Pension benefit obligations are based on various assumptions used by third-party actuaries in calculating these amounts. These assumptions include discount rates, expected return on plan assets, mortality rates and other factors. Revisions in assumptions and actual results that differ from the assumptions affect future expenses, cash funding requirements and obligations. The Company has three frozen defined benefit pension plans and one defined benefit plan that previously purchased a final annuity settlement. During the first nine months of 2010, the Company contributed cash funds of \$1.3 million to its frozen pension plans. Titan expects to contribute approximately \$0.4 million to these frozen defined benefit pension plans during the remainder of 2010. For more information concerning these costs and obligations, see the discussion of the "Pensions" and Note 20 to the Company's financial statements on Form 10-K for the fiscal year ended December 31, 2009.



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**RESULTS OF OPERATIONS**

Highlights for the three and nine months ended September 30, 2010, compared to 2009 (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 222,818	\$ 141,496	\$ 648,922	\$ 581,083
Cost of sales	194,872	144,526	560,986	524,304
Gross profit (loss)	27,946	(3,030)	87,936	56,779
Gross profit margin	12.5%	(2.1)%	13.6%	9.8%

**Net Sales**

*Quarter:* Net sales for the quarter ended September 30, 2010, were \$222.8 million, compared to \$141.5 million in 2009. The higher quarterly sales were primarily the result of substantial increase in demand in the Company's agricultural segment, up approximately 62%; and earthmoving/construction segment, up approximately 56%. Third quarter sales in 2009 were affected by reduced demand for the Company's products, as many of the Company's major customers implemented extended shutdowns during the period as a consequence of the recession. Titan in turn implemented extended shutdowns at its production facilities to manage lower demand during the quarter. Extended shutdowns were not required during the third quarter of 2010 as Titan's customers were aided by the stabilization of the overall economy.

*Year-to-date:* Net sales for the nine months ended September 30, 2010, were \$648.9 million, compared to 2009 net sales of \$581.1 million. The lower sales in the Company's first quarter have been offset by increased sales in the second and third quarter.

**Cost of Sales and Gross Profit (Loss)**

*Quarter:* Cost of sales was \$194.9 million and \$144.5 million for the quarters ended September 30, 2010 and 2009, respectively. The higher cost of sales resulted from the significant increase in the quarterly sales levels.

Gross profit for the third quarter of 2010 was \$27.9 million, or 12.5% of net sales, compared to gross loss of \$(3.0) million, or (2.1)% of net sales, for the third quarter of 2009. The significantly higher gross profit in the third quarter of 2010 when compared to 2009 was primarily the result of substantially higher plant utilization rates.

*Year-to-date:* Cost of sales was \$561.0 million for the nine months ended September 30, 2010, compared to \$524.3 million in 2009. The cost of sales increased as a result of higher sales levels.

Gross profit for the nine months ended September 30, 2010, was \$87.9 million, or 13.6% of net sales, compared to \$56.8 million, or 9.8% of net sales, in 2009. The gross profit margin for 2010 is higher than 2009 primarily due to the negative margins in the third quarter of 2009 resulting from extended production facility shutdowns.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Selling, general and administrative	\$ 12,037	\$ 10,114	\$ 36,008	\$ 34,409
Percentage of net sales	5.4%	7.1%	5.5%	5.9%

*Quarter:* Selling, general and administrative (SG&A) expenses for the third quarter of 2010 were \$12.0 million or 5.4% of net sales, compared to \$10.1 million, or 7.1% of net sales, for 2009. The higher SG&A expenses resulted primarily from an increase of approximately \$0.5 million in selling expenses as a result of higher sales levels and approximately \$1 million in legal and professional fees partially due to fees associated with potential acquisitions.

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*Year-to-date:* Expenses for SG&A for the nine months ended September 30, 2010, were \$36.0 million, or 5.5% of net sales, compared to \$34.4 million, or 5.9% of net sales, in 2009. The higher SG&A expenses resulted primarily from an increase of approximately \$0.5 million in selling expenses as a result of higher sales levels and approximately \$1 million in legal and professional fees partially due to fees associated with potential acquisitions.

**Research and Development Expenses**

Research and development expenses were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Research and development expenses	\$ 1,112	\$ 1,158	\$ 5,039	\$ 5,016
<i>Percentage of net sales</i>	<i>0.5%</i>	<i>0.8%</i>	<i>0.8%</i>	<i>0.9%</i>

*Quarter:* Research and development (R&D) expenses for the third quarter of 2010 were \$1.1 million, or 0.5% of net sales, compared to \$1.2 million, or 0.8% of net sales, for the third quarter of 2009.

*Year-to-date:* Expenses for R&D were \$5.0 million, or 0.8% of net sales, and \$5.0 million, or 0.9% of net sales, for the nine months ended September 30, 2010, and 2009, respectively.

**Royalty Expense**

Royalty expense was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Royalty expense	\$ 2,275	\$ 1,464	\$ 6,809	\$ 6,123

The Company has a trademark license agreement with The Goodyear Tire & Rubber Company to manufacture and sell certain off-highway tires in North America under the Goodyear name.

*Quarter:* Royalty expenses recorded were \$2.3 million and \$1.5 million for the quarters ended September 30, 2010 and 2009, respectively. Royalty expenses increased approximately 55%, which is consistent with the net sales increase.

*Year-to-date:* Year-to-date royalty expenses recorded were \$6.8 million and \$6.1 million for the nine months ended September 30, 2010 and 2009, respectively. As year to date sales subject to the license agreement have not changed significantly, the Company's royalty expense for the first nine months of 2010 has remained relatively consistent with that of the previous year.

**Income (Loss) from Operations**

Income (loss) from operations was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Income (loss) from operations	\$ 12,522	\$ (15,766)	\$ 40,080	\$ 11,231
<i>Percentage of net sales</i>	<i>5.6%</i>	<i>(11.1)%</i>	<i>6.2%</i>	<i>1.9%</i>

*Quarter:* Income from operations for the third quarter of 2010 was \$12.5 million, or 5.6% of net sales, compared to loss from operations of \$(15.8) million, or (11.1)% of net sales, in 2009. This increase was the net result of the items previously discussed above.

*Year-to-date:* Income from operations for the nine months ended September 30, 2010, was \$40.1 million, or 6.2% of net sales, compared to \$11.2 million, or 1.9% of net sales, in 2009. This increase was the net result of the items previously discussed above.

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**Interest Expense**

Interest expense was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Interest expense	\$ 5,867	\$ 3,997	\$ 19,713	\$ 11,819

*Quarter:* Interest expense was \$5.9 million and \$4.0 million for the quarter ended September 30, 2010 and 2009, respectively. The Company's interest expense for the third quarter of 2010 increased from the previous year primarily as a result of interest expense related to the convertible senior subordinated 5.625% notes that were issued in December 2009.

*Year-to-date:* Year-to-date interest expense was \$19.7 million and \$11.8 million for the nine months ended September 30, 2010 and 2009, respectively. The Company's interest expense for the first nine months of 2010 increased from the previous year primarily as a result of interest expense of approximately \$8 million related to the convertible senior subordinated 5.625% notes that were issued in December 2009.

**Gain (Loss) on Note Repurchase**

Gain (loss) on note repurchase was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Gain (loss) on note repurchase	\$ (473)	\$ 0	\$ (3,195)	\$ 1,398

*Quarter:* In July 2010, the Company closed on a transaction to repurchase \$6.5 million of its outstanding senior unsecured 8% notes due January 2012. Titan recorded a loss on note repurchase of \$(0.5) million in the third quarter of 2010.

*Year-to-date:* In May 2010, the Company commenced a tender offer to repurchase its outstanding senior unsecured 8% notes due January 2012. For the nine months ended September 2010, in connection with the \$47.4 million tender offer and the repurchase of \$6.5 million of these notes in July 2010, Titan recorded a loss on note repurchases of \$(3.2) million. For the nine months ended September 30, 2009, the Company recorded a gain on a note repurchase of \$1.4 million resulting from the Company's repurchase of \$6.2 million of principal value of senior unsecured notes for approximately \$4.8 million in the first quarter of 2009.

**Other Income**

Other income was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Other income	\$ 401	\$ 644	\$ 307	\$ 1,302

*Quarter:* Other income was \$0.4 million for the quarter ended September 30, 2010, as compared to \$0.6 million for the quarter ended September 30, 2009.

*Year-to-date:* Other income was \$0.3 million for nine months ended September 30, 2010, as compared to \$1.3 million in 2009. The Company recorded a \$0.3 million investment gain on contractual obligations in the nine months ended September 30, 2010, as compared to a \$1.0 million gain in 2009.

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**Income Taxes**

Income taxes were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Income tax provision (benefit)	\$ 2,568	\$ (8,006)	\$ 6,817	\$ 274

*Quarter:* The Company recorded income tax provision of \$2.6 million for the three months ended September 30, 2010, as compared to income tax benefit of \$(8.0) million in 2009. The Company's effective income tax rate was 39% and 42% for the quarters ended September 30, 2010 and 2009, respectively.

*Year-to-date:* Income tax provision for the nine months ended September 30, 2010 and 2009, was \$6.8 million and \$0.3 million, respectively. The Company's effective income tax rate was 39% and 13% for the nine months ended September 30, 2010 and 2009, respectively. The 2009 effective income tax rate was impacted by a reduction to the Company's income tax provision of \$0.5 million that related to one of the Company's foreign subsidiaries.

**Net Income (Loss)**

Net income (loss) was as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net income (loss)	\$ 4,015	\$ (11,113)	\$ 10,662	\$ 1,838

*Quarter:* Net income for the quarter ended September 30, 2010, was \$4.0 million, compared to net loss of \$(11.1) million in 2009. For the quarter ended September 30, 2010 and 2009, basic earnings per share were \$.12 and \$(.32), respectively, and diluted earnings per share were \$.11 and \$(.32), respectively. The Company's net income and earnings per share were higher due to the items previously discussed.

*Year-to-date:* Net income for the nine months ended September 30, 2010 and 2009, was \$10.7 million and \$1.8 million, respectively. For the nine months ended September 30, 2010 and 2009, basic earnings per share were \$.31 and \$.05, respectively, and diluted earnings per share were \$.30 and \$.05, respectively. The Company's net income and earnings per share were higher due to the items previously discussed.

**Agricultural Segment Results**

Agricultural segment results were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 170,675	\$ 105,426	\$ 497,503	\$ 453,098
Gross profit (loss)	25,283	(522)	78,201	48,400
Income (loss) from operations	21,440	(3,775)	66,222	35,530

*Quarter:* Net sales in the agricultural market were \$170.7 million for the quarter ended September 30, 2010, as compared to \$105.4 million in 2009. Sales of agricultural product increased approximately 62% when compared to the same quarter last year as many of the Company's OEM customers increased production and continued to build on depleted inventory levels. Many of the Company's customers implemented extended shutdowns during the third quarter of 2009. Extended shutdowns were not required during the third quarter of 2010 as Titan's customers were aided by the stabilization of the overall economy.

Gross profit in the agricultural market was \$25.3 million for the quarter ended September 30, 2010, as compared to gross loss of \$(0.5) million in 2009. Income from operations in the agricultural market was \$21.4 million for the quarter ended September 30, 2010, as compared to loss from operations of \$(3.8) million in 2009. The significantly higher gross profit in the third quarter of 2010 when compared to 2009 was primarily the result of substantially higher plant utilization rates.

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*Year-to-date:* Net sales in the agricultural market were \$497.5 million for the nine months ended September 30, 2010, as compared to \$453.1 million in 2009. Agricultural segment sales for the first quarter of 2010 sales were lower by \$36.2 million when compared to the first quarter of 2009. Second quarter sales showed a small improvement when compared to 2009. In the third quarter 2010, agricultural sales had a \$65.2 million increase which more than offset the early year reduction.

Gross profit in the agricultural market was \$78.2 million for the nine months ended September 30, 2010, as compared to \$48.4 million in 2009. Income from operations in the agricultural market was \$66.2 million for the nine months ended September 30, 2010, as compared to \$35.5 million in 2009. The gross profit margin for 2010 is higher than 2009 primarily due to the negative margins in the third quarter of 2009 resulting from extended production facility shutdowns.

**Earthmoving/Construction Segment Results**

Earthmoving/Construction segment results were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 47,848	\$ 30,732	\$ 139,161	\$ 113,085
Gross profit (loss)	2,495	(1,815)	10,294	8,727
Income (loss) from operations	1,077	(2,951)	4,080	3,711

*Quarter:* The Company's earthmoving/construction market net sales were \$47.8 million for the quarter ended September 30, 2010, as compared to \$30.7 million in 2009. The sales in the earthmoving/construction segment have improved, yet remain at low levels, down over 30 percent when compared to the third quarter of 2008 or 2007. A primary reason for the low sales levels in this segment was the continued weakness in the construction areas related to the commercial, residential and infrastructure industries.

Gross profit in the earthmoving/construction market was \$2.5 million for the quarter ended September 30, 2010, as compared to gross loss of \$(1.8) million in 2009. Income from operations in the earthmoving/construction market was \$1.1 million for the quarter ended September 30, 2010, as compared to loss from operations of \$(3.0) million in 2009. The higher gross profit in the third quarter of 2010 when compared to 2009 was primarily the result of substantially higher plant utilization rates.

*Year-to-date:* The Company's earthmoving/construction market net sales were \$139.2 million for the nine months ended September 30, 2010, as compared to \$113.1 million in 2009. The sales in the earthmoving/construction segment have improved, yet remain at low levels, down over 35 percent when compared to the first nine months of 2008 or 2007. A primary reason for the low sales levels in this segment was the continued weakness in the construction areas related to the commercial, residential and infrastructure industries.

Gross profit in the earthmoving/construction market was \$10.3 million for the nine months ended September 30, 2010, as compared to \$8.7 million in 2009. Income from operations in the earthmoving/construction market was \$4.1 million for the nine months ended September 30, 2010, as compared to \$3.7 million in 2009. Gross profit and income from operations in the earthmoving/construction segment for the first nine months of 2010 was negatively impacted primarily by additional depreciation on the giant OTR assets of approximately \$2.5 million. However, the higher gross profit for the nine months ended September 30, 2010 when compared to 2009 was primarily the result of higher plant utilization rates in the third quarter.

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**Consumer Segment Results**

Consumer segment results were as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 4,295	\$ 5,338	\$ 12,258	\$ 14,900
Gross profit (loss)	827	(142)	2,302	1,254
Income (loss) from operations	734	(282)	2,030	842

*Quarter:* Consumer market net sales were \$4.3 million for the quarter ended September 30, 2010, as compared to \$5.3 million in 2009. The continued reduction in consumer market sales is primarily attributed to the sustained contraction in consumer discretionary spending.

Gross profit from the consumer market was \$0.8 million for the quarter ended September 30, 2010, as compared to gross loss of \$(0.1) million in 2009. Consumer market income from operations was \$0.7 million for the quarter ended September 30, 2010, as compared to loss from operations of \$(0.3) million for 2009. The gross profit and income from operations in 2009 were negatively affected by the extended production facility shutdowns.

*Year-to-date:* Consumer market net sales were \$12.3 million for the nine months ended September 30, 2010, as compared to \$14.9 million in 2009. The continued reduction in consumer market sales is primarily attributed to the sustained contraction in consumer discretionary spending.

Gross profit from the consumer market was \$2.3 million for the nine months ended September 30, 2010, as compared to \$1.3 million in 2009. Consumer market income from operations was \$2.0 million for the nine months ended September 30, 2010, as compared to \$0.8 million for 2009. The gross profit and income from operations in 2009 were negatively affected by the third quarter extended production facility shutdowns.

**Segment Summary** (Amounts in thousands)

*Quarter*

Three months ended September 30, 2010	Agricultural	Earthmoving/ Construction	Consumer	Corporate Expenses	Consolidated Totals
Net sales	\$ 170,675	\$ 47,848	\$ 4,295	\$ 0	\$ 222,818
Gross profit (loss)	25,283	2,495	827	(659)	27,496
Income (loss) from operations	21,440	1,077	734	(10,729)	12,522

Three months ended  
September 30, 2009

Net sales	\$ 105,426	\$ 30,732	\$ 5,338	\$ 0	\$ 141,496
Gross loss	(522)	(1,815)	(142)	(551)	(3,030)
Loss from operations	(3,775)	(2,951)	(282)	(8,758)	(15,766)

*Year-to-Date*

Nine months ended September 30, 2010	Agricultural	Earthmoving/ Construction	Consumer	Corporate Expenses	Consolidated Totals
Net sales	\$ 497,503	\$ 139,161	\$ 12,258	\$ 0	\$ 648,922
Gross profit (loss)	78,201	10,294	2,302	(2,861)	87,936
Income (loss) from operations	66,222	4,080	2,030	(32,252)	40,080

Nine months ended  
September 30, 2009

Net sales	\$ 453,098	\$ 113,085	\$ 14,900	\$ 0	\$ 581,083
Gross profit (loss)	48,400	8,727	1,254	(1,602)	56,779
Income (loss) from operations	35,530	3,711	842	(28,852)	11,231

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**Corporate Expenses**

*Quarter*

Income from operations on a segment basis does not include corporate expenses or depreciation and amortization expense related to property, plant and equipment carried at the corporate level totaling \$10.7 million for the three months ended September 30, 2010, as compared to \$8.8 million for 2009.

Corporate expenses for the three months ended September 30, 2010, were composed of selling and marketing expenses of approximately \$5 million and administrative expenses of approximately \$6 million.

Corporate expenses for the three months ended September 30, 2009, were composed of selling and marketing expenses of approximately \$4 million and administrative expenses of approximately \$5 million.

Corporate selling and marketing expenses were approximately \$1 million higher in the third quarter as the result of the higher sales levels. Corporate administrative expenses were approximately \$1 million higher in third quarter of 2010 as the result of higher legal and professional fees partially due to fees associated with potential acquisitions.

*Year-to-Date*

Income from operations on a segment basis does not include corporate expenses or depreciation and amortization expense related to property, plant and equipment carried at the corporate level totaling \$32.3 million for the nine months ended September 30, 2010, as compared to \$28.9 million for 2009.

Corporate expenses for the nine months ended September 30, 2010, were composed of selling and marketing expenses of approximately \$14 million and administrative expenses of approximately \$18 million.

Corporate expenses for the nine months ended September 30, 2009, were composed of selling and marketing expenses of approximately \$13 million and administrative expenses of approximately \$16 million.

Corporate selling and marketing expenses were approximately \$1 million higher for the nine months ended September 30, 2010, as the result of the higher sales levels. Corporate administrative expenses were approximately \$2 million higher for the nine months ended September 30, 2010. This increase was primarily the result of approximately \$1 million additional legal and professional fees and approximately \$1 million additional group insurance expense.

**MARKET RISK SENSITIVE INSTRUMENTS**

The Company's risks related to foreign currencies, commodity prices and interest rates are consistent with those for 2009. For more information, see the "Market Risk Sensitive Instruments" discussion in the Company's Form 10-K for the fiscal year ended December 31, 2009.

**PENSIONS**

The Company has three frozen defined benefit pension plans and one defined benefit plan that previously purchased a final annuity settlement. These plans are described in Note 20 of the Company's Notes to Consolidated Financial Statements in the 2009 Annual Report on Form 10-K.

The Company's recorded liability for pensions is based on a number of assumptions, including discount rates, rates of return on investments, mortality rates and other factors. Certain of these assumptions are determined by the Company with the assistance of outside actuaries. Assumptions are based on past experience and anticipated future trends. These assumptions are reviewed on a regular basis and revised when appropriate. Revisions in assumptions and actual results that differ from the assumptions affect future expenses, cash funding requirements and the carrying value of the related obligations. Titan expects to contribute approximately \$0.4 million to these frozen defined pension plans during the remainder of 2010.

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**LIQUIDITY AND CAPITAL RESOURCES**

**Cash Flows**

As of September 30, 2010, the Company had \$159.3 million of cash balances within various bank accounts. This cash balance decreased by \$69.9 million from December 31, 2009, due to the following cash flow items.

(amounts in thousands)

	September 30, 2010	December 31, 2009
Cash	\$ 159,315	\$ 229,182

**Operating cash flows**

Summary of cash flows from operating activities (amounts in thousands):

	Nine months ended September 30,		Change
	2010	2009	
Net income	\$ 10,662	\$ 1,838	\$ 8,824
Depreciation and amortization	27,617	24,759	2,858
Deferred income tax provision	8,043	550	7,493
Accounts receivable	(46,627)	46,326	(92,953)
Inventories	(25,840)	22,473	(48,313)
Accounts payable	22,889	(40,483)	63,372
Other operating activities	10,904	(3,815)	14,719
Cash provided by operating activities	\$ 7,648	\$ 51,648	\$ (44,000)

In the first nine months of 2010, operating activities provided cash of \$7.6 million which included net income of \$10.7 million and an increase in accounts payable of \$22.9 million. Net income included \$27.6 million of noncash charges for depreciation and amortization. Positive cash inflows were offset by increases in accounts receivable and inventory of \$46.6 million and \$25.8 million, respectively. Deferred tax assets were reduced by \$8.0 million as the Company used current income to reduce the deferred tax asset for previously recorded net operating losses.

In the first nine months of 2009, operating activities provided cash of \$51.6 million. Net income included in operating activities was \$1.8 million. Operating cash flows were primarily provided by a lower accounts receivable balance of \$46.3 million and a lower inventory balance of \$22.5 million. Included in net income were noncash charges of \$24.8 million for depreciation and amortization. Positive cash flows were offset by a decrease in the accounts payable balance of \$40.5 million. Accounts receivable and accounts payable were lower as a result of lower sales during the third quarter of 2009. Inventories were lower as the Company made a concerted effort to bring inventory levels in line with the reduced 2009 sales levels.

Operating cash flows decreased \$44.0 million when comparing the nine months ended September 30, 2010, to the nine months ended September 30, 2009. Net income in the first nine months of 2010 was \$8.8 million higher than the net income in the first nine months of 2009. When comparing the first nine months of 2010 to the first nine months of 2009, cash flows from accounts receivable decreased \$93.0 million offset by an increase in accounts payable of \$63.4 million. This is the result of significant increases in accounts receivable and accounts payable, as sales levels increased approximately 57% when comparing the third quarter of 2010 to the third quarter of 2009. The inventory increase in 2010 was due to rebuilding inventory balances from the substantially reduced year-end 2009 inventory levels.



**TITAN INTERNATIONAL, INC.**  
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**Investing cash flows**

Summary of cash flows from investing activities:  
(amounts in thousands)

	Nine months ended September 30,		
	2010	2009	Change
Capital expenditures	\$ (20,056)	\$ (36,482)	\$ 16,426
Other investing activities	91	(1,369)	1,460
Cash used for investing activities	\$ (19,965)	\$ (37,851)	\$ 17,886

Net cash used for investing activities was \$20.0 million in the first nine months of 2010, as compared to \$37.9 million in the first nine months of 2009. The Company invested a total of \$20.1 million in capital expenditures in the first nine months of 2010, compared to \$36.5 million in 2009. Of the \$20.1 million of capital expenditures in the first nine months of 2010, approximately \$7 million related to the purchase of Denman Tire molds and equipment. Of the \$36.5 million of capital expenditures in the first nine months of 2009, approximately \$22 million related to the Company's giant OTR mining project, which was substantially completed at the end of 2009. The remaining 2010 and the 2009 expenditures represent various equipment purchases and improvements to enhance production capabilities.

**Financing cash flows**

Summary of cash flows from financing activities:  
(amounts in thousands)

	Nine months ended September 30,		
	2010	2009	Change
Repurchase of senior notes	\$ (56,674)	\$ (4,726)	\$ (51,948)
Payment on debt	0	(25,000)	25,000
Proceeds from exercise of stock options	240	1,142	(902)
Excess tax benefit from option exercise	0	86	(86)
Payment of financing fees	(586)	(1,070)	484
Other financing activities	(530)	(527)	(3)
Cash used for financing activities	\$ (57,550)	\$ (30,095)	\$ (27,455)

In the first nine months of 2010, cash of \$57.6 million was used for financing activities. This cash was primarily used to repurchase \$56.7 million of senior notes.

In the first nine months of 2009, cash of \$30.1 million was used for financing activities. This cash was primarily used for payment on debt of \$25.0 million and repurchase of senior notes of \$4.7 million.

Financing cash flows decreased \$27.5 million when comparing the first nine months of 2010 to the first nine months of 2009. This cash flow reduction resulted primarily from repurchase of senior notes in 2010 offset by payment on debt in 2009.

**Other Issues**

The Company's business is subject to seasonal variations in sales that affect inventory levels and accounts receivable balances. Historically, Titan tends to experience higher sales in the first and second quarters. However, in 2010, Titan experienced higher sales in the third quarter due to improved demand in the agricultural and earthmoving/construction segments.

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**Debt Covenants**

The Company's revolving credit facility (credit facility) contains various covenants and restrictions. The financial covenants in this agreement require that:

- Collateral coverage be equal to or greater than 1.2 times the outstanding revolver balance.
- If the 30-day average of the outstanding revolver balance exceeds \$70 million, the fixed charge coverage ratio be equal to or greater than a 1.1 to 1.0 ratio.

Restrictions include:

- Limits on payments of dividends and repurchases of the Company's stock.
- Restrictions on the ability of the Company to make additional borrowings, or to consolidate, merge or otherwise fundamentally change the ownership of the Company.
- Limitations on investments, dispositions of assets and guarantees of indebtedness.
- Other customary affirmative and negative covenants.

These covenants and restrictions could limit the Company's ability to respond to market conditions, to provide for unanticipated capital investments, to raise additional debt or equity capital, to pay dividends or to take advantage of business opportunities, including future acquisitions. The failure by Titan to meet these covenants could result in the Company ultimately being in default on these loan agreements.

The Company is in compliance with these covenants and restrictions as of September 30, 2010. The collateral coverage ratio was not applicable as there were no outstanding borrowings under the revolving credit facility at September 30, 2010. The fixed charge coverage ratio did not apply for the quarter ended September 30, 2010. In connection with the convertible senior subordinated note offer, Titan previously agreed to add an additional mutually agreeable covenant to the Company's revolving credit facility, which is now no longer required by mutual agreement of the parties.

**Liquidity Outlook**

At September 30, 2010, the Company had \$159.3 million of cash and cash equivalents and no outstanding borrowings on the Company's \$100 million credit facility.

Capital expenditures for the remainder of 2010 are forecasted to be approximately \$3 million to \$4 million. The Company currently has no cash payments due for interest for the remainder of 2010.

In October 2010, the Company closed on a tender transaction to purchase \$138.9 million of its outstanding senior unsecured 8% notes due January 2012. In October 2010, the Company also closed on an offering of \$200 million senior secured 7.875% notes due 2017. As a result of these transactions, after deductions for fees and interest due, the Company received approximately \$44 million in cash on October 1, 2010.

In the future, Titan may seek to grow by making acquisitions which will depend on the ability to identify suitable acquisition candidates, to negotiate acceptable terms for their acquisition and to finance those acquisitions. In September 2009, Titan signed a letter of intent with The Goodyear Tire & Rubber Company to purchase certain farm tire assets, including the Goodyear Dunlop Tires France (GDTF) Amiens North factory. This agreement is non-binding and will be subject to GDTF's satisfactory completion of a social plan related to consumer tire activity at the Amiens North facility, along with completion of due diligence, a definitive acquisition agreement and other standard acquisition approval requirements. At this time, the due diligence process continues. There is no assurance that definitive agreements will be executed or that the acquisition will be consummated.

Subject to the terms of indebtedness, the Company may finance future acquisitions with cash on hand, cash from operations, additional indebtedness and/or by issuing additional equity securities.

Cash on hand, anticipated internal cash flows from operations and utilization of remaining available borrowings are expected to provide sufficient liquidity for working capital needs, capital expenditures and potential acquisitions. If the Company were to exhaust all currently available working capital sources or not meet the financial covenants and conditions of its loan agreements, the Company's ability to secure additional funding would be negatively impacted.

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**MARKET CONDITIONS AND OUTLOOK**

The on-going uncertainty in domestic and global economic conditions makes it difficult to forecast future sales levels. In the third quarter of 2010, Titan experienced a significantly higher sales level when compared to the depressed sales levels in the third quarter of 2009. During the second half of 2009, Titan implemented extended shutdowns in conjunction with many of the Company's major customers, which resulted in a steep drop in sales. The Company did not implement any extended shutdowns in the third quarter of 2010 and is not currently anticipating the need for extended shutdowns in this year's fourth quarter. The Company continues to see signs that the market for Titan's products experienced the bottom of a cycle in late 2009 and early 2010. Although the Company believes that sales may continue to move higher when compared to the same period in the previous year during the remainder of 2010, there can be no assurance that a decline in sales will not resume. The Company is currently pursuing opportunities to increase sales of certain products related to the super giant tire project in a challenging mining environment. If the Company is unsuccessful with these sales efforts, Titan may record reserves for this product inventory, adversely affecting Titan's financial results.

Energy, raw material and petroleum-based product costs have been exceptionally volatile and may negatively impact the Company's margins. Many of Titan's overhead expenses are fixed; therefore, lower seasonal trends may cause negative fluctuations in quarterly profit margins and affect the financial condition of the Company.

All of the Company's labor agreements for its (i) Bryan, Ohio; (ii) Des Moines, Iowa; and (iii) Freeport, Illinois, facilities expire on November 19, 2010, for the employees covered by their respective bargaining agreements. Titan's business operations may be negatively affected if agreements are not reached or as a result of labor disputes, difficulties and delays in the process of renegotiating the Company's collective bargaining agreements.

**AGRICULTURAL MARKET OUTLOOK**

Agricultural market sales were significantly higher in the third quarter of 2010 when compared to the third quarter of 2009. Agricultural market sales were at reduced levels in the second half of 2009 as the result of extended shutdowns. For the remainder of 2010, Titan expects agricultural market sales to continue to be higher when compared to 2009. The gradual increase in the use of biofuels may help sustain future production. Many variables, including weather, grain prices, export markets and future government policies and payments can greatly influence the overall health of the agricultural economy.

**EARTHMOVING/CONSTRUCTION MARKET OUTLOOK**

Earthmoving and mining sales are improving from the low levels of the second half of 2009. Metals, oil and gas prices have increased from 2009's lows. Although they may fluctuate in the short-term, in the long-term, these prices are expected to remain at levels that are attractive for continued investment, which should help support future earthmoving and mining sales. The significant decline in the United States housing market continues to cause a major reduction in demand for equipment used for construction. The earthmoving/construction segment is affected by many variables, including commodity prices, road construction, infrastructure, government appropriations, housing starts and the on-going banking and credit issues. For the remainder of 2010, the Company expects improvement compared to the previous year's low sales levels in the earthmoving/construction market.

**CONSUMER MARKET OUTLOOK**

Consumer discretionary spending has experienced a major contraction as a result of on-going economic issues, housing market decline, and high unemployment rates. Many of the Company's consumer market sales are ultimately used in items which fall into the discretionary spending category. There is no clear consensus among economists as to when there will be a sustained consumer spending rebound. Many factors continue to affect the consumer market including weather, competitive pricing, energy prices and consumer attitude. For the remainder of 2010, the Company expects continued weakness in consumer spending related to Titan's consumer market.

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**OTHER EVENTS**

In September 2009, Titan signed a letter of intent with The Goodyear Tire & Rubber Company to purchase certain farm tire assets, including the Goodyear Dunlop Tires France (GDTF) Amiens North factory. This agreement is non-binding and will be subject to GDTF's satisfactory completion of a social plan related to a consumer tire activity at the Amiens North facility, along with completion of due diligence, a definitive acquisition agreement and other standard acquisition approval requirements. At this time, the due diligence process continues.

**NEW ACCOUNTING STANDARDS**

**Fair Value Measurements and Disclosures**

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements." This guidance requires new disclosures for transfers in and out of Level 1 and Level 2 fair value measurements. This guidance requires separate presentation about purchases, sales, issuances, and settlements for activity in Level 3 fair value measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The guidance for new disclosures and clarifications of existing disclosures was effective for reporting periods beginning after December 15, 2009. The adoption of this part of the guidance had no material effect on the Company's financial position, results of operations or cash flows. The guidance related to presentation of Level 3 fair value measurements is effective for fiscal years beginning after December 15, 2010. The adoption of this part of the guidance is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

**Receivables**

In July 2010, FASB issued ASU No. 2010-20, "Receivables (Topic 310) – Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." This guidance amends Topic 310 to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to disaggregate by portfolio segment or class certain existing disclosures and provide certain new disclosures about its financing receivables and related allowance for credit losses. The disclosures as of the end of a reporting period are effective for reporting periods ending on or after December 15, 2010. The disclosures about activity that occurs during a reporting period are effective for reporting periods beginning on or after December 15, 2010. The adoption of this ASU is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

See the Company's 2009 Annual Report filed on Form 10-K (Item 7A). There has been no material change in this information.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

The Company's principal executive officer and principal financial officer have concluded the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective as of the end of the period covered by this Form 10-Q based on an evaluation of the effectiveness of disclosure controls and procedures.

**Changes in Internal Controls**

There were no material changes in internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the third quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

TITAN INTERNATIONAL, INC.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a party to routine legal proceedings arising out of the normal course of business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, the Company believes at this time that none of these actions, individually or in the aggregate, will have a material adverse affect on the consolidated financial condition, results of operations or cash flows of the Company. However, due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations or cash flows as a result of efforts to comply with or its liabilities pertaining to legal judgments.

Item 1A. Risk Factors

See the Company's 2009 Annual Report filed on Form 10-K (Item 1A). In addition, the Company is currently pursuing opportunities to increase sales of certain products related to the super giant tire project in a challenging mining environment. If the Company is unsuccessful with these sales efforts, Titan may record reserves for this product inventory, adversely affecting Titan's financial results.

Item 6. Exhibits

3	Amended and Restated Articles of Incorporation of the Company
10.1	Trademark License Agreement with The Goodyear Tire & Rubber Company
10.2	Supply Agreement with Deere & Company – August 2006
10.3	Supply Agreement with Deere & Company – April 2008
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TITAN INTERNATIONAL, INC.  
(Registrant)

Date: October 27, 2010

By: /s/ MAURICE M. TAYLOR JR.

Maurice M. Taylor Jr.  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ PAUL G. REITZ

Paul G. Reitz  
Chief Financial Officer  
(Principal Financial Officer)

TITAN INTERNATIONAL, INC.  
AMENDED AND RESTATED  
ARTICLES OF INCORPORATION

ARTICLE I  
Name  
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The name of the corporation is: TITAN INTERNATIONAL, INC. (the "Corporation").

ARTICLE II  
Purpose  
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The purpose or purposes for which the Corporation is organized are to engage in the transaction of any or all lawful businesses for which corporations may be incorporated under the Illinois Business Corporation Act of 1983, as amended (the "1983 Act").

ARTICLE III  
Authorized Shares  
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Paragraph 1. Number and Class. The number of shares which the Corporation is authorized to issue, itemized by class, series and par value, if any, is:

<u>Class</u>	<u>Par Value</u>	<u>Number of Shares Authorized</u>
Common Stock	without par value	120,000,000 shares
Preferred Stock	without par value	4,000,000 shares

Paragraph 2. Rights, Preferences and Limitations. The preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the shares of each class are:

A. Subject to the preferences accorded the holders of Preferred Stock pursuant to these Articles of Incorporation (the "Articles") or action of the Board of Directors of the Corporation (the "Board") taken with respect to such preferences, holders of Common Stock are entitled to receive such dividends as may be declared by the Board from time to time and, in the event of any liquidation, dissolution or winding up of the Corporation, the holders of Common Stock will be entitled to receive pro rata all of the remaining assets of the Corporation available for distribution. Each issued and outstanding share of Common Stock is entitled to one vote.

B. The Board is authorized from time to time to issue shares of Preferred Stock in one or more series, each series to bear a distinctive designation and to have such relative rights, powers, preferences, limitations and restrictions as shall be stated in the resolution or resolutions of the Board providing for the issuance thereof. Such resolutions, when filed, shall constitute amendments to these Articles.

Paragraph 3. No Cumulative Voting. No holder of any shares of any class of stock of this Corporation shall be entitled to cumulative voting rights in the election of the Board under any circumstances.

Paragraph 4. Series A Convertible Preferred Stock. By resolution of the Board of Directors adopted on July 9, 1994, and pursuant to the authority expressly granted to and vested in the Board of Directors by virtue of Article III, Paragraph 2 of these Articles, the Board of Directors created a series of Preferred Stock having the following designations, powers, conversions, privileges, preferences and other special rights and qualifications, limitations or restrictions thereof:

A. Designation and Amount. The shares of such series shall be designated as Series A Convertible Preferred Stock no par value per share (the "Series A Preferred") and the number of shares constituting such series shall be 4,000,000.

B. Voting Rights. The holders of Series A Preferred shall not be entitled to vote on any matters submitted to the stockholders of the Corporation, except as required by applicable law.

C. Dividends.

(1) The holders of each share of Series A Preferred shall have the right to receive, out of any funds or property legally available therefore, noncumulative dividends at the same rate and at the same time as any dividends declared on each share of the Common Stock of the Corporation as presently constituted, when, as and if declared by the Board of Directors; provided, however; that if any dividends payable in Common Stock are declared or any other Capital Event (as defined in Paragraph E(3)(a)) shall occur, then the provisions hereof relating to anti-dilution shall govern and no dividend or other distribution shall be made to the holders of Series A Preferred.

(2) If the Corporation at any time shall make a distribution of its assets to the holders of its Common Stock as a dividend in liquidation or by way of return of capital or other than as a dividend payable under Paragraph C(1) above or a Liquidation Event under Paragraph D below, the holders of each share of Series A Preferred shall be entitled to receive such a distribution at the same rate and at the same time as paid or distributed on each share of Common Stock.

D. Liquidation Preference.

(1) Upon the dissolution, liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of shares of Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Common Stock or any class or series of preferred stock which ranks inferior to Series A Preferred with respect to rights on the occurrence of a Liquidation Event by reason of their respective ownership thereof, the amount of \$7.50 per share, as adjusted for any stock dividends, combinations, stock splits, recapitalizations, reorganizations or other transactions affecting the shares of capital stock of the Corporation effected without the receipt of consideration by the Corporation (the "Liquidation Preference"). If upon any Liquidation Event the amounts available for distribution are insufficient to pay in full the

Liquidation Preference to which the holders of the Series A Preferred are entitled, then such distributions shall be made to the holders of Series A Preferred on a pro-rata basis.

(2) Notwithstanding anything to the contrary contained in subparagraph (1) of this Paragraph D, if the amount that would be payable to the holders of the Series A Preferred in connection with such Liquidation Event if such holders had converted such Series A Preferred into the maximum number of shares of Common Stock into which such Series A Preferred would be convertible if it automatically converted at the time of the Liquidation Event would be greater than the Liquidation Preference, then the holders of the Series A Preferred shall be entitled to receive, as and when received by the holders of the Common Stock, such alternative liquidation amount in lieu of the Liquidation Preference.

(3) For purposes of this Paragraph D only, a sale of all or substantially all of the assets of the Corporation, shall be treated as a Liquidation Event and shall entitle the holders of Series A Preferred to receive at the closing of such sale in cash, securities or other property the greater of the amounts specified in subparagraphs (1) and (2) above.

(4) Whenever the distribution provided for in this Paragraph D shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or property as determined in good faith by the Board of Directors of the Corporation by any reasonable method.

E. Conversion. The holders of Series A Preferred shall have no conversion rights except as set forth below:

(1) Conversion Rights.

(a) Automatic Conversion. Each share of Series A Preferred shall on the sixth anniversary of the issuance of such share be automatically converted, without the payment of any additional consideration, into such number of fully paid and non-assessable shares of Common Stock (all of which shall be registered under the Securities Act of 1933, as amended and all applicable state securities laws on or prior to issuance) as is determined by dividing \$7.50 by the Series A Conversion Price applicable to such share, determined as hereinafter provided, in effect on such sixth anniversary. The price at which the shares of Common Stock shall be deliverable upon conversion of shares of Series A Preferred (as such price may be adjusted from time to time as provided herein, the "Series A Conversion Price") shall initially be \$60.00 per share of Common Stock. Such initial Series A Conversion Price shall be adjusted as hereinafter provided.

(2) Mechanics of Conversion.

(a) Before any holder of Series A Preferred shall be entitled to convert the same into shares of Common Stock, he or she shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or any transfer agent for such stock, and shall give written notice to the Corporation at such office setting forth the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver to such holder of Series A Preferred, a certificate or certificates for the number of shares of Common



Stock to which such holder shall be entitled. Such certificate or certificates for Common Stock, when issued, shall represent shares of Common Stock which have been duly authorized, fully paid and non-assessable.

(b) Notwithstanding any delay or failure by a holder of Series A Preferred to deliver any certificates for conversion on or after the sixth anniversary of issuance, such conversion shall be deemed to have been made as of such sixth anniversary. As of the sixth anniversary of the date of issuance of any such shares of Series A Preferred then outstanding, such outstanding shares of Series A Preferred shall be deemed canceled and the holders thereof shall be treated for all purposes as record holders of the shares of Common Stock into which such shares of Series A Preferred are convertible as of such date.

(3) Adjustments to Series A Conversion Price.

(a) Special Definitions. For purposes of this subparagraph (3), the following definitions shall apply:

(i) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued or pursuant to Paragraph E(3)(c) (or deemed to be issued) by the Corporation after the Original Issue Date other than Excluded Securities.

(ii) "Capital Event" shall mean any event or occurrence contemplated under Paragraph E(3)(f) or E(4).

(iii) "Common Stock" shall mean the Common Stock, no par value of the Corporation as constituted on the date of issuance of any Series A Preferred.

(iv) "Convertible Securities" shall mean any evidences of indebtedness, warrants, Options or other rights or securities (other than the Series A Preferred and the Original Warrant) convertible into or exchangeable or exercisable for, Common Stock or other Convertible Securities.

(v) "Excluded Securities" shall mean all shares of Common Stock issued or issuable (or deemed to be issued pursuant to Paragraph E(3)(c)) upon (A) the sale, transfer or exercise of the Original Warrant, (B) to officers, directors or employees of the Corporation pursuant to stock option, warrant or stock purchase plans or agreements which plans and/or agreements have been approved by the Board of Directors of the Corporation prior to the Original Issue Date, (C) upon conversion of The Corporation 4.75% Subordinated Convertible Debentures due 2000 in the amount of \$103,500,000.00, (D) the Dyneer Earnout Shares as defined and provided for in the Exchange Agreement dated September 21, 1993 between the Dyneer Shareholders and the Corporation, or (E) for which adjustment of the Series A Conversion Price has previously been made pursuant to Paragraph E(3)(f).

(vi) "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(vii) "Original Issue Date" shall mean August 11, 1994.

(viii) "Original Warrant" shall mean the warrant to purchase Common Stock of the Corporation at an initial exercise price of \$55.00 per share (subject to adjustment as provided therein) issued to Pirelli Armstrong Tire Corporation as of the Original Issue Date.

(b) No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Series A Conversion Price shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined in accordance with this Paragraph E) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Series A Conversion Price for such series of Series A Preferred Stock in effect on the date of, and immediately prior to, such issue.

(c) Deemed Issue of Additional Shares of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefore, the conversion or exchange of such Convertible Securities or Options, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case as to which Additional Shares of Common Stock shall be deemed to have been issued:

(i) no further adjustments in the Series A Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of Options or conversion or exchange of such Convertible Securities;

(ii) if such Options or other Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Series A Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such other Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon, shall upon such expiration, be recomputed as if in the case of Convertible Securities or Options for Common Stock the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefore was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received for the issue of all such

Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange.

(d) Determination of Consideration. For purposes of this subparagraph (c), the consideration received by the Corporation for the issuance of any Additional Shares of Common Stock shall be computed as follows:

(i) Cash and Property. Such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of receipt of such property, as determined in good faith by the Board of Directors of the Corporation by any reasonable method;

(C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors of the Corporation by any reasonable method.

(ii) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Paragraph E(3)(c), relating to Options and Convertible Securities shall be determined by dividing:

(A) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities for the maximum number of shares, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (B) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(e) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event that the Corporation at a time after the Original Issue Date shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed issued pursuant to subparagraph (3)(c)) without consideration or for a consideration per share less than the Series A Conversion Price in effect on the date of and immediately prior to such issuance, then and in such event, the Series A

Conversion Price shall be reduced, concurrently with such issuance, to a price (calculated to the nearest cent) determined by multiplying such Series A Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issuance plus (2) the number of shares of Common Stock, which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Series A Conversion Price in effect immediately prior to such issuance; and (B) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of Additional Shares of Common Stock so issued.

(f) Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock, or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Series A Conversion Price in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(4) Adjustments for Reclassification, Consolidation, Merger and Reorganization. If the Common Stock issuable upon conversion of Series A Preferred shall be changed into the same or a different number of shares of any other class or classes of stock or securities, and or other property or the right to receive other property, whether by capital reorganization, reclassification, consolidation, merger or otherwise (other than a subdivision or combination of shares provided for in Paragraph E(3)(f) above or a merger or other reorganization in which the Corporation is the surviving entity), the Series A Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization, consolidation, merger or reclassification, be proportionately adjusted so that the Series A Preferred shall thereafter be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, the kind and amount of such other class or classes of stock or securities or other property or rights to receive property equivalent to the number of shares of such other class or classes of stock or securities or other property or rights to receive property that the holder of Series A Preferred would have received as a result of conversion of the Series A Preferred immediately before the change and, in such case appropriate adjustment shall be made in the application of the provisions of Paragraph E(3) hereof with respect to the rights and interest thereafter of the holders of the Series A Preferred, to the end that the provisions set forth in this Paragraph E(4) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon conversion of the Series A Preferred (and all of such shares of such other

class or classes of stock or securities into which the Series A Preferred is thereafter convertible shall be subject to, and entitled to the benefits of, all of the provisions of this Paragraph E on the same basis as the Common Stock which the holders would otherwise have been entitled to receive).

(5) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Paragraph E by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Paragraph E and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series A Preferred against impairment.

(6) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred a certificate executed by the Corporation's Chief Financial Officer setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

(7) Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred pursuant hereto.

(8) Reservation of Stock. The Corporation shall at all times reserve, cause to be approved for listing on notice of issuance on the principal stock exchange on which the Common Stock is then listed, and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred.

(9) Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of Series A Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of each share of Series A Preferred being simultaneously converted by any holder shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional shares. If, after such aggregation, the conversion would result in issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, issue to the holder one share with respect to such fractional share.

#### ARTICLE IV Indemnification

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Directors and officers of the Corporation shall be indemnified in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to the Corporation or to another organization at the Corporation's request and shall be paid expenses incurred in defending any such proceeding in advance of its final disposition to the fullest extent

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permitted by law. Persons who are not directors or officers of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board or the bylaws of the Corporation. The provisions of this Article shall be applicable to actions or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof, and to persons who have ceased to be directors, officers or employees, and shall inure to the benefit of their heirs, executors and administrators. The right to indemnification and advancement of expenses conferred hereunder shall be a contract right which may not be modified retroactively without the written consent of the director or officer and shall not be deemed exclusive of any other rights to indemnification or advancement of expenses such person may have or to which such person may be entitled.

If a claim under this Article is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful, in whole or in part, in any such suit or in a suit brought by the Corporation to recover advances, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such claim. In any action brought by the indemnitee to enforce a right hereunder (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation), it shall be a defense that, and in any action brought by the Corporation to recover advances the Corporation shall be entitled to recover such advances if, the indemnitee has not met the applicable standard of conduct set forth in the 1983 Act. Neither the failure of the Corporation (including its Board, a committee of its Board, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the 1983 Act, nor an actual determination by the Corporation (including its Board, a committee of its Board, independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard or conduct, shall be a defense to any action brought by the indemnitee or create a presumption that the indemnitee has not met the applicable standard of conduct. In any action brought by the indemnitee to enforce a right hereunder or by the Corporation to recover payments by the Corporation of advances, the burden of proof shall be on the Corporation.

#### ARTICLE V Director Liability

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No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director provided, however, that this Article does not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 8.65 of the 1983 Act, or (iv) for any transaction from which the director derived an improper personal benefit. This Article shall not eliminate or limit the liability of a director for any act or omission occurring prior to the date on which this Article becomes effective. If after this Article becomes effective, the 1983 Act is amended

to authorize the broader elimination or limitation of liability for a director, then in addition to the foregoing elimination of liability, upon the effective date of such amendment, the liability of a director shall without further act also be eliminated and limited to such broader extent to the fullest extent not prohibited by the 1983 Act as amended. The provisions of this Article shall be deemed to be a contract with each director of the Corporation who serves as such at any time while such provisions are in effect, and each such director shall be deemed to be serving as much in reliance on the provisions of this Article. No repeal or amendment of these Articles shall adversely affect any right or any elimination or limitation of liability of a director existing at the time of the repeal or amendment.

#### ARTICLE VI Amendments

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Except as otherwise expressly set forth in these Articles, or as specifically required by law, any amendment to the Articles requiring approval of shareholders shall be adopted upon receiving the affirmative vote of the holders of a majority of the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class or series of shares, if any, entitled to vote as a class on the amendment. Notwithstanding the foregoing, an amendment to the Articles to reduce the current requirement under the 1983 Act that the holders of two-thirds of outstanding shares, including the holders of two-thirds of any class or series, which is entitled to a class vote on such transaction, approve certain mergers, consolidations, exchange transactions, or sales by the Corporation of all or substantially all of its assets would, itself, require the affirmative vote of holders of two-thirds of any such class or series.

**TRADEMARK LICENSE AGREEMENT**

THIS TRADEMARK LICENSE AGREEMENT (“LICENSE”) dated as of December 28, 2005 is made and entered into between The Goodyear Tire & Rubber Company (“GOODYEAR”), an Ohio corporation whose address is 1144 East Market Street, Akron, Ohio 44316, (“LICENSOR”), and Titan Tire Corporation (“LICENSEE”), an Illinois Corporation whose address is 2701 Spruce Street, Quincy, Illinois 62301. “Parties” shall mean LICENSOR and LICENSEE.

**RECITALS**

**WHEREAS**, GOODYEAR and LICENSEE are parties to the Asset Purchase Agreement, dated as of February 28, 2005, by and among GOODYEAR, Goodyear Canada Inc., Goodyear Servicios Comerciales, S. de R.L. de C.V., The Kelly-Springfield Tire Corporation (collectively, the “Goodyear Parties”) and LICENSEE (the “Purchase Agreement”);

**WHEREAS**, pursuant to the Purchase Agreement, on the terms and subject to the conditions set forth therein, the Goodyear Parties have agreed to convey to LICENSEE the GOODYEAR farm tire assets in North America, including certain property, equipment, inventory and other assets associated with the manufacture of farm tires and the plant, property and equipment at GOODYEAR’s Freeport, Illinois tire manufacturing facility, as more fully described in the Purchase Agreement;

**WHEREAS**, in connection with the purchase of the Business, and pursuant to the Purchase Agreement, GOODYEAR and LICENSEE have or will enter into the Purchase Agreement, and the Ancillary Agreements, and are obligated to execute and deliver this LICENSE;

**WHEREAS**, LICENSOR and its wholly owned subsidiary, Goodyear Canada Inc. (“Goodyear Canada”), own the LICENSED MARKS identified in **Schedule B**; which have been used in connection with farm tires;

**WHEREAS**, LICENSEE desires to use the LICENSED MARKS upon and in connection with the manufacture, sale, promotion, marketing, advertising and distribution of LICENSED PRODUCTS; and

**WHEREAS**, the Parties agree that LICENSOR shall grant to LICENSEE a license to use the LICENSED MARKS in the manufacture, sale, promotion, marketing, advertising, and distribution of LICENSED PRODUCTS, subject to the terms and conditions herein;

**NOW, THEREFORE**, in consideration of the premises and the mutual promises and obligations contained herein, the Parties agree as follows:

**DEFINITIONS**

As used in this LICENSE, and unless the context requires a different meaning, the following terms have the meanings indicated (the meanings to be, when appropriate, equally applicable to both singular and plural forms of the terms defined):

**Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.**



“LICENSED MARKS” means (1) LICENSOR’S trademarks, service marks, trade names, and designs and symbols identified in **Schedule B**, which may be amended from time to time as provided herein, (2) the word mark GOODYEAR as set forth in **Schedule B**, and (3) any and all names, symbols, designs, and other insignia that are embedded in the tire molds transferred to LICENSEE under the Purchase Agreement.

“LICENSED PRODUCTS” means Front Farm Tires (including Radial Front Farm Tires), Implement Tires, Bias Rear Farm Tires, Radial Rear Farm Tires, Large Terra, Small Terra, Skid Steer Tires, Special Floatation Tires, and all other tires identified in the Goodyear 2003 Farm Tire catalog, incorporated herein by reference, except such tires excluded in Schedule 2.2(p)(i) – 2.2 (p)(iii) of the Purchase Agreement, copies of which are attached as **Schedule C** hereto (collectively, ‘Farm Tires’) and that (a) bear one or more LICENSED MARKS, and/or (b) are packaged, advertised, promoted, or marketed in conjunction with the LICENSED MARKS such that a reasonable purchaser would understand the Farm Tires to be those offered by, endorsed by, affiliated with, or sponsored by Licensor; *provided, however*, that “LICENSED PRODUCTS” does not include any product, or portion of a product, that happens to be combined with Farm Tires (by way of example and not limitation, LICENSED PRODUCTS does not include the wheel on which the Farm Tire is mounted and does not include the services of mounting the Farm Tire on the wheel, but would only include the Farm Tire).

“LICENSED TERRITORY” means the United States of America, Canada, Mexico, and their territories and possessions.

“NET SALES” means the gross amount invoiced to customers for sales of the LICENSED PRODUCTS, less only (a) returns actually made and credited as properly supported by documentation (provided, however, that \*\*) and (b) other items described in Exhibit X hereto.

“CHANGE OF CONTROL” means the occurrence of any of the following events unless LICENSOR consents in advance: (1) a Person, directly or indirectly, acquires “control,” as that term is defined in the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder (collectively, the “Exchange Act”) of LICENSEE or Titan International, Inc. (“Parent”), (2) a competitor or any Affiliate of any competitor of LICENSOR, or of any of LICENSOR’S Affiliates, acquires direct or indirect beneficial ownership (as defined in the Exchange Act) of more than five (5%) percent of the outstanding equity securities of LICENSEE or Parent, or LICENSEE or Parent becomes an Affiliate, directly or indirectly, of any competitor of LICENSOR or any of LICENSOR’S Affiliates or (3) the shareholders of LICENSEE or of Parent approve, or LICENSEE or Parent otherwise effects, enters into or approves, (A) a merger or consolidation of LICENSEE or Parent with or into any other Person, (B) an agreement for the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the assets of LICENSEE or Parent, (C) a plan of complete liquidation of LICENSEE or Parent (other than a liquidation, consolidation or merger of LICENSEE into Parent as a result of which Parent succeeds to the obligations of LICENSEE (x) hereunder, (y) under the Purchase Agreement and (z) under the Ancillary Agreements to which LICENSEE is a party) or (D) any transaction similar to any of the foregoing; provided, however, that the term “CHANGE OF CONTROL” shall not include the occurrence of any event described in Clauses (1) or (3) above that is a “going private” transaction, a “management-led” buy out or any other similar CHANGE OF CONTROL event as a result of which immediately after such event (i) the chief executive officer or one or more other current shareholders, Affiliates, directors or officers of Parent continue in management and they and/or their debt and/or equity sponsors, and/or an investment firm of which such a director is an officer or any subsidiary of Parent, either individually or as a group (excluding any Person other than Parent, an Affiliate of Parent or Titan Europe Plc (to the extent

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Parent continues to hold not less than 25% of the outstanding voting power therein) that is a competitor of LICENSOR or any of LICENSOR'S Affiliates) would own a majority of the outstanding voting securities or voting interest in, as applicable, the surviving or resulting Person or the Person succeeding to control of, or all or substantially all of the assets of, LICENSEE or Parent, and (ii) such Person would be bound by the terms hereof, including Section 12.2, and would succeed to the obligations described in Clause (C) above.

"WRITTEN APPROVAL/CONSENT/AUTHORIZATION" means approval or consent granted by LICENSOR by written means signed by an authorized representative of LICENSOR.

Other Definitions. Capitalized terms not otherwise defined in this LICENSE shall have the definition set forth in the Purchase Agreement.

Definitions Can be Substantive. If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party hereto, notwithstanding that it appears only in this Definitions section hereof, effect shall be given to it as if it were a substantive provision of this LICENSE.

Definitions Not in This Section of the LICENSE. Where any term is defined within the context of any particular Section or Clause in this LICENSE, the term so defined, unless it is clear from the Section or Clause in question that the term so defined has limited application to the relevant Section or Clause, shall bear the meaning ascribed to it for all purposes in terms of this LICENSE, notwithstanding that this term has not been defined in this section of the LICENSE.

Non-Business Day Performance. Where any payment falls due or any other obligation is to be performed on a day, that is not a Business Day in the jurisdiction where such payment is to be made or such obligation is to be performed, then such payment shall be made or such obligation performed on the next succeeding Business Day.

Calculation of Day Periods. Except as otherwise specifically provided in this LICENSE, where in this LICENSE any number of days is prescribed in relation to the doing of a particular thing or in respect of a period of time, those days will be calculated exclusive of the first day and inclusive of the last day.

## TERMS AND CONDITIONS

### 1. GRANT OF LICENSE

**1.1** Grant. Subject to the terms herein, LICENSOR grants to LICENSEE a non-exclusive, revocable (solely as set forth in this License), non-transferable license, without the right to sublicense, to use the LICENSED MARKS on and in connection with the manufacture of LICENSED PRODUCTS in the United States and in connection with the sale, promotion, marketing, advertising, and distribution of the LICENSED PRODUCTS within the LICENSED TERRITORY. This LICENSE may not, except in respect of any event that would constitute a CHANGE OF CONTROL but is excluded from the definition of CHANGE OF CONTROL hereunder as a result of the proviso set forth therein, be assigned without written authorization from LICENSOR, which may be withheld for any reason or for no reason. Nothing in this LICENSE shall limit the right of LICENSEE'S dealers, distributors, resellers, and other third parties in LICENSEE'S distribution network for the LICENSED PRODUCTS from using the LICENSED MARKS in connection with the sale, promotion, marketing, advertising, and

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distribution of the LICENSED PRODUCTS within the LICENSED TERRITORY during the Term. All rights not specifically granted to LICENSEE herein are reserved by LICENSOR, or Goodyear Canada. As to any trademark rights in the LICENSED MARKS which may be in the name of Goodyear Canada, GOODYEAR shall enter into an appropriate agreement with Goodyear Canada.

Nothing in this LICENSE shall restrict LICENSOR'S current or future commitments under secured lending or financing arrangements pledging the LICENSED MARKS.

- 1.2** Specifically Prohibited Uses of the LICENSED MARKS. Unless expressly authorized by this LICENSE, LICENSEE will not use any of the LICENSED MARKS or any confusingly similar terms **(a)** in any corporate titles, trade styles, business names, domain names or URL's, **(b)** in connection with any service or repairs, or **(c)** in the white pages of telephone and other directories.

LICENSEE is permitted to create signs which read "Goodyear Farm Tires." Any other usage of the LICENSED MARKS, including use on signs that are not covered by Goodyear Identification Agreements, requires the express written consent of GOODYEAR.

LICENSEE acknowledges that LICENSOR has removed certain signs and other GOODYEAR or Kelly identification at the Freeport Facility and LICENSEE agrees to remove all remaining GOODYEAR or Kelly signs or other forms of GOODYEAR or Kelly identification (and any other identification bearing any of the Goodyear Names and Marks) found on buildings, vehicles, uniforms, business forms or elsewhere at the Freeport, Illinois facility within six (6) months of the Closing Date.

- 1.3** Permitted Use in Advertising and Distribution. Subject to the requirements of section 7.4 and this section, LICENSEE shall be entitled to use the LICENSED MARKS to advertise, describe, solicit, demonstrate, sell, distribute, and otherwise promote the sale, repair, and service of the LICENSED PRODUCTS in all media now known or later developed, but shall not be entitled to own URL's which include GOODYEAR trademarks. At no time shall LICENSEE use the trademark "Goodyear" without the descriptive terms comprising the LICENSED PRODUCTS.

- 1.4** Use by Those in the Distribution Network. The grant of license does not include the right to sublicense; however, nothing in this LICENSE shall limit the right of LICENSEE'S dealers, distributors, resellers and others in LICENSEE'S distribution network of the LICENSED PRODUCTS from using the LICENSED MARKS in connection with the sale, promotion, marketing, advertising, and distribution of the LICENSED PRODUCTS within the LICENSED TERRITORY during the term of the LICENSE.

- 1.5** No Other Right To LICENSED MARKS, LICENSOR'S Other Intellectual Property or Third Party Marks. This LICENSE conveys to LICENSEE no rights with respect to the LICENSED MARKS other than specifically set forth herein. LICENSEE acknowledges that LICENSOR is the owner of certain trademarks, trade dress, copyrights, design patents, and other intellectual property rights that are not included in the LICENSED MARKS ("Other Trademarks"). LICENSEE understands and agrees that it does not have authorization to use the Other Trademarks in any manner whatsoever, nor does this LICENSE grant rights to intellectual property of any other party. LICENSEE must independently obtain any authorization, license or

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permission for use of third party intellectual property used in conjunction with the LICENSED MARKS and, upon request by LICENSOR, LICENSEE shall furnish written proof of such authorization.

**1.6** LICENSEE'S Rights Outside LICENSED TERRITORY. Except for tires mounted on original equipment vehicles within the LICENSED TERRITORY, and tires furnished to LICENSOR'S Affiliates under the Supply Agreement, LICENSEE agrees that it possesses no rights to sell the LICENSED PRODUCTS (a) itself, (b) to exporters, or (c) directly or indirectly to others for resale or reshipment outside the LICENSED TERRITORY. In the event that LICENSEE becomes aware that any party to whom it sells the LICENSED PRODUCTS intends to sell or ship, or is selling or shipping directly or indirectly, the LICENSED PRODUCTS outside of the LICENSED TERRITORY, LICENSEE shall take all necessary actions which are legally permissible to prevent such sales or shipments.

**1.7** LICENSOR'S Rights Within the LICENSED TERRITORY. Except for tires owned by LICENSOR or its Affiliates on the Closing Date, and except for tires mounted on original equipment vehicles outside the LICENSED TERRITORY, tires furnished or sold by LICENSEE to LICENSOR or its Affiliates under the Supply Agreement and tires the ownership or sale of which is permitted under the Purchase Agreement, LICENSOR agrees that it possesses no right to sell the LICENSED PRODUCTS (a) itself, (b) to exporters, or (c) directly or indirectly to others for resale or reshipment within the LICENSED TERRITORY; *provided, however,* that, during the Term, LICENSOR shall either terminate the rights of any Affiliates to use the LICENSED MARKS in the LICENSED TERRITORY in connection with any and all of the LICENSED PRODUCTS or shall otherwise ensure that Affiliates do not use the LICENSED MARKS in the LICENSED TERRITORY in connection with the LICENSED PRODUCTS except as provided in Sections 6.12 and 6.17 of the Purchase Agreement. In the event that LICENSOR or its Affiliates become aware that any party to whom they sell the LICENSED PRODUCTS intends to sell or ship, or is selling or shipping directly or indirectly, the LICENSED PRODUCTS into the LICENSED TERRITORY, LICENSOR shall take all necessary actions which are legally permissible to prevent such sales or shipments.

Without limiting the generality of and notwithstanding anything set forth in this Section 1.7, nothing herein shall be deemed to restrict the right of LICENSOR, or any of its Affiliates to sell original equipment tires mounted by LICENSOR or its Affiliates or by others outside the LICENSED TERRITORY, even with the expectation that such tires will be reshipped to the LICENSED TERRITORY. LICENSOR'S and its Affiliates' rights under this Section 1.7 are assignable and may be licensed to third parties; *provided that* LICENSOR shall give LICENSEE written notice to LICENSEE identifying all such third parties prior to any assignment or license effected pursuant to or in connection with any sale of all or substantially all of the farm tire assets of LICENSOR and its Affiliates, collectively.

**1.8** Modifications by LICENSOR.

(a) Modifications of trademarks other than GOODYEAR (word mark) and GOODYEAR (and winged foot design).

LICENSEE acknowledges that, from time to time and without LICENSEE'S approval, LICENSOR may modify certain elements of the LICENSED MARKS, add new LICENSED

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MARKS, or discontinue the use of certain LICENSED MARKS. Accordingly, LICENSOR does not represent or warrant that the LICENSED MARKS or any of their elements will be maintained or used in any particular fashion. In the event that LICENSOR makes modifications to the LICENSED MARKS other than GOODYEAR (word mark) and GOODYEAR (and winged foot design), this LICENSE will be subject to any such modifications effective upon written notification from LICENSOR; however, LICENSEE shall be allowed a reasonable sell-off period for any existing inventory of LICENSED PRODUCTS bearing discontinued or modified LICENSED MARKS. A "reasonable sell-off period" resulting from claim of trademark infringement will be as short as practical.

**(b) Modifications of the GOODYEAR (and winged foot) logo and designs found in the molds.**

LICENSOR will not discontinue the GOODYEAR (word mark) and GOODYEAR (and winged foot design) marks during the term of this LICENSE. In the event LICENSOR modifies these marks, LICENSEE will modify the GOODYEAR logo, tread designs, other designs and trade dress as molds are replaced. There will be no limitation on the time period that LICENSEE is authorized to sell goods bearing the versions of the GOODYEAR (word mark) and GOODYEAR (and winged foot design) subsequent to such modifications.

- 1.9** Manufacture of Kelly-Springfield and Power Mark Tires. For a period of up to one year from the Closing Date, LICENSOR will permit LICENSEE to manufacture Farm Tires bearing the Kelly-Springfield and/or Power Mark trademarks for warranty and replacement purposes and in order to allow an orderly transition of existing Kelly retailers to the Titan or GOODYEAR brands. LICENSEE agrees to be bound by the indemnity, royalty, and other provisions of the LICENSE with respect to any such Kelly or Power Mark tires manufactured or sold during this phase out period as if such tires constituted LICENSED PRODUCTS hereunder.
- 1.10** Use of LICENSEE'S Name. Nothing in this Agreement shall limit the right of LICENSEE to use its own name on or in connection with the LICENSED PRODUCTS so as to accurately identify itself as the manufacturer of the LICENSED PRODUCTS, including but not limited to the phrase "MADE BY TITAN" or "MANUFACTURED BY TITAN TIRE CORPORATION" or other such accurate description of source.
- 1.11** Certain Grants. Subject to the rights reserved under Section 1.7 and the rights under any non-exclusive licenses to Affiliates of LICENSOR (as further set forth in Section 1.7), and subject to the rights, including security interests, of Persons that have heretofore provided, or that may, from time to time after the date hereof, provide, financing to LICENSOR, LICENSOR agrees that it will not, during the term hereof, grant any license to any Person to use the LICENSED MARKS with respect to the LICENSED PRODUCTS in the LICENSED TERRITORY.

The obligations of LICENSOR set forth in the first sentence of this Section 1.11 are material to this LICENSE and the relationship between LICENSOR and LICENSEE.

If LICENSOR breaches the obligations of LICENSOR set forth in the first sentence of this Section 1.11 and does not cure such breach within sixty (60) days after receipt of notice (or thirty (30) days, in the event of unauthorized use by Affiliates of the LICENSED MARKS in connection with the LICENSED PRODUCTS), LICENSOR shall immediately owe LICENSEE, and shall promptly pay LICENSEE \*\*.

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## 2. TERM

- 2.1 Initial Term. This LICENSE shall be effective on the date written in line one (1) of this LICENSE (the "Effective Date") and shall expire at the end of seven (7) Contract Periods unless sooner terminated under operation of law or in accordance with the terms and conditions herein or renewed as provided herein (the "Term").
- 2.2 Contract Periods. Contract period one (1) shall begin on the Effective Date and end twelve (12) months later. Each consecutive twelve-month period thereafter shall be deemed a Contract Period.
- 2.3 Notice of Termination. LICENSOR may in its sole discretion terminate this LICENSE by giving three (3) years written notice prior to the end of any Contract Period beginning with Contract Period number four (4).
- 2.4 Renewal Term. Unless LICENSOR provides notice of termination, after the initial Term of seven (7) years this LICENSE shall automatically renew for successive one (1) year Contract Periods unless sooner terminated as provided in this LICENSE.

## 3. ROYALTIES

- 3.1 Earned Royalties. In each Contract Period, LICENSEE shall pay to LICENSOR a \*\* royalty based on the NET SALES of all LICENSED PRODUCTS sold ("Earned Royalties"). For purposes of this LICENSE, a LICENSED PRODUCT shall be considered sold on the date upon which such LICENSED PRODUCT is billed, invoiced, shipped, or paid for, or when title passes to the buyer, whichever occurs first.
- 3.2 \*\*
- 3.3 No Deductions. Unless specified otherwise in the attached Schedules or the definition of NET SALES, computation of NET SALES (including the computation of the gross price invoiced to customers) shall not include deductions for defective return allowances greater than \*\*, uncollectible accounts, new store allowance(s), advertising allowance(s), co-op allowance(s), costs incurred in the manufacture, sale, distribution, advertising, promotion, or exploitation of the LICENSED PRODUCTS, or any indirect or overhead expense of any kind whatsoever. Similarly, such deductions and costs shall not be deducted from gross sales or Earned Royalties.
- 3.4 Sales to Governmental Authorities. LICENSEE'S sales to governmental authorities under supply agreements entered into by LICENSOR shall have priority over sales to LICENSEE'S customers or other sales to LICENSOR.
- 3.5 \*\*

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#### 4. STATEMENTS AND PAYMENTS

##### 4.1 Statements.

- (a) Statement Content. Within thirty (30) days following the last day of each calendar quarter, LICENSEE shall furnish to LICENSOR a complete and accurate statement (in the format attached as **Exhibit I**) of its sales of LICENSED PRODUCTS during the preceding calendar quarter. Such statement shall be certified as accurate by LICENSEE'S Chief Financial Officer and shall indicate the following for each LICENSED PRODUCT by country: (a) a description of the LICENSED PRODUCT, including SKU number; (b) gross sales price of the LICENSED PRODUCT; (c) the number of units sold; (d) any itemized deductions from gross sales price which are expressly permitted hereunder; (e) NET SALES of the LICENSED PRODUCT distributed and/or sold by LICENSEE during the quarter; (f) any returns made and credited during the preceding calendar quarter; and (g) a calculation of Earned Royalties.
- (b) Statement Requirements. Such statements shall be submitted whether or not any sales of the LICENSED PRODUCTS occurred during the preceding calendar quarter. The receipt or acceptance by LICENSOR of any of the statements furnished pursuant to this LICENSE or of any royalties paid (or the cashing of any royalty checks paid by LICENSEE) shall not preclude LICENSOR from auditing, questioning or objecting to the accuracy of such statements or royalties at any time. In the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified.

##### 4.2 Payments.

- (a) Payment Requirements. LICENSEE shall remit within thirty (30) days following the last day of each calendar quarter, together with the statement required for that quarter, a payment of the Earned Royalties due from sales during the preceding quarter. For any Contract Period where the Earned Royalties do not meet or exceed the Minimum Guarantee, in the fourth quarterly payment for that Contract Period LICENSEE shall pay the balance of the fees required to meet the Minimum Guarantee. All payments made hereunder shall be in United States currency (converted from any foreign currency at the spot rate of exchange for United States Dollars as published by The Wall Street Journal in New York, NY, USA, as of the last business day of the quarter for which payment is being made) and shall be remitted by wire transfer into such account as is designated by LICENSOR. LICENSOR reserves the right to reject any other form of payment. LICENSEE shall have no right to set off any money owed to LICENSEE by LICENSOR against any money owed by LICENSEE to LICENSOR hereunder.
- (b) Late Payments. If any payments due hereunder are not timely paid, LICENSEE shall pay interest on the amount owed at a rate of one and one-half percent (1½%) per month (or the maximum rate allowed by law if lower) from the date such amount was due until it is paid. If it becomes necessary for LICENSOR to undertake legal action to collect any such payments, LICENSEE shall pay LICENSOR'S actual and reasonable outside legal

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fees and costs of the action and related negotiations if the legal action undertaken results in a determination that the payments were due.

- (c) All payments. Payments of whatever nature due to LICENSOR under this LICENSE shall be net without any deductions whatsoever and shall be increased by the amount of any tax, charge or levy which may be imposed on or with respect to such payments by the national or local governments save to the extent that such amount may lawfully be taken by LICENSOR as a credit against income tax payable by LICENSOR under the laws of the United States of America. Upon request, LICENSEE will complete and provide to LICENSOR any governmental form, receipt or document required in connection with payments made pursuant to this LICENSE. This would include but is not limited to proof of payment of withholding taxes or any form or certification required in order to reduce or eliminate any otherwise required withholding tax.

#### 4.3 Inspection of Records.

- (a) Inspection. LICENSEE shall keep complete, accurate, and verifiable books and records at its principal place of business showing all transactions relating to the LICENSE herein granted. Such books and records shall include numerically sequenced invoices. LICENSOR or its duly authorized representatives shall have the right, upon no less than five (5) business days' notice, and during normal business hours, to inspect LICENSEE'S books and records and all other documents and material in the possession of or under the control of LICENSEE in order to verify the accuracy of LICENSEE'S sales reports. LICENSOR shall have free and full access thereto for such purposes and shall be permitted to make copies thereof.
- (b) Discrepancy. In the event that any such inspection reveals an underpayment by LICENSEE, LICENSEE shall immediately remit payment to LICENSOR in the amount of the underpayment plus interest at the rate of one and one-half percent (1½%) per month (or the maximum rate allowed by law if lower) from the date such payment was due until the date when such payment is actually made; provided, however, that LICENSOR shall, in the absence of any intentional misconduct by LICENSEE, be entitled only to contest LICENSEE'S payments hereunder for the then-current Contract Period plus two (2) previous Contract Periods. Subject to the foregoing, once the deadline for contest with respect to a Contract Period has passed, LICENSEE'S payments for that time period may not be included in any contest by LICENSOR. In the event that an audit subject to contest hereunder reveals an underpayment of more than 3% by LICENSEE of Earned Royalties, then LICENSEE shall bear all actual and reasonable outside expenses related to such inspection.
- (c) Maintenance After Expiration. For each Contract Period, all books and records relative to LICENSEE'S obligations hereunder shall be maintained and kept accessible and available to LICENSOR for inspection for at least three (3) years after the conclusion of that Contract Period.
- (d) Confidential Financial and Business Information. In the event that an investigation of LICENSEE'S books and records is made, certain confidential and proprietary business information of LICENSEE may necessarily be made available to the person or persons

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conducting such investigation. It is agreed that such confidential and proprietary information shall be retained in confidence by LICENSOR under the provisions of the confidentiality section of this LICENSE and shall not be disclosed to any third party without the prior express written permission of LICENSEE. It is understood and agreed, however, that such information may be used in any proceeding arising out of LICENSEE'S obligations hereunder.

## 5. OWNERSHIP, GOODWILL AND PROTECTION OF RIGHTS

- 5.1** Acknowledgment. LICENSEE acknowledges LICENSOR'S exclusive right, title, and interest in and to the LICENSED MARKS, and shall not at any time during the Term of this LICENSE or thereafter do or permit to be done any act or thing which impairs the rights of LICENSOR with respect to such LICENSED MARKS. LICENSEE will never represent that it has any ownership in the LICENSED MARKS or in any registration of them and shall not attempt to register the LICENSED MARKS alone or as part of its own trademark or service mark in any jurisdiction. LICENSEE will use the LICENSED MARKS only in the manner specified by LICENSOR and this LICENSE. LICENSEE agrees that it will not, during the Term of this LICENSE, or thereafter, attack the validity or distinctiveness of the LICENSED MARKS. The Parties expressly intend and agree that all use of the LICENSED MARKS shall inure to the sole benefit of LICENSOR.
- 5.2** Confusingly Similar Marks. LICENSEE shall not, either during or after the Term of this LICENSE, use or authorize the use of any configuration, mark, name, design, logo or other designation confusingly similar to the LICENSED MARKS. Should LICENSEE, during the term of this LICENSE or at anytime thereafter, assert ownership in any insignia, mascot, designation, or trademark in any jurisdiction, which is the same as, or confusingly similar to, any of the LICENSED MARKS, LICENSEE will, upon request of LICENSOR, transfer or assign all right, title, and interest that it asserts in such insignia, mascot, designation, or trademark, including but not limited to any registrations, to the LICENSOR or its designee. To the best of LICENSOR'S knowledge, as of the Effective Date LICENSEE is not using configuration, trademark, service mark, design, logo, trade name, symbol, brand, device, other designation, or combination, that is likely to cause confusion with respect to the goods or services of LICENSOR, or to cause mistake, or to deceive a reasonably prudent purchaser.
- 5.3** Registrations. LICENSEE agrees that it shall not, on the basis of its use of the LICENSED MARKS, oppose or seek to cancel in any court or state or federal agency, including, but not limited to, the United States Patent and Trademark Office. LICENSEE shall not initiate any legal actions based on the use of any material or artwork that includes the LICENSED MARKS, including, but not limited to, actions involving copyright infringement of any material containing LICENSED MARKS, without the prior express written consent of the LICENSOR. LICENSOR shall have the option to be consulted regarding such litigation at its sole discretion.
- 5.4** Modifications By LICENSEE. LICENSEE shall not, without prior express written permission from LICENSOR, develop or authorize the development of variations of the LICENSED MARKS or elements included within the LICENSED MARKS. In the event that LICENSOR grants such rights, any designs created shall be included in the LICENSED MARKS licensed hereunder, LICENSOR shall own all the rights in such new design, and LICENSEE shall execute any documents required to

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transfer such rights to LICENSOR. All uses and rights of and to the new designs shall inure to the exclusive benefit of LICENSOR and LICENSOR may register and protect the same in its own name, as it deems necessary or appropriate.

- 5.5 Goodwill. LICENSEE recognizes the value of the publicity and goodwill associated with the LICENSED MARKS, acknowledges that the LICENSED MARKS and any marks confusingly similar to the LICENSED MARKS have acquired secondary meaning, and that all related rights and goodwill belong exclusively to LICENSOR. LICENSEE agrees that it shall not conduct any activity or produce goods, which in any way question LICENSOR'S ethics or lawful practices, nor shall LICENSEE do anything that damages or reflects adversely upon LICENSOR, the LICENSED PRODUCTS, or the LICENSED MARKS.

## 6. LICENSED MARKS PROTECTION

### 6.1 Third Party Unauthorized Use of LICENSED MARKS

- (a) Notify LICENSOR. LICENSEE shall notify LICENSOR, in writing, of any manufacture, distribution, sale or advertisement of any product or service of the same general type or class as the LICENSED PRODUCTS that LICENSEE believes may constitute an infringement upon LICENSOR'S rights or LICENSEE'S authorized use of the LICENSED MARKS. LICENSEE shall not commence, prosecute or institute any action or proceeding against any person, firm or corporation alleging infringement, imitation or unauthorized use of the LICENSED MARKS without the prior written consent of LICENSOR.
- (b) Appropriate Action With Respect to Trademarks Other than GOODYEAR or GOODYEAR (and winged foot design). LICENSOR shall have the sole right to determine the appropriate action to be taken against any infringement, imitation or unauthorized use of these LICENSED MARKS, including whether to settle any claims or any controversy arising out of such claims. LICENSOR shall bear the expense of any actions and shall receive any settlements or damages.
- (c) Appropriate Action With Respect to the Trademarks GOODYEAR or GOODYEAR (and winged foot design). LICENSOR shall have the initial right to determine the appropriate action to be taken against any infringement, or any imitation or other use unauthorized by LICENSOR, of these LICENSED MARKS as to LICENSED PRODUCTS, including whether to settle any claims or any controversy arising out of such claims. LICENSOR acknowledges that, as a result of the license granted to LICENSEE, LICENSEE may sustain economic injury for any infringements of these LICENSED MARKS relating to the LICENSED PRODUCTS in the LICENSED TERRITORY. If LICENSOR fails to act within a reasonable period of time, LICENSEE may institute an action to enjoin such infringement and to recover damages. Actions with respect to GOODYEAR or GOODYEAR (and winged foot design) with respect to the LICENSED PRODUCTS in the LICENSED TERRITORY may be commenced by LICENSOR, LICENSEE, or by LICENSOR and LICENSEE jointly. Any and all profits, damages and/or settlements recovered in such action or proceeding shall be divided as follows: (1) each plaintiff will recover an equal percentage of its legal expenses up to one hundred percent (100%), (2) LICENSEE will recover its proven economic damages if they exceed the combined legal

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expenses, and (3) any additional money beyond (1) and (2) shall be divided equally between LICENSOR and LICENSEE.

- 6.2 Reasonable Assistance. LICENSEE agrees to provide LICENSOR with such reasonable assistance as LICENSOR may require in obtaining any protection of LICENSOR'S rights to the LICENSED MARKS at no expense to LICENSEE.

## 7. QUALITY CONTROL

- 7.1 New Products. LICENSEE must provide written notice to LICENSOR prior to the production of any new products which are to bear LICENSED MARKS. Any such products must also be added to the quarterly reports issued by LICENSEE. The parties agree that products currently made or sold by LICENSEE are not "new products" under this Section, and that for a Farm Tire to be a "new product" it must bear a new SKU designation (a mere redesignation of the SKU for an existing product does not, however, constitute the product a "new product" hereunder).
- 7.2 Quality Standards. LICENSEE warrants that the LICENSED PRODUCTS shall be made to reasonable commercial quality standards, and be of a quality equal to or higher than the samples provided to LICENSOR for review in accordance with this LICENSE. Moreover, the LICENSED PRODUCTS shall be manufactured according to LICENSEE'S approved standard quality control and manufacturing procedures and requirements, and shall meet (or exceed) all applicable government and industry standards, regulations, guidelines, rules, laws, and the like regarding such product(s). LICENSEE shall not offer for sale, advertise, promote, distribute, or use for any purpose any LICENSED PRODUCTS or packaging that are damaged, defective, seconds, or that otherwise fail to meet the specifications or quality requirements set forth in this LICENSE.
- 7.3 Product Sample Testing. If a question arises under Section 7.2, LICENSOR at its discretion may require LICENSEE to submit \*\*. Upon reasonable request by LICENSOR, such testing shall be conducted throughout the Term and any renewal of this LICENSE.
- 7.4 Review of Marketing Materials Incorporating LICENSED MARKS. LICENSOR may request LICENSEE to provide samples of all packaging, promotional materials, and advertisements associated with the LICENSED PRODUCTS and any other materials containing, displaying, or used in conjunction with the LICENSED MARKS for LICENSOR'S inspection and approval. Such inspection shall be restricted solely to the use of the LICENSED MARKS.
- 7.5 Quality Maintenance/Inspection of Facilities. To ensure that the standards of quality reflected in the approved samples are being maintained, LICENSOR or its authorized representatives have the right to enter and inspect the facilities of LICENSEE during reasonable hours and upon two (2) Business Days' notice during the Term of the LICENSE and during any sell-off period thereafter.
- 7.6 Substandard Quality. In the event that the quality of any of the LICENSED PRODUCTS falls below the level set forth in Section 7.2, LICENSEE shall, upon written notice from LICENSOR, immediately discontinue the production, sale, or distribution of such products or materials until such time as the products meet the standards in Section 7.2. In addition, a LICENSED PRODUCT will be deemed to have fallen below the requisite quality level if it is determined that \*\*.

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- 7.7 Disposal of Substandard Products. LICENSEE shall, upon LICENSOR'S direction, ship to LICENSOR, or destroy and certify such destruction of, all substandard LICENSED PRODUCTS. Upon written approval from LICENSOR, LICENSEE may be authorized to dispose of such products at its own discretion as long as no use of or reference to the LICENSED MARKS is made in connection with the products. In such event, LICENSEE must completely remove all labels, tags and marks that would identify LICENSOR or the LICENSED MARKS and cut the beads on all tires to be scrapped.
- 7.8 Consumer Inquiries. LICENSEE shall, at its sole cost, establish and maintain procedures satisfactory to LICENSOR for the handling of all consumer complaints about quality or product warranty issues, relating to any of the LICENSED PRODUCTS ("Consumer Inquiries"). LICENSOR may forward to LICENSEE for handling any and all Consumer Inquiries that it receives. LICENSEE shall submit to LICENSOR a monthly report of all Consumer Inquiries and the manner in which they were handled.

## 8. USE OF OTHER MARKS WITH THE LICENSED MARKS

- 8.1 Use of Other Marks. After the Closing Date, LICENSEE may add the words "Made by Titan" to all molds bearing any of the LICENSED MARKS. LICENSEE shall not use any trademark, service mark, trade name, logo, symbol or devices in combination with the LICENSED MARKS without the prior written consent which consent can be withheld for any or no reason by LICENSOR, except for the use of "Made by Titan" and the use of "Titan" as part of LICENSEE'S corporate name in conjunction with the sale of LICENSED PRODUCTS. LICENSEE shall not attempt to obtain copyright or trademark in any artwork, which contains or is derived from the LICENSED MARKS without the prior written consent of LICENSOR which consent can be withheld for any or no reason. At LICENSOR'S request, LICENSEE shall remove from any LICENSED PRODUCT or associated materials bearing the LICENSED MARKS and under LICENSEE'S control or access, any element which LICENSOR believes will harm the LICENSED MARKS or LICENSOR'S reputation. LICENSEE shall not be required to remove any marks, or alter any LICENSED PRODUCTS or associated materials, if such goods or materials have previously been consented to by LICENSOR.

## 9. INDEMNIFICATION

- 9.1 Indemnification of LICENSOR. LICENSOR assumes no liability to LICENSEE or any third parties with respect to LICENSED PRODUCTS manufactured, sold, or distributed by LICENSEE. LICENSEE agrees to hold harmless, defend and indemnify LICENSOR and its officers, shareholders, employees and agents against third party claims, liabilities, demands, judgments or causes of action, and costs and expenses related thereto (including, but not limited to, reasonable attorney's fees and costs), related to the LICENSED PRODUCTS or arising out of the manufacture, distribution, advertising, use, sale or marketing of the LICENSED PRODUCTS, and any breach of this LICENSE, including, but not limited to, unauthorized use of the LICENSED MARKS and infringement of any intellectual property rights except as otherwise stated below, provided that: (a) prompt written notice is given to LICENSEE of any such suit or claim; (b) LICENSEE shall have the option and right to undertake and conduct the defense of any such suits or claims brought against LICENSOR; and (c) no settlement of any suit or claim

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involving the LICENSED MARKS is made or entered into without the prior express written consent of LICENSEE.

- 9.2** Indemnification of LICENSEE. LICENSOR agrees to hold harmless, defend and indemnify LICENSEE, its officers, shareholders, employees and agents against third party claims, liabilities, demands, judgments, or causes of action and costs and expenses related thereto (including but not limited to reasonable attorneys' fees and costs) of trademark, trade dress or copyright infringement, or unfair competition, or damages relating thereto, related to the use of the LICENSED MARKS that are registered in the identified LICENSED TERRITORY, on or in connection with the LICENSED PRODUCTS as expressly authorized by this LICENSE, and agrees to hold harmless, defend and indemnify LICENSEE or any third parties with respect to the performance characteristics of LICENSED PRODUCTS manufactured by LICENSOR or its Affiliates provided that: **(a)** prompt written notice is given to LICENSOR of any such suit or claim; **(b)** LICENSOR shall have the option and right to undertake and conduct the defense of any such suits or claims brought against LICENSEE; and **(c)** no settlement of any suit or claim involving the LICENSED MARKS is made or entered into without the prior express written consent of LICENSOR. This indemnification shall not apply to actions arising out of the use of LICENSED MARKS in territories where such LICENSED MARKS are not registered.

## **10. [RESERVED]**

## **11. DISPUTE RESOLUTION**

- 11.1** In the event of a dispute between or among the parties arising out of or in connection with this LICENSE, the parties to the dispute shall make every effort to resolve, promptly and in good faith, such dispute. In the event that the dispute cannot be resolved, a party may notify another party of the existence of a possible deadlock by sending a letter signed by management responsible for the operation of this Agreement to management of the other party. Within fifteen (15) business days after receipt of that notice, management of the parties shall arrange to meet at a mutually agreeable time and place, and thereafter as often as they reasonably deem necessary for a period of ninety (90) days from the date of that first meeting, to exchange relevant information and to attempt to resolve the dispute. In the event that responsible management have not been successful in resolving the dispute within ninety (90) days of the receipt of the disputing party's notice, either party may initiate an action or take such other action as is permitted under the LICENSE or any other ANCILLARY AGREEMENTS in accordance with the time periods set out elsewhere herein or therein. Except as set forth elsewhere in the ANCILLARY AGREEMENTS, each party shall be responsible for its own legal fees and expenses.

## **12. TERMINATION AND EXPIRATION**

- 12.1** Expiration. Except as otherwise provided herein, this LICENSE shall expire in accordance with Section 2.
- 12.2** LICENSOR'S Right of Termination. Unless otherwise provided herein, LICENSOR shall have the right to terminate this Agreement immediately if LICENSEE materially breaches this Agreement and fails to cure such breach or to adopt a plan reasonably designed to cure such breach within sixty (60) days after receipt of notice. Material breach includes any of the following:

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- (a) LICENSEE breaches Section 7.2 hereof; or
- (b) Any LICENSED PRODUCT is recalled for any reason and LICENSEE fails or refuses to correct the condition or defect which caused the recall; or
- (c) Except under federal bankruptcy laws, LICENSEE files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, discontinues all or a significant portion of its business, or its business is appointed a receiver; or
- (d) LICENSEE breaches its confidentiality obligations as provided in Section 14; or
- (e) LICENSEE sells LICENSED PRODUCTS outside the LICENSED TERRITORY except as allowed in Section 1.6 or otherwise by this Agreement, the Purchase Agreement, the Supply Agreement, or the Ancillary Agreements; or
- (f) LICENSEE ceases or threatens to cease, to carry on all or any material part of its business.

LICENSOR may also terminate this LICENSE immediately upon notice to LICENSEE in the event LICENSEE undergoes a CHANGE OF CONTROL, *provided, however*, that (i) LICENSEE shall notify LICENSOR in writing (a) promptly after it becomes aware of any CHANGE OF CONTROL described in Clause 2 of the definition of CHANGE OF CONTROL hereunder, or (b) not less than sixty (60) days prior to the proposed closing date with respect to any proposed CHANGE OF CONTROL other than a CHANGE OF CONTROL described in such Clause 2, and (ii) LICENSOR must exercise the termination right provided in this paragraph within 60 days after its receipt of the notice referred to in Clause (i)(b) of this sentence.

**12.3** Commercialization by LICENSEE. LICENSEE agrees that during the Term of this LICENSE it will diligently distribute, promote, and sell the LICENSED PRODUCTS, and that it will make and maintain adequate arrangements for the distribution of the LICENSED PRODUCTS throughout the entire LICENSED TERRITORY. Any determination that LICENSEE has failed to diligently manufacture, distribute, promote, or sell any single LICENSED PRODUCT in any country within the LICENSED TERRITORY at any given time during the Term shall permit LICENSOR to terminate this LICENSE with respect to that LICENSED PRODUCT and/or LICENSED TERRITORY.

**12.4** LICENSEE'S Right of Termination. LICENSEE shall have the right to terminate this LICENSE if LICENSOR materially breaches this LICENSE and fails to cure such breach, or to adopt a plan reasonably designed to cure such breach within sixty (60) days after receipt of such notice, and material breach includes:

- (a) Files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, discontinues all or a significant portion of its business, or its business is appointed a receiver, or

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- (b) Materially breaches any of the conditions or provisions of this LICENSE, or
- (c) Breaches the confidentiality obligation as provided in Section 14.

**12.5** Duties Upon Termination. Termination of the LICENSE shall be without prejudice to any rights that the terminating Party may otherwise have against the other Party. Upon termination by LICENSOR, all money owed including all unaccrued royalties, shall become immediately due and payable. Unless LICENSOR demonstrates that LICENSEE'S use of the LICENSED MARKS in connection with the LICENSED PRODUCTS will harm the reputation of LICENSOR, upon termination of this LICENSE, LICENSEE shall have a sell-off period of one (1) year for any LICENSED PRODUCTS manufactured prior to the effective date of termination. During such sell-off period LICENSEE shall be entitled to use the LICENSED MARKS as authorized by this Agreement in connection with the promotion, marketing, advertising, packaging, distribution, and sale of the LICENSED PRODUCTS. LICENSEE may not sell molds, plates, dies, or the like, bearing LICENSED MARKS, to a third party absent the express written consent of LICENSOR. During the sell-off period, LICENSEE shall pay Earned Royalties on its sales of LICENSED PRODUCTS but there is no Minimum Guarantee owed to LICENSOR by LICENSEE during such period.

**12.6** Duties Upon Expiration/Sell-off. Upon expiration of this LICENSE, LICENSEE shall discontinue all use of the LICENSED MARKS; provided, however, LICENSEE shall have one (1) year within which to dispose of any existing inventory of the LICENSED PRODUCTS. Thereafter, LICENSEE shall promptly discontinue the sale or distribution of the LICENSED PRODUCTS and shall destroy or ship to LICENSOR all existing inventory of LICENSED PRODUCTS. LICENSEE may not sell molds, plates, dies, or the like, bearing LICENSED MARKS, to a third party absent the express written consent of LICENSOR. Sales under this Paragraph shall require the payment of Earned Royalties as provided above, as well as compliance with all other provisions of this LICENSE, provided that the Minimum Guarantee shall not apply. In the event LICENSEE elects to sell LICENSED PRODUCTS under this Paragraph at a price lower than LICENSEE'S "normal selling price" of the LICENSED PRODUCTS (as determined by LICENSEE'S prior course of business), the gross sales for calculating NET SALES shall be the higher of actual gross invoice price or seventy-five percent (75%) of the value of the LICENSED PRODUCTS as if sold at their "normal selling price". LICENSEE'S right to sell off pursuant to this paragraph is subject to the condition that, within thirty (30) days after expiration, LICENSEE will (a) pay to LICENSOR all Earned Royalties and/or Minimum Guarantees accrued or due at the time of expiration as soon as such Earned Royalties can be computed; (b) deliver to LICENSOR a report of sales up to the time of expiration; and (c) provide LICENSOR with an inventory of unsold LICENSED PRODUCTS and allow LICENSOR at its option to conduct a physical inventory to verify the statement.

**12.7** Disposition of Molds Upon Expiration or Termination; Related Matters. LICENSEE will destroy all molds containing the LICENSED MARKS or remove such marks from the molds, and shall destroy or remove such marks from all goods in progress, designs, plates, dies, screens, and advertising/promotional materials, within ninety (90) days after expiration or termination. An officer of LICENSEE must certify such change or destruction in writing to the address provided for notices to LICENSOR.

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- 12.8** Bankruptcy/Sale of LICENSOR. If LICENSOR shall be subject to a voluntary or involuntary petition for bankruptcy, and if the trustee rejects this LICENSE as an executory contract, LICENSEE may elect **(a)** to treat this LICENSE as terminated by such rejection if such rejection by the trustee amounts to such a breach as would entitle LICENSEE to treat such contract as terminated by virtue of its own terms, applicable nonbankruptcy law, or an agreement made by LICENSEE with another entity; or **(b)** to retain its rights (but excluding any right under applicable nonbankruptcy law to specific performance of such contract) under this LICENSE as such rights existed immediately before the case commenced, for the duration of the Term, including any Renewal Term, in accordance with this LICENSE. LICENSEE'S rights under this LICENSE shall not be affected by any change of ownership of LICENSOR.
- 12.9** Termination of Supply Obligation. Unless the parties hereto otherwise agree, upon termination or expiration of this LICENSE for any reason, LICENSEE shall have no obligation to supply tires to LICENSOR under the Supply Agreement or under, except in respect of the Offtake Agreement, any other agreement between the parties related to the Purchase Agreement, and LICENSEE shall have no Minimum Guarantee payment obligation; provided, that, in such event, the parties hereto shall use all reasonable efforts, acting in good faith, to agree as quickly as practicable upon alternative arrangements for the supply by Titan of tires **(a)** theretofore subject to supply by Titan under such agreements and **(b)** required to be sold or delivered by GOODYEAR under any federal or state government contract to which GOODYEAR is a party.

### 13. INJUNCTIVE RELIEF

- 13.1** Injunctive Relief. It is expressly agreed that LICENSOR would suffer irreparable harm from a breach by LICENSEE of any of its covenants contained in this LICENSE, and that remedies other than injunctive relief cannot fully compensate or adequately protect LICENSOR for such a violation. Therefore, without limiting the right of LICENSOR to pursue all other legal and equitable remedies available for violation of this LICENSE, in the event of actual or threatened breach by LICENSEE of any of the provisions of this LICENSE, LICENSEE consents that LICENSOR shall be entitled to injunctive or other relief in order to enforce or prevent any such violation or continuing violation thereof without necessity of posting bond or other security, any requirements therefore being expressly waived by LICENSEE. LICENSEE agrees not to raise the defense of an adequate remedy at law in any such proceeding. LICENSEE acknowledges and agrees that the provisions of this paragraph are reasonably necessary and commensurate with the need to protect LICENSOR against irreparable harm and to protect its legitimate and proprietary business interests and property.

### 14. CONFIDENTIALITY

- 14.1** It is anticipated that LICENSOR and LICENSEE will obtain or have obtained information about the other party's business and/or technology and/or marks, logos or commercial symbols that the other party considers confidential.
- 14.2** During and for a period of ten (10) years following the expiration or termination of this LICENSE, LICENSOR and LICENSEE agree not to disclose to others the subject matter of this

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LICENSE or any information furnished by the other party, which may include, without limitation, marketing and financial information, trade secrets, know how, drawings, designs, data, copyrights, inventions, processes, procedures, formulas, specifications, and the like (“Confidential Information”) without written prior approval of the other party, which approval may be withheld for any reason or for no reason.

- 14.3** Each of the parties shall exercise care to prevent the disclosure of Confidential Information to any third party, using the same standard of care which it employs with its own confidential information of similar character. The parties also shall limit internal dissemination of Confidential Information within their own organization in strict conformity with each party’s established internal policies and procedures regarding the protection of confidential information. Each party further agrees that it shall be liable to the other party for unauthorized disclosures or use of Confidential Information of the other party by any of its employees; provided, however, that the parties shall not be liable to one another for disclosures on use of Confidential Information of the other party by an employee of a party who makes such disclosure or engages in such use more than ten (10) years after the employee terminates his or her employment with such party.
- 14.4** LICENSOR and LICENSEE shall exercise care to prevent the disclosure of Confidential Information to any third party, using the same standard of care which it employs with its own confidential information of similar character.
- 14.5** Confidential Information does not include information that:
- (i) recipient’s files and records establish as having been in its possession in significant detail at the time the information was received; or
  - (ii) is publicly available in significant detail at the time it is disclosed to recipient by discloser or which later becomes so available other than as a result of recipients’ action or inaction; or
  - (iii) becomes known to recipient from a third party who has the right to disclose such information without breach of an actual or implied obligation of trust or confidence to the discloser or any other party; or
  - (iv) becomes known to recipient from a third party that had the lawful right to disclose such information; or
  - (v) is disclosed by recipient with the other party’s prior written approval; or
  - (vi) is required to be disclosed by a court of law or requested by a regulatory agency; provided that the party subject to the requirement of disclosure complies with Section 14.6.
- 14.6** If a party believes that it is legally required to disclose any Confidential Information, that party (the “Initial Party”) will promptly notify the other party. Unless the other party within 10 days of receipt of that notice gives notice to the Initial Party that the other party intends to seek a protective order or act in some other way to prevent disclosure of the information in question, the

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Initial Party may disclose the information without a violation of this LICENSE. After giving the notice referred to in the preceding sentence, the other party must act promptly to contest the obligation of disclosure, notify the Initial Party of its actions and give the Initial Party notice if it does not successfully contest the obligation of disclosure in time to permit the Initial Party to disclose the information without violation of law or contempt of any Governmental Authority. If compelled to disclose any Confidential Information, the Initial Party will disclose only such Confidential Information as to which disclosure is required and will use all commercially reasonable efforts to ensure that the Confidential Information required to be disclosed is accorded confidential treatment by the person, entity or Governmental Authority to whom or to which such Confidential Information is disclosed.

## 15. WARRANTIES

- 15.1** LICENSOR'S Warranty. LICENSOR represents and warrants that it has the full right, power, and authority to enter into and perform this LICENSE, that it is not a party to any agreement or understanding which would conflict with this LICENSE, and that it owns, controls, or has previously been granted the necessary rights in and to the LICENSED MARKS which enable LICENSOR to grant to LICENSEE the rights granted herein. LICENSOR further represents that, as of Closing, it is not aware of any infringements of the LICENSED MARKS in North America and that, to the best of its knowledge, information, and belief, the LICENSED MARKS are noninfringing. LICENSOR **(a)** makes no other representation or warranty, express or implied, **(b)** assumes no liability with respect to any infringement of any patent or other right of third parties due to LICENSEE'S activities under the license granted hereby and **(c)** assumes no liability with regard to any claim, specious or otherwise, arising out of alleged side effects or any other alleged performance defect arising out of the use or misuse of the LICENSED PRODUCTS.
- 15.2** LICENSEE'S Warranty. LICENSEE warrants and represents that it is authorized to enter into this LICENSE and that there is no existing agreement with any third party that prevents it or restrains its ability to comply with its obligations under this LICENSE. LICENSEE further warrants and represents that it owns or has acquired all rights, title and interest to any design or tread design that it claims can be used on any LICENSED PRODUCTS; that it has acquired any necessary authorization, license, or permission from any third party(ies) to manufacture, promote, market, distribute, and/or sell LICENSED PRODUCTS. LICENSEE shall not disclaim any warranty whether contained herein or arising by operation of law, and any attempted disclaimer shall be deemed null and void.
- 15.3** Brokers. Each Party hereby represents and warrants to the other that it has not employed or dealt with any broker or finder in connection with this LICENSE or the transactions contemplated hereby and agrees to indemnify the other Party and hold them harmless from any and all liability including, without limitation, reasonable attorney's fees (including without limitation, the costs of LICENSOR'S inside counsel and other personnel calculated at market billing rates) and disbursements paid or incurred in connection with any such liability for any claimed brokerage commissions or finders' fees in connection with this LICENSE or the transactions contemplated hereby.

## 16. NOTICE

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**16.1** Notices. All notices, and other communications which may or are required to be given or made by either Party to the other in connection with this LICENSE shall, except as otherwise set forth herein, be in writing (including telex, fax or other similar writing) and shall be deemed to have been duly given or made: **(a)** if sent by registered or certified mail, three (3) days after the posting thereof with first class postage attached; **(b)** if sent by hand or overnight delivery, upon the delivery thereof; and **(c)** if sent by telex or fax, upon confirmation of receipt of such telex or fax, in each case addressed to the respective Parties as follows:

If to LICENSOR:

The Goodyear Tire & Rubber Company  
1144 East Market Street  
Akron, Ohio 44316-0001  
Phone: (330) 796-1818  
Fax: (330) 796-8836  
Attention: Corporate Secretary

If to LICENSEE:

Maurice M. Taylor, Jr.  
Titan Tire Corporation  
2701 Spruce Street  
Quincy, IL 62301  
Fax: (217)228-3166

with a copy to:

Cheri T. Holley  
General Counsel  
Titan International, Inc.  
2701 Spruce Street  
Quincy, IL 62301  
Fax: (217) 228-3040

with second copy to:

Robert J. Diehl, Jr.  
Bodman LLP  
100 Renaissance Center, 34<sup>th</sup> Floor  
Detroit, MI 48243  
(313) 393-7579

or to such other address and to the attention of such other persons as may be designated from time to time by such other Party hereto by notice given in the manner provided in this Section 16.1.

## 17. RELATIONSHIP OF THE PARTIES

**Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.**

17.1 Independent Contractors. LICENSEE shall not state or imply, directly or indirectly, that LICENSEE or its activities, other than those provided herein, are supported, endorsed or sponsored by LICENSOR. It is understood that the relationship between the Parties shall be that of independent contractors, that neither Party shall have any right or power to obligate, bind, or commit the other to any expense, liability, or matter other than as expressly provided and authorized in this LICENSE, and that the officers, employees, and agents or other representatives of one Party shall not be deemed expressly or impliedly the employees, partners, joint ventures or agents of the other.

## 18. MISCELLANEOUS

18.1 Counterparts. This LICENSE may be executed contemporaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.2 Election of Remedies. The remedies provided herein are not exclusive of any other lawful remedies that may be available, and a Party's election of a remedy shall not constitute an exclusive election of remedies.

18.3 Force Majeure. Neither Party shall be deemed in default or otherwise liable hereunder due to its inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, act of terrorism, or any municipal, county, state, national or international ordinance or law or any executive, administrative, judicial or similar order (which order is not the result of any act or omission to act which would constitute a default under this LICENSE), or any failure or delay of any transportation, power, or other essential thing required, or similar causes beyond the Party's control ("force majeure"). Any delay in performance shall be no greater than the event of force majeure causing the delay. If an event of force majeure continues uninterrupted for a period exceeding six (6) calendar months, either Party may elect to terminate this LICENSE upon notice to the other, but such right of termination, if not exercised, shall expire immediately upon the discontinuance of the event of force majeure. In such case, the Party affected by the force majeure shall notify the other Party of its inability to perform. Notwithstanding anything to the contrary in this Section, the exercise of such right of termination shall not affect LICENSEE'S obligation to pay the Minimum Guarantee or Earned Royalties for NET SALES which accrued prior to and including the termination date of this LICENSE.

18.4 Forum/Governing Law. This LICENSE shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its conflict of law provisions. The Parties agree that a federal or state court with general jurisdiction in the county in which LICENSOR'S home office is located shall be the exclusive forum for the resolution of any dispute arising from or relating to this LICENSE. Each Party hereby consents to the jurisdiction and venue of any such federal or state court.

18.5 Further Assurances and Cooperation. Each Party agrees to execute and deliver to the other Party such other instruments, documents, and statements, including without limitation, instruments and documents of recordation, assignment, transfer, conveyance, and clarification and take such other action as may be reasonably necessary or convenient in the discretion of the requesting Party to carry out more effectively the purposes of this LICENSE. Unless otherwise provided, no consent or approval provided for in this LICENSE may be unreasonably withheld or delayed.

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- 18.6** Interpretation and Construction. The word “or” shall be interpreted to have both its conjunctive and disjunctive meaning whenever possible. The paragraph titles are intended solely for convenience and shall not affect the construction or interpretation of any of the provisions of this LICENSE. No provision of this LICENSE shall be construed in favor of or against any Party on the ground that such Party or its counsel drafted the provision. The language used herein, unless defined specifically, shall be construed according to its reasonable and customary meaning in the United States. Terms of art used in this LICENSE which are not defined herein shall be defined as commonly understood in the United States licensing industry for similar products. In the event of a breach, this LICENSE may be specifically enforced. This LICENSE shall at all times be construed so as to carry out its stated purposes.
- 18.7** Integration. This LICENSE, the Purchase Agreement and the Ancillary Agreements and any attached schedules and exhibits, constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersede all prior and contemporaneous agreements, representations, and understandings of the Parties. Each of the Parties acknowledges that no other party, nor any agent or attorney of any other party, has made any promise, representation, or warranty whatsoever, express or implied, and not contained herein, concerning the subject matter hereof to induce the Party to execute or authorize the execution of this LICENSE, and acknowledges that the Party has not executed or authorized the execution of this instrument in reliance upon any such promise, representation, or warranty not contained herein. No supplement, modification, or amendment of this LICENSE shall be binding unless executed in writing and signed by both Parties.
- 18.8** Severability. If any term or other provision of this LICENSE is invalid, illegal or incapable of being enforced under any rule of law or public policy, all other conditions and provisions of this LICENSE shall nevertheless remain in full force and effect, so long as the economic and legal substance of the transactions contemplated hereby are not affected in a manner materially adverse to either party. Upon any determination that any such term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this LICENSE so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.
- 18.9** Survival of Rights and Obligations. Termination or expiration of this LICENSE shall not impair any rights of LICENSOR or obligations of LICENSEE, including but not limited to payments, statements of account, compliance review, disposition of inventory, and indemnification.
- 18.10** Waiver. No waiver of any of the provisions of this LICENSE shall be valid unless in writing signed by the Party against which the waiver is sought to be enforced. No waiver by either Party of any breach of or failure of performance shall be deemed a waiver as to any subsequent breach or failure of performance, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure of LICENSOR to enforce any provision or to exercise any right or remedy shall not constitute a waiver of any of LICENSOR’S rights or LICENSEE’S obligations.

IN WITNESS WHEREOF, the following signatures represent that the Parties have read this LICENSE in its entirety, including the incorporated and attached Exhibits and Schedules, and by their execution below have agreed to all its terms and conditions.

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**LICENSOR:  
THE GOODYEAR TIRE &  
RUBBER COMPANY**

**LICENSEE:  
TITAN TIRE CORPORATION**

By: /s/ THE GOODYEAR TIRE & RUBBER COMPANY

By: /s/ TITAN TIRE CORPORATION

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**EXHIBIT I**  
**SALES AND ROYALTY REPORT FORM – SUMMARY PAGE**  
**Page 1 of 2**

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**Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.**

**EXHIBIT I  
SALES AND ROYALTY REPORT FORM**

**Page 2 of 2**

Page # [   ]

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**SCHEDULE A**

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**SCHEDULE B  
LICENSED PROPERTY/TRADEMARKS**

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**SCHEDULE C  
LICENSED PRODUCTS**

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**EXHIBIT X  
DEDUCTIONS TO REACH NET SALES**

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**SUPPLY AGREEMENT**

This Supply Agreement ("Agreement") is effective as of August 17, 2006 ("Effective Date") and is entered between Titan Tire Corporation, an Illinois corporation with its principal place of business in Des Moines, Iowa ("Titan") and Deere & Company, a Delaware corporation, with its principal place of business in Moline, Illinois ("Deere"), acting through its affiliate and business unit: John Deere Construction & Forestry Equipment Company Unit: John Deere Dubuque Works, 18600 South John Deere Road, Dubuque, IA 52001-9757 and Business Unit: John Deere Davenport Works, P.O. Box 4198, Davenport, IA 52808-4198.

The above listed business units are individually a "Deere Affiliate" and collectively the "Deere Affiliate." The terms of this Agreement shall apply to the purchase of Products by any Deere Affiliate unless the Deere Affiliate and Titan agree otherwise. The purchase order will act as a signature of the Deere Affiliate accepting the terms of this Agreement. Deere shall retain the primary responsibility for administering this Agreement.

By mutual agreement of Deere and Titan, this section may be amended to include other affiliated corporations and business units of Deere.

**WHEREAS**, Deere wishes to purchase certain Products, as hereinafter defined, manufactured by Titan which will then be incorporated into wholegoods equipment or sold as replacement parts by Deere and its dealers.

**WHEREAS**, Titan wants to sell Deere the Products that Titan manufactures.

**NOW THEREFORE**, the parties agree as follows:

1. **PRODUCTS** - As used herein, the term "Products" shall mean those tires and parts listed on Attachment 1, attached hereto and incorporated herein by reference and to any other products which may be added to Attachment 1 by Deere and Titan from time to time by mutual agreement.
2. **PURCHASES** - Titan agrees to sell to Deere and Deere agrees to buy from Titan, \*\* set forth in Attachment I, subject to the \*\* by JD dealers or customers. The \*\* shall be marked clearly on Attachment I. Deere will release orders to Titan.
3. **TERM** - This agreement will commence as of the Effective Date and will continue for five years from the date of signing, contingent upon satisfactory performance of contractual terms and conditions by Titan and subject to the provisions of Section 21. This agreement may be extended for a mutually agreeable period of time by written agreement of both parties; provided that both parties advise one another in writing six months prior to the expiration extended period. The terms and conditions of this agreement would apply to any extension or renewal.

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4. **FORECASTS AND ORDERS** - Purchases under this Agreement shall be made against specific written purchase orders submitted by Deere to Titan from time to time during the term of this Agreement. Any forecast for products provided by Deere shall not be considered orders for Products, shall be used by Titan for general corporate planning purposes only, and may be disregarded by without prior notice to Titan. Forecast orders do not constitute a contractual obligation on Titan or Deere's part unless the parties have agreed otherwise in writing. Deere shall issue a \*\* firm schedule along with an \*\* tentative schedule. The tentative schedule shall be revised monthly and reconfirmed by Deere. Deere will deliver to Titan orders for Products on order formats utilized by Deere which will specify the quantity of each Products ordered and the date by which the product must be provided to said Deere facility. The order shall constitute a binding commitment by Deere to purchase the Products specified therein on the terms and conditions herein. \*\*

5. **DELIVERY** - Titan shall deliver the Products ordered to the designated Deere facility, or its designee on the delivery date set forth in the order. Time is of the essence in delivering Product. If a Product will not be delivered on or before the delivery date specified in the order, Titan must immediately notify the applicable Deere facility that it will not be delivered in a timely manner.

6. **FREIGHT** - The Products shall be shipped FOB Titan facilities to designated Deere location and on a carrier designated by Deere. Deere will be liable for all such transportation expenses. In the event that a late delivery is Titan's responsibility, Titan may be liable for expedited freight premiums incurred to meet Deere factory production schedules.

7. **PACKAGING** - Titan shall package the Products so that the Products will not be damaged or destroyed in transit. As to each Product shipment, Titan must include a packing list specifying the Product number(s), the quantity of each Product, the order number, release number, and/or blanket purchase order number, if applicable, and any other information Deere requires.

8. **PRICING** - During the term of this Agreement, the price of these products shall be the applicable price set forth in Attachment I, except as otherwise provided herein. Prices are based on Titan's material costs \*\*. Titan's material surcharge cost calculations will become part of this Agreement, and will be detailed in Attachment #2. These costs will be reviewed \*\*. Titan will provide any documentation requested relating to any adjustment. Titan will provide Deere with its adjustment request no later than \*\*

9. **PAYMENT** - Invoices will be delivered by Titan to the Deere facility involved, Attention: Accounts Payable or such other address designated by Deere. This invoice will reference the order number, release number, Product number(s), quantity of each Product, proper price for each Product, total price and any other information requested by Deere. Payment terms are net thirty (30) days.

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10. **QUALITY/DEFECTS** - If any Product or Other Product sold to Deere is defective in material or workmanship, or does not conform to Deere's specifications/quality requirements, Titan agrees, at its sole cost, to repair or replace the defective Product or Other Product.

11. **PRODUCT INDEMNITY** - Titan agrees to defend, hold harmless and indemnify Deere, its subsidiaries and affiliates, their officers, directors, employees and agents from and against any and all claims or suits, including costs and attorneys' fees arising from any act or omission of Titan relating to defective material or workmanship. Titan's obligation hereunder shall not extend to claims whereby the Products acquired by Deere from Titan were modified or altered or misused by Deere, its subsidiaries and affiliates, their officers, directors, employees or agents or if the Product was primarily designed by Deere and to the extent that said modification or design or misuse caused the loss or damage. Titan's obligation hereunder shall not extend to any claims other than those expressly stated.

12. **ENTIRE AGREEMENT** - The terms of this agreement will supersede any conflicting or inconsistent terms contained in orders or attachments to this agreement and the terms and conditions of this agreement shall apply to all such orders placed by Deere.

13. **AMENDMENTS** - This agreement may be amended only by a written document signed by the parties which states that it is intended to amend this agreement.

14. **SEVERABILITY** - The invalidity or unenforceability of any term of this agreement shall not affect the validity and enforceability of this agreement or any of its other terms, and this agreement and such other terms shall be construed as though the invalid or unenforceable term(s) were not included herein.

15. **ASSIGNMENT** - Neither party shall assign any rights, delegate any duties or subcontract any work under this Agreement without the other party's prior written consent and any attempt to do so is void and has no effect. No assignment shall relieve the assigning party of its obligations under this Agreement.

16. **BINDING EFFECT** - This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17. **NOTICES** - All notices required to be given to a party under this Agreement are to be delivered to the following addresses, or any other addresses designated by the parties by notices delivered in accordance with this section: If to Titan: Titan Tire Corporation, 2345 E. Market Street, Des Moines, IA 50317 and if to Deere: Deere & Company, 3400 80<sup>th</sup> Street, Moline, Illinois 61265 Attn: President of the Construction & Forestry Equipment.

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Any notice required of permitted under this Agreement is to be given in writing and is deemed effectively given: (a) upon personal delivery to the party to be notified; (b) upon confirmation of receipt by fax by the party to be notified; or (c) deposit with a reputable overnight courier, prepaid for overnight delivery addressed as set forth in this section and upon confirmation of delivery by said courier.

18. **LAW** - This agreement shall be governed by and construed in accordance with the internal law of the State of Illinois.

19. **FORCE MAJEURE** - Neither party shall be responsible to the other party for any delay in or failure of performance of its obligations under this agreement to the extent attributable to causes beyond its reasonable control, including but not limited to, acts of God, fires, floods, strikes, acts of any government or delays by carriers, provided that the party affected thereby gives the other parties prompt notice of the occurrence of any event which is likely to cause any such delay or failure and of its best estimate of the length of any delay and possibility that it will be unable to resume performance; and provided further that said affected party shall use its best efforts to expeditiously overcome the effects of the event and to resume performance.

20. **DEFAULT PROVISIONS** - If during this agreement, Titan's quality deteriorates significantly Deere may find Titan in default and give notice to cure as discussed below. If after the notice Titan has not responded within 60 days, then Deere may terminate its purchase obligations in whole or in part without further liability. Under this provision, Deere would be required to provide written notice to Titan sixty (60) days within the default outlining said default and its causes for termination. If during that sixty (60) day period, Titan addresses Deere's default to Deere's satisfaction, there will be no default. If during this agreement, Deere does not make its payments according to the terms of this Agreement, Titan may find Deere in default and terminate its obligations in whole or in part without further liability. The failure of a party at any time to require performance by another party in no way affects its right to require such performance at any time thereafter. In addition, no waiver by any parts of the breach of any provision hereof shall constitute a waiver of any subsequent breach of the same provision, or any breach of any other provision.

21. **REMEDIES CUMULATIVE** - Each of the rights and remedies of the parties set forth in this agreement shall be cumulative with all other such rights and remedies, as well as with all rights and remedies of the parties otherwise available at law or in equity.

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**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be duly executed by duly authorized representatives the day, month and year first above written.

**TITAN TIRE CORPORATION**

**DEERE & COMPANY**

/s/ TITAN TIRE CORPORATION

/s/ DEERE & COMPANY

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ATTACHMENT I

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**ATTACHMENT II**

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**SUPPLY AGREEMENT- 16 April 2008**

This Supply Agreement (“Agreement”) is effective as of April 15, 2008 (“Effective Date”) and is entered between Titan Tire Corporation, an Illinois corporation with its principal place of business in Des Moines, Iowa (“Titan”) and Deere & Company, a Delaware corporation, with its principal place of business in Moline, Illinois (“Deere”), 3400 80<sup>th</sup> Street, Moline, Illinois 61265, acting through its affiliates and business units: John Deere Waterloo Works, 3500 East Donald Street, Waterloo, Iowa; John Deere Harvester Works, 1100 13<sup>th</sup> Avenue, East Moline, Illinois; Industrias John Deere S.A. de C.V., Blvd Diaz Ordaz #500, Garza Garcia, Nuevo Leon, Mexico; John Deere Ottumwa Works, 928 E. Vine Street; Ottumwa, Iowa; John Deere Seeding Works, 501 River Drive, Moline, Illinois; John Deere Commercial Products (Augusta), 700 Horizon South Parkway, Grovetown, Georgia; John Deere Valley City Works, 1725 7<sup>th</sup> Street SE, Valley City, North Dakota; John Deere Thibodaux, 244 Highway 3266, Thibodaux, Louisiana; and John Deere Des Moines Work, 825 SW Irvinedale Drive, Ankeny, Iowa.

The above listed business units are individually a “Deere Affiliate” and collectively the “Deere Affiliate.” The terms of this Agreement shall apply to the purchase of products by any Deere Affiliate unless the Deere Affiliate and Titan agree otherwise, or unless a separate agreement exists between the Deere Affiliate and Titan. The purchase order will act as a signature of the Deere Affiliate accepting the terms of this Agreement. Deere shall retain the primary responsibility for administering this Agreement.

By mutual agreement of Deere and Titan, this section may be amended to include other affiliated corporations and business units of Deere.

**WHEREAS**, Deere wishes to purchase certain Products, as hereinafter defined, manufactured by Titan which will then be incorporated into wholegoods equipment or sold as replacement parts by Deere and its dealers;

**WHEREAS**, Titan wants to sell Deere the Products that Titan manufactures;

**NOW THEREFORE**, the parties agree as follows:

1. **PRODUCTS** – As used herein, the term “products” shall mean those tires and parts listed on Attachment I, attached hereto and incorporated herein by reference and to any other products which may be added to Attachment 1 by Deere and Titan from time to time by mutual agreement.

2. **PURCHASES**

Titan agrees to sell to Deere and Deere agrees to buy from Titan \*\* listed on Attachment 1, recognizing that this is \*\*. To help with Titan capacity planning, Deere agrees to

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meet monthly and review \*\* to meet the overall intent.

3. **TERM** – This agreement will commence as of the Effective Date and will continue through April 30, 2011, contingent upon satisfactory performance of contractual terms and conditions by Titan and subject to the provisions of Section 21. This agreement may be extended for a mutually agreeable period of time by written agreement of both parties; provided that both parties advise one another in writing six months prior to the expiration extended period. The terms and conditions of this agreement would apply to any extension or renewal.
4. **FORECASTS AND ORDERS** – Purchases under this Agreement shall be made against specific written purchase orders submitted by Deere to Titan from time to time during the term of this Agreement. Any forecast for products provided by Deere shall not be considered orders for Products, shall be used by Titan for general corporate planning purposes only, and may be disregarded by without prior notice to Titan. Forecast orders do not constitute a contractual obligation on Titan or Deere's part unless the parties have agreed otherwise in writing. Deere shall issue a \*\* firm schedule along with a \*\* tentative schedule. The tentative schedule shall be revised monthly and reconfirmed by Deere. Deere will deliver to Titan orders for Products on order formats utilized by Deere which will specify the quantity of each Product ordered and the date by which the Product must be provided to said Deere facility. The order shall constitute a binding commitment by Deere to purchase the Products specified therein on the terms and conditions herein.
5. **DELIVERY** – Titan shall deliver the Products ordered to the designated Deere facility, or its designee on the delivery date set forth in the order. Time is of the essence in delivered Product. If a Product will not be delivered on or before the delivery date specified in the order, Titan must immediately notify the applicable Deere facility that it will not be delivered in a timely manner.
6. **FREIGHT** – The Products shall be shipped FOB Titan facilities to designated Deere location and on a carrier designated by Deere. Deere will be liable for all such transportation expenses. In the event that a late delivery is Titan's responsibility, Titan may be liable for expedited freight premiums incurred to meet Deere factory production schedules.
7. **PACKAGING** – Titan shall package the Products so that the Products will not be damaged or destroyed in transit. As to each Product shipment, Titan must include a packing list specifying the Product number(s), the quantity of each Product, the order number, release number, and/or blanket purchase order number, if applicable, and any other information Deere requires.
8. **PRICING** – During the term of this Agreement, the price of these products shall be the applicable price set forth in Attachment I, except as otherwise provided

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herein. Titan and Deere agree that raw materials impact the cost of tires, and further agree to review \*\*, the published raw material indices for \*\* with the stated intent to adjust tire prices accordingly. The \*\* is as shown in Attachment 2 and additional details regarding pricing mechanisms are listed in Attachment 3. Upon Deere's request, Titan will provide all documentation requested relative to any price adjustment. Titan will provide any price adjustment requests to Deere no later than \*\*.

9. **PAYMENT** – Titan will deliver invoices to the Deere facility involved, labeled: Attention: Accounts Payable or such other address designated by Deere. The invoice will reference the order number, release number, Product number(s), quantity of each Product, proper price for each Product, total price and any other information requested by Deere. Payment terms are net thirty (30) days.
10. **QUALITY/DEFECTS** – If any Product sold to Deere is defective in material or workmanship, or does not conform to Deere's specifications/quality requirements, Titan agrees, at its sole cost, to repair or replace the defective Product.
11. **PRODUCT INDEMNITY** – Titan agrees to defend, hold harmless and indemnify Deere, its subsidiaries and affiliates, their officers, directors, employees and agents from and against any and all claims, actions, or suits, including costs, expenses, and reasonable attorney fees caused by or arising from any act or omission of Titan relating to design, defective material, or workmanship. Titan's obligation hereunder shall not extend to claims whereby the Products acquired by Deere from Titan were modified or altered or misused by Deere, its subsidiaries and affiliates, their officers, directors, employees or agents. Titan's obligation hereunder shall not extend to any claims other than those expressly stated.
12. **ENTIRE AGREEMENT** – The terms of this agreement will supersede any conflicting or inconsistent terms contained in orders or attachments to this agreement and the terms and conditions of this agreement shall apply to all such orders placed by Deere.
13. **AMENDMENTS** – This agreement may be amended only by a written document signed by the parties which states that it is intended to amend this agreement.
14. **SEVERABILITY** – The invalidity or unenforceability of any term of this agreement shall not affect the validity and enforceability of this agreement or any of its other terms, and this agreement and such other terms shall be construed as though the invalid or unenforceable terms(s) were not included herein.
15. **ASSIGNMENT** – Neither party shall assign any rights, delegate any duties or subcontract any work under this Agreement without the other party's prior written

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consent and any attempt to do so is void and has no effect. No assignment shall relieve the assigning party of its obligations under this agreement.

16. **BINDING EFFECT** – This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17. **NOTICES** – All notices required to be given to a party under this Agreement are to be delivered to the following addresses, or any other addresses designated by the parties by notices delivered in accordance with this section: If to Titan: Titan Tire Corporation, 2345 E. Market Street, Des Moines, IA 50317 and if to Deere: Deere & Company, 3400 80<sup>th</sup> Street, Moline, Illinois 61265, Attn: Vice President, Supply Management.

Any notice required or permitted under this Agreement is to be given in writing and is deemed effectively given: (a) upon personal delivery to the party to be notified; (b) upon confirmation of receipt by fax by the party to be notified; or, (c) deposit with a reputable overnight courier, prepaid for overnight delivery addressed as set forth in this section and upon confirmation of delivery by said courier.

18. **LAW** – This agreement shall be governed by and construed in accordance with the internal law of the State of Illinois.

19. **FORCE MAJEURE** – Neither party shall be responsible to the other party for any delay in or failure of performance of its obligations under this agreement to the extent attributable to causes beyond its reasonable control, including but not limited to, acts of God, fires, floods, strikes, acts of any government or delays by carriers, provided that the party affected thereby gives the other parties prompt notice of the occurrence of any event which is likely to cause any such delay or failure and of its best estimate of the length of any delay and possibility that it will be unable to resume performance; and provided further that said affected party shall use its best efforts to expeditiously overcome the effects of the event and to resume performance.

20. **TERMINATION.**

**20.1 Termination for Default by Either Party.** At any time during the term of this Agreement, should either party default in performing any of its material obligations hereunder, the other party may give written notice of default specifying the details thereof. If within 60 days (60) days of the receipt of such notice the defaulting party fails to cure the default, the non-defaulting party shall have the right to terminate this Agreement with regard to the particular Product materially affected by the default, or if the default materially affects all Products, the non-defaulting party shall have the right to terminate this Agreement in its entirety. The non-defaulting party shall give

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the defaulting party thirty (30) days written notice from the determination of the failure to cure the default, whereupon the termination shall be effective.

**20.2 Termination for Default by Titan.** Notwithstanding the foregoing, if during the term of this Agreement, Titan's quality performance and/or delivery performances significantly deteriorates, Deere may find Titan in default and give written notice of such default, outlining the default and the basis for Deere's termination. If within 60 days after such notice from Deere (the "Cure Period"), Titan has not responded to Deere's notice of default, Deere may terminate its purchase obligations under this Agreement in whole or in part without further liability. If during the Cure Period, Titan addresses Deere's claims of Titan's default to Deere's satisfaction, Titan will not be found to be in default under this provision. Conversely, if during the Cure Period, Titan addresses Deere's claims of Titan's default under this provision and said response is unsatisfactory to Deere, Deere reserves the right to terminate its purchase obligations under this Agreement in whole or in part without further liability. If during this Agreement, Deere does not make its payments according to the terms of this Agreement, Titan may find Deere in default and terminate its obligation in whole or in part without further liability. The failure of a party at any time to require performance by another party in no way affects its right to require such performance at any time thereafter. In addition, no waiver by any parts of the breach of any provision hereof shall constitute a waiver of any subsequent breach of the same provision, or any breach of any other provision.

**20.3 Termination for Insolvency.** If either party is adjudicated as bankrupt or files a voluntary petition in bankruptcy, reorganization, readjustment, or rearrangement of its business or affairs, if a receiver is appointed for either party, if either party makes or attempts an assignment for the benefit of creditors, or if either party is unable to meet its obligations in the normal course of business as they fall due then, in accordance with applicable law, the other party shall have the right to terminate this Agreement by giving such financially distressed party thirty (30) days written notice, whereupon this Agreement shall automatically terminate.

**20.4 Termination for Force Majeure.** If Force Majeure delays delivery of Products past thirty (30) days, Deere may terminate this Agreement in whole or in part without penalty upon written notice to Titan.

**21. REMEDIES CUMULATIVE** – Each of the rights and remedies of the parties set forth in this agreement shall be cumulative with all other such rights and remedies, as well as with all rights and remedies of the parties otherwise available at law or in equity.

**22. NO PRESS RELEASE.** Unless required by law or by governmental regulation, it is agreed that no press release, public announcements, confirmation or other information regarding supply orders for the Products under this Agreement, or the fact that negotiations for new products or increased quantities for existing orders

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are occurring, will be made by Titan without the prior written approval of Deere or by Deere without the prior written approval of Titan.

23. **PROHIBITION OF USE OF DEERE NAME AND TRADEMARKS.** Titan shall not use the name of Deere & Company, Deere, John Deere, any Affiliates or derivations, trademarks, trade dress, logos or the equivalent thereof in advertising of sales materials or in any other manner whatsoever without prior express written approval of Deere. Such prohibition includes, without limitation, the following:

- (a) Titan shall not refer to the existence of this Agreement without Deere's prior express written approval;
- (b) Titan is not allowed to make any statement or representation whatsoever regarding Deere's opinion of Titan's company, product or services without Deere's prior express written approval; and
- (c) If Deere provides express written approval for the use of its name, Deere further reserves the right to revoke the right to use its names at any time. Titan is allowed to use the name Deere strictly pursuant to meeting Titan's unilateral disclosure obligations imposed by regulatory bodies.

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be duly executed by duly authorized representatives the day, month and year first above written.

**TITAN TIRE CORPORATION**

**DEERE & COMPANY**

/s/ TITAN TIRE CORPORATION

/s/ DEERE & COMPANY

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**Attachment I**

**\*\***

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## Attachment II

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**Attachment III**

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### CERTIFICATION

I, Maurice M. Taylor Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Titan International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**Date:** October 27, 2010

**By:** /s/ MAURICE M. TAYLOR JR.

Maurice M. Taylor Jr.  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION**

I, Paul G. Reitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Titan International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**Date:** October 27, 2010

**By:** /s/ PAUL G. REITZ  
Paul G. Reitz  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION**

In connection with the Quarterly Report of Titan International, Inc. on Form 10-Q for the period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies that, to the best of their knowledge, this Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

**TITAN INTERNATIONAL, INC.**  
**(Registrant)**

**Date:** October 27, 2010

**By:** /s/ MAURICE M. TAYLOR JR.

Maurice M. Taylor Jr.  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

**By:** /s/ PAUL G. REITZ

Paul G. Reitz  
Chief Financial Officer  
(Principal Financial Officer)