## Section 1: S-1/A (S-1/A)

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As filed with the Securities and Exchange Commission on April 29, 2019.  
Registration No. 333-230840

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

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**Amendment No. 1**  
to  
**FORM S-1**  
**REGISTRATION STATEMENT**  
UNDER  
**THE SECURITIES ACT OF 1933**

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**Mayville Engineering Company, Inc.**  
(Exact name of registrant as specified in its charter)

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**Wisconsin**  
(State or other jurisdiction of incorporation or organization)  
3460  
(Primary Standard Industrial Classification Code Number)  
39-0944729  
(I.R.S. Employer Identification No.)

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715 South Street  
Mayville, Wisconsin 53050  
(920) 387-4500

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(Address, including zip code and telephone number, including area code, of registrant’s principal executive offices)

---

Robert D. Kamphuis  
Chairman, President & Chief Executive Officer  
Mayville Engineering Company, Inc.  
715 South Street  
Mayville, Wisconsin 53050  
(920) 387-4500

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(Name, address, including zip code and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement is declared effective.

If any securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

- Large accelerated filer ☐
- Accelerated filer ☐
- Non-accelerated filer ☒
- Smaller reporting company ☐
- Emerging growth company ☒
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

**CALCULATION OF REGISTRATION FEE**

<table>
<thead>
<tr>
<th>Title of Each Class of Securities to be Registered</th>
<th>Shares to be Registered(1)</th>
<th>Proposed Maximum Aggregate Offering Price Per Share(2)</th>
<th>Maximum Aggregate Offering Price(3)(2)</th>
<th>Amount of Registration Fee(3)</th>
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<tr>
<td>Common Stock, no par value per share</td>
<td>7,187,500</td>
<td>$21.00</td>
<td>$150,937,500</td>
<td>$18,294</td>
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(1) Includes the aggregate offering price of 937,500 additional shares that the underwriters have the right to purchase from the registrant.

(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended.

(3) The registrant previously paid $12,120 of this amount in connection with the initial filing of this Registration Statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.
6,250,000 Shares

MAYVILLE ENGINEERING COMPANY, INC.
COMMON STOCK

This is the initial public offering of common stock of Mayville Engineering Company, Inc. We are offering 6,250,000 shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We anticipate that the initial public offering price for our common stock will be between $19.00 and $21.00 per share. We have applied to list our shares of common stock on the New York Stock Exchange under the symbol “MEC.” We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, will be subject to reduced public company reporting requirements.

Investing in our common stock involves substantial risk. See “Risk Factors” on page 20.

<table>
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<th>Per Share</th>
<th>Total</th>
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<tr>
<td>Initial public offering price</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions⁽¹⁾</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds to us, before expenses</td>
<td>$</td>
</tr>
</tbody>
</table>

⁽¹⁾ We have agreed to reimburse the underwriters for certain expenses. See “Underwriting.”

Delivery of the shares of common stock is expected to be made on or about , 2019.

We have granted the underwriters a 30-day option to purchase up to an additional 937,500 shares of our common stock at the initial public offering price less underwriting discounts and commissions.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Baird
Citigroup
Jefferies

UBS Investment Bank
William Blair
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You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized any other person to provide you with any information, or to make any representations, other than as contained in this prospectus, in any amendment or supplement hereto or in any free writing prospectus prepared by us or on our behalf and delivered or made available to you. Neither we nor the underwriters take responsibility for or provide assurance as to the reliability of any information or representations that others may give you. This prospectus is an offer to sell only the shares of our common stock offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date hereof, and we undertake no obligation to update such information, except as may be required by law.
MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry, our market share and the markets that we serve is based on information from third-party sources (including industry publications, surveys and forecasts) and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets that we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any such information. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by third-parties and by us.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties, such as statements related to future events, business strategy, future performance, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek,” “anticipate,” “plan,” “continue,” “estimate,” “expect,” “may,” “will,” “project,” “predict,” “potential,” “targeting,” “intend,” “could,” “might,” “should,” “believe” and similar expressions or their negative. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on management’s belief, based on currently available information, as to the outcome and timing of future events. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed in such forward-looking statements. When evaluating forward-looking statements, you should consider the risk factors and other cautionary statements described in “Risk Factors.” We believe the expectations reflected in the forward-looking statements contained in this prospectus are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking statements should not be unduly relied upon.

Important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements include, but are not limited to, those described in “Risk Factors” and the following:

● failure to compete successfully in our markets;
● risks relating to developments in the industries in which our customers operate;
● our ability to maintain our manufacturing, engineering and technological expertise;
● the loss of any of our large customers or the loss of their respective market shares;
● risks related to scheduling production accurately and maximizing efficiency;
● our ability to realize net sales represented by our awarded business;
● our ability to successfully identify or integrate acquisitions;
● risks related to entering new markets;
● our ability to develop new and innovative processes and gain customer acceptance of such processes;
● our ability to recruit and retain our key executive officers, managers and trade-skilled personnel;
● risks related to our information technology systems and infrastructure;
● manufacturing risks, including delays and technical problems, issues with third-party suppliers, environmental risks and applicable statutory and regulatory requirements;
These factors are not necessarily all of the important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements. Other unknown or unpredictable factors could also cause actual results or events to differ materially from those expressed in the forward-looking statements. Our future results will depend upon various other risks and uncertainties, including those described in “Risk Factors.” All forward-looking statements attributable to us are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements after the date on which any such statement is made, whether as a result of new information, future events or otherwise.
PROSPECTUS SUMMARY

This summary highlights basic information about us and this offering contained elsewhere in this prospectus. Because it is a summary, it does not contain all the information you should consider before investing in our common stock. You should read and carefully consider this entire prospectus before making an investment decision, especially the information in “Risk Factors,” “Cautionary Statement Regarding Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the accompanying notes. Except as otherwise indicated or required by the context, all references in this prospectus to the “Company,” “MEC,” “we,” “us” or “our” refer to Mayville Engineering Company, Inc. and its consolidated subsidiaries.

Our Company

MEC is a leading U.S.-based value-added manufacturing partner that provides a broad range of prototyping and tooling, production fabrication, coating, assembly and aftermarket components. Our customers operate in diverse end markets, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture, military and other end markets. We have developed long-standing relationships with our blue chip customers based upon a high level of experience, trust and confidence. “We Make Things Simple” by providing a diverse set of process offerings and a “one stop shop” for end-to-end solutions with benefits throughout the entire product lifecycle, including front-end collaboration in design and prototyping, product manufacturing, aftermarket components and ancillary supply chain benefits. Founded in 1945 and headquartered in Mayville, WI, we are a leading Tier I U.S. supplier of highly engineered components to original equipment manufacturer, which we sometimes refer to as an OEM, customers with leading positions in their respective markets. We are focused on producing the highest quality components using complex processes at the lowest cost by working with customers throughout the product design and development process to establish optimal solutions. Our engineering expertise and technical know-how allows us to add value through every product redevelopment cycle (generally every three to five years for our customers). According to The Fabricator, we have been ranked as the largest fabricator in the United States for the past eight years in a row (2011—2018). We are more than two times the size of our next largest competitor, based on The Fabricator’s projections for 2018 revenue for metal fabricating companies.

Our customers’ complex products require a unique combination of our capabilities that allow us to achieve a customized offering to satisfy our customers’ desired outcomes. Our capabilities, which include, but are not limited to: metal fabrication, metal stamping, tube bending and forming, robotic part forming, robotic welding, resistance welding, five-axis tube and fiber laser cutting and custom coatings, including high heat and chemical agent resistant coating, or CARC, painting, are used in a variety of applications and represent the building blocks of what we produce.
The graphic below includes representative examples of our product applications across various customer end products.

Our key customers have globally recognized brands and demand the highest product quality and expertise. Over our nearly 75-year history, we have developed capabilities and provide solutions that result in customer loyalty and long-standing relationships, which we call “Experience You Can Trust.” We have a diverse and market-leading customer base that serves broad end markets representing favorable near- and long-term growth prospects for us. We have a track record of growth and are well-positioned to increase our market share and benefit from growth in customer demand as well as consolidate demand across the end markets that we serve. To help pursue our strategic mission, we have more than 3,100 employees who are tactically aligned around our core values and will continue to participate in our employee ownership culture. We are led by an experienced management team that has contributed to our growth by establishing deep and long-standing relationships with key customers, and has worked to expand the customer base both organically and through strategic acquisitions.
We maintain an established base of long-standing customers comprised of leading, blue-chip OEM manufacturers across the United States. Our broad capabilities offering and track record of producing the highest quality solutions have allowed us to establish, and subsequently deepen, relationships with additional products and platforms over time. For example, our more than 40 year relationship with Deere & Company, which we sometimes refer to as John Deere, began with a small order of simple stamped parts for a farm tractor in its agricultural segment that expanded over time and represented 2018 pro forma sales in excess of $90.0 million across five market segments, representing over 60 model platforms. We have also been successful in winning customers and rapidly expanding relationships with high-growth customers by utilizing our diversified “one-stop” offering. For instance, our relationship with Volvo Truck began with fuel tanks and has expanded over the last six years to include exhaust tubing, new sleeper cab and chassis fabrications and air tanks. Through the expansion of multiple fabricated components from multiple facilities, we have been able to deepen our relationship with this customer and solidify our position as an important strategic sourcing partner.

**Operational Footprint**

We serve customers through 21 strategically located U.S. facilities across eight states, with almost three million square feet of manufacturing capacity. Our expansive footprint enables us to service and maintain strong relationships with existing key customers across the United States with a “local” presence, as well as target new customer opportunities. We have a proven track record of improving financial results by thoroughly understanding our capabilities and the markets we serve, and aligning our people and resources to optimize results. Coupled with our focus on market alignment and execution, we constantly strive to improve and refine capabilities and capacities. In addition, the ongoing investment in flexible, re-deployable automation allows us to expand output while reducing cost and improving quality, productivity and consistency for margin enhancement and market leading competitiveness. Through this continuum of activities, we have generated approximately $34.3 million in improved results from the beginning of 2014 through December 31, 2018.
Our leading market position, embedded customer relationships with leading OEMs, unique value proposition and proven acquisition strategy has allowed us to achieve attractive financial performance and has positioned us for further growth. Our historical financial success is a function of our engineering expertise, extensive manufacturing capabilities, limited commodity exposure, investment in automation and embedded relationships with the contractual ability to pass input costs through prices. We believe we are poised to grow through economic cycles due to our:

- market positioning and reputation;
- product breadth;
- flexible and re-deployable capital investment in automation and process capabilities; and
- our geographic, end market and product diversification.

Our diversified profile today best positions us for stability and leading market performance through all phases of an economic cycle. For the year ended December 31, 2018, we reported net sales of $354.5 million, net income of $17.9 million and Adjusted EBITDA of $43.7 million. See “Selected Historical and Pro Forma Financial Information” for the reconciliation of Adjusted EBITDA to net income, its most comparable financial measure prepared in accordance with accounting principles generally accepted in the United States, or GAAP.

Recent Acquisition

**Acquisition of Defiance Metal Products.** On December 14, 2018, we acquired Defiance Metal Products Co., Inc., which we sometimes refer to as DMP, an Ohio-based manufacturer of metal products for the heavy- and medium-duty commercial vehicles, construction, agriculture and military industries. The purchase price was approximately $115.0 million, subject to customary purchase price adjustments, and an additional one-time earn out payment up to $10.0 million. Founded in 1939 and headquartered in Defiance, OH, DMP is a full-service metal fabricator and contract manufacturer with two facilities in the Defiance, OH area, one in Heber Springs, AR, and one in Bedford, PA. The DMP acquisition provides us with enhanced product, customer and geographic diversification with minimal (i.e., less than $15.0 million) customer overlap. We expect a variety of net sales, operating and purchasing synergies to be realized from the acquisition over the course of the next several years.

Our Industry

We compete in the highly fragmented market of contract manufacturers, the majority of which are small local players that are limited in scale, capabilities and technology. Many of these local manufacturers have single or limited production capabilities and provide niche components in specific geographic markets. Accordingly, there are a limited number of competitors in the contract manufacturing market in which we operate with the capacity and expertise to deliver the full range of solutions we offer. For example, our diverse manufacturing capabilities across product lines have contributed to us being the recipient of The Fabricator’s “FAB 40” #1 Largest Fabricator in the attractive U.S. markets for the past eight years in a row (2011—2018). While we compete with certain manufacturers across selected product lines, we believe that no single manufacturer directly competes with us across our full offering and end market applications.

Our end market diversification coupled with our extensive product breadth allows us to maintain financial stability as individual end markets fluctuate. The primary end markets we serve include heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military, among other machinery markets. As markets strengthen or weaken, our output is redirected and realigned to support ongoing change. Further, as these fluctuations affect the market, we are favorably positioned to benefit from the broader trend of our OEM.
customers to consolidate to fewer and more sophisticated suppliers in order to improve quality and delivery while lowering the total cost of doing business. This consolidation trend will allow us to grow and protects our cash flow as markets change and shift.

We have also experienced, and benefitted from, an OEM trend of seeking to improve their strategy execution and simplify their business through outsourcing. Based on our history, OEMs pursue a strategy that focuses on core component market differentiation, such as structural frames and complete powertrain assemblies, and prefer to outsource the remaining product components to third parties rather than manufacturing them in-house. This is done in order to maintain their strategic focus, drive cost savings and reduce their own investment in manufacturing, thereby allowing them to focus on the most important aspects of their value creation process, namely product design and development, final product assembly and testing, branding, sales, marketing and distribution. While each specific OEM differs in its strategy, we see this trend continuing as customers deal with workforce constraints and look for optimum return on investments and improving cash flow. This trend is further magnified as international labor costs continue to rise, and OEMs have an increased focus on reshoring manufacturing operations to further shorten their supply chain and lower logistics costs. Moreover, our OEM customers focus on the production of the core components of their products, which leads them to rely on outsourced providers like us for the remaining components of their finished product needs. We believe we will benefit from this continued shift in our customers’ focus and ongoing desire for OEMs to improve efficiencies, reduce costs and simplify supply chains. Our established and embedded relationships, breadth of capabilities and scalability will allow us to simplify the supply chain process for our customers by acting as a single point of contact in the supply chain. In addition, we believe OEMs are increasingly favoring platforms supported by larger, more sophisticated and financially stable suppliers with the ability to serve large national and international operations all while maintaining a local touch. Our extensive manufacturing footprint, competitive cost structure and integrated design, engineering, production planning and quality program management capabilities positions us favorably to take advantage of these opportunities and trends.

**Our Competitive Strengths**

We believe that customers turn to us for their manufacturing needs because we are the ultimate “ReSource”. ReSource is a dual-purpose acronym we use to describe the breadth of our capabilities and our goal to be the one-stop solution allowing customers to re-source all of their fabrication needs through us. We collaborate with our customers to generate a strategic alignment and position ourselves as an essential part of our customers’ product development and manufacturing process by drawing on our deep product and engineering knowledge to deliver best-in-class solutions. We offer a broad portfolio of end-to-end solutions comprised of advanced and innovative processes and capabilities that enhance quality and simplify supply chains. We are focused on producing the highest quality components using complex processes at the lowest cost by working with customers throughout the product design and development process to establish optimal solutions. Our engineering expertise and technical know-how allows us to add value through every product redevelopment cycle (generally every three to five years for our customers).

**Value-Added Supply Chain Partner with Embedded Relationships**. Our embedded relationships with our large and diverse customer base are driven by the P.R.I.D.E. (“Personal Responsibility In Daily Excellence”) approach our employees take in their work, which emphasizes the highest quality and performance in all facets of our business, including our ability to partner with our customers and deliver to them complex solutions across a wide range of products. Our unique, end-to-end offering provides solutions throughout the life cycle of a product, including upfront product manufacturability advice and prototyping, production volumes and aftermarket
components. We strive to maintain operational alignment (and continuous re-alignment) with our customers’ strategy and production activities as they evolve, allowing us to remain agile in response to market changes, while enabling our customers to be successful, and to remain adaptable to changes in customer needs to retain flexibility to adjust appropriately. Together, these items comprise “The MEC Mission.” Our focus on collaboration with our customers and our breadth of capabilities also generates strategic alignment with our customers, resulting in sticky relationships, driving vendor reduction and providing other ancillary benefits such as optimization of working capital investments. Our track record of engineering expertise has resulted in our consistent inclusion in customer design and prototyping activities, enabling customers to view us as an invaluable extension of their own teams. In turn, this collaboration allows our customers to focus on the development of their core technologies and products. Our position as a deeply embedded supply chain partner of scale allows us to provide a multitude of solutions, driving strong customer relationships with high switching costs.

**Leading and Defendable Market Position in Attractive North American Market.** According to The Fabricator, we have been ranked as the largest fabricator in the United States for the past eight years in a row (2011 – 2018). The market is highly fragmented and characterized by high barriers to entry given the complex nature of the work, established relationships and high customer switching costs. While there are numerous competitors in the markets in which we operate, few maintain the product breadth, manufacturing capabilities, scale or engineering expertise that we do. Our depth of capabilities allows us to offer our customers:

- low volume production capability;
- customized and sophisticated solutions;
- unique engineering and manufacturing capabilities throughout the product lifecycle;
- critical scale to service large national and regional customers as well as local customers; and
- the ability to act as a single point of contact and offer seamless customer service.

Our position in the market, along with our acquisition experience and reputation as the go-to consolidator, will result in continued organic and acquisitive growth in the future.

**End Market and Customer Diversification.** Our value-added manufacturing focus enables us to remain diversified across a variety of customer end markets, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military, among others. These end markets are representative of our globally recognized customers, which are comprised of large OEM manufacturers. In 2018, our top customer and top ten customers accounted for 23% and 81% of net sales, respectively, which collectively represent hundreds of platforms that we serve across a variety of end markets and customer operating segments. Our access to a multitude of end markets allows us to strategically shift focus to sell into current opportunities as end market demand evolves. In addition to customer and end market diversification, our customers themselves are also diversified across multiple end markets. For example, John Deere is one of our leading customers with fiscal 2018 net sales accounting for 23% of our total net sales, to whom we provide over 5,000 SKUs across over 60 individual John Deere platforms including the agriculture, forestry, turf care, power systems and construction markets. Our increasingly stable performance is a direct result of our intentional business design of agility and adaptability to realign manufacturing capacities to serve diversified and ever changing end markets.
**Breadth of Capabilities Appealing to a Variety of Applications.** We have many manufacturing capabilities that together represent the building blocks for the complex solutions we provide to our customers. We maintain a full spectrum of capabilities across our 21 production facilities to address a wide set of customer needs, including upfront product development advice and prototyping, unique manufacturing processes and capabilities across a variety of products and back-end finishing, assembly and aftermarket components representing a unique end-to-end offering. Our range of capabilities combined with our breadth of components, including fabrications, tubes, tanks and performance structures, expands the applicable uses and end markets in which we may offer our components. Throughout our history, our capabilities have allowed us to generate growth by expanding into new verticals and by further penetrating existing verticals through cross-selling to increase wallet share, a strategy that has driven sticky relationships with our customers. Further, our unique combination of manufacturing processes allows us to opportunistically target sophisticated, higher margin business. The diversity of our offering has provided our Company with financial stability through various end market and economic cycles.

**Technology-Enabled Infrastructure.** We continue to invest in a technology-enabled asset base that provides significant flexible and re-deployable capacity to support our planned growth, increases profitability and efficiency and drives a long-term cost advantage over our competitors. We have leveraged our purchasing power to make significant investments in operational infrastructure throughout our history, in items such as flexible and re-deployable automation and capacity improvements to improve throughput, quality and consistency. For example, we were one of the first in our industry to adopt fiber lasers and have continued to invest in this capability. Specifically, we have implemented two 10,000-watt fiber lasers with an automation tower, which are on average three times faster, provide a cleaner, more precise cut and use one-third of the power compared to traditional CO2 lasers, generating an internal rate of return, or IRR, of approximately 47% with a payback period of less than two years. Additionally, the implementation of three robotic brakes has improved quality through a continued shift towards precision automation. By reducing setup procedures, manual employee lifting requirements and downtime while offering additional capacity, the implementation of robotic brakes has generated an IRR of approximately 55% with a payback period of approximately two years. These two examples of investments in technology-enabled infrastructure allow us to alleviate up to 24 employees who can, with retraining,
be redeployed into more technically skilled positions. In today’s tight labor market, the ability to redeploy labor to increase flexibility and capacity for our customers is of utmost importance and interest as part of our strategy. Our investments in continuous improvement and automation have driven operational efficiencies and improved metric tracking allowing our management team to more effectively run the business and improve the value we provide to our customers. We have, from time-to-time, made strategic, customer-driven investments that directly support new product and market expansion which result in further competitive advantages and higher switching costs for our customers.

Cost Structure and Operational Excellence. We have reduced our exposure to commodity price risk by structuring our customer contracts to pass through changes in commodity prices. As such, we have been able to effectively limit any potential impact from recent tariffs and commodity price volatility to our margins. Our scale and profitability have also allowed us the flexibility to implement continuous improvement initiatives in driving efficiencies, such as automation and additional capacity, which will result in long-term efficiency and margin improvements, and expanded capabilities.

Our Strategy

Achieve Sales Growth Through Organic Expansion. We believe there is ample opportunity to achieve deeper penetration of existing customers and to win new customers with our strong one-stop offerings. By leveraging our core product capabilities to expand into new markets, and establishing new offerings in attractive, adjacent or complementary platforms through new product introductions, there is significant opportunity to execute on our organic growth initiatives. Expanding our wallet share with our customers by capturing a wider variety of products and more platforms both increases customer switching costs and attracts potential new customers that seek to simplify supply chains, while also defending our market position from our competitors. Our expertise allows us to produce higher quality components at cost-effective rates while our volume, equipment and know-how establish competitive advantages. Further, an expanded offering increases our strategic alignment with customers and supports our “We Make Things Simple” value proposition by presenting customers with further vendor consolidation opportunities.

Pursue Opportunistic Acquisitions. Our management team maintains a proven track record of successfully executing and integrating strategic acquisitions. We have completed two significant acquisitions since 2012 (Center Mfg. Co. in 2012 and DMP in December 2018) and four other complementary acquisitions since 2004, which have contributed new capabilities, end markets and technologies to our legacy business, along with significant synergy opportunities that have enhanced our financial position. Our strategy is to continue to identify, and opportunistically execute on, accretive acquisitions that will allow our Company to achieve further growth. We believe that our reputation, scale and track record of performance makes us a “consolidator of choice” among industry participants, which has led to a growing pipeline of actionable acquisition opportunities. Our investment criteria for acquisitions are U.S.-based companies with revenues between $50—$200 million, long-standing customer bases comprised of leading OEMs, and specialization in fabricated metal components and metal coating/finishing capabilities in current and adjacent markets, among other criteria. It is our view that continued execution of our acquisition strategy provides significant opportunity to generate shareholder value through further consolidation of our fragmented industry. The market environment, comprised mainly of small local and regional players, provides ample add-on acquisition opportunities to sustain our growth trajectory and bolster our one-stop shop approach to broadly serving our customers. Beyond our existing served markets, we see potential acquisition opportunities within the rail, aerospace, heavy fabrication and food end markets, among others. We believe the liquidity resulting from this offering will enable us to continue to execute on our acquisition strategy and relevant opportunities.
Continue Process-Driven Improvement Initiatives. Our process-driven improvement initiatives have resulted in significant savings throughout our history, leading to improved financial results and positive customer outcomes. Our strategy will continue to include a keen focus on continuous improvements in order to maintain a differentiated and defendable market-leading position, as well as ongoing cost and operating improvements. Improvement initiatives in 2018 were focused on strategic investments in automation technology and capacity, which are expected to drive immediate productivity and margin improvements as the integration efforts are completed. For example, we currently have process driven improvement plans that relate to:

- the installation of a direct-to-metal paint line that will yield additional paint capacity and provide an improved cost position;
- consolidation of our leased Wytheville, VA plant into our owned Atkins, VA facility that will result in reduced overhead and support costs, increased capacity and labor flexibility across various product lines; and
- the recent and continued investment into collaborative robots that will reduce the need for direct labor employees by an estimated three to one ratio.

Maintain Alignment with Employee Base and Employee-Driven Results. Our rich history of employee ownership and personal responsibility in daily excellence has cultivated a strategic management-employee alignment and results-driven organization with each employee contributing to a common goal. Our employees will maintain a significant ownership stake following this offering, which we believe will benefit the entire organization as our strategic alignment will remain in place and continue to generate employee-driven results. As we continue to invest in our business and increasingly implement a more technology-enabled infrastructure, we will strive to redeploy our employees in other, higher-skilled areas of our business and invest in training where needed. Our employees are the foundation of our company; with experience across a diverse range of markets and capabilities, they drive innovation, believe in our process and the outcomes of their work and our success. We and our employees are also highly involved in, and actively support, the communities in which our facilities are located; our 3,100 employees take P.R.I.D.E. in creating value and support for both our customers and communities every day.

Recent Developments

Set forth below are certain preliminary estimates of the results of operations that we expect to report for the three months ended March 31, 2019. We have provided a range for these preliminary results because our financial closing procedures for this period are not yet complete. As a result, there is a possibility that our final results will differ materially from these preliminary estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for the three months ended March 31, 2019 are finalized. The preliminary estimated results of operations included below have been prepared by and are the responsibility of management. Deloitte & Touche LLP, our independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to the estimated preliminary financial data. Accordingly, Deloitte and Touche LLP does not express an opinion or any other form of assurance with respect thereto.

The following are preliminary estimates for the three months ended March 31, 2019:

- Net sales are expected to be between $141.5 million and $145.2 million, an increase of 64% at the midpoint of the range, as compared to $87.2 million for the three months ended March 31, 2018. The estimated increase in net sales compared to the corresponding period in 2018 is primarily due to our acquisition of DMP, as well as organic growth of our legacy business of approximately 7.3% as compared to the midpoint.
Risk Factors

An investment in our common stock involves a number of risks. You should carefully read and consider all of the information contained in this prospectus (including in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto) before making an investment decision. These risks could adversely affect our business, financial condition and results of operations, and cause the trading price of our common stock to decline. You could lose part or all of your investment. In reviewing this prospectus, you should bear in mind that past results are no guarantee of future.
performance. See “Cautionary Statement Regarding Forward-Looking Statements” for a discussion of forward-looking statements, and the significance of forward-looking statements in the context of this prospectus.

These risks include, but are not limited to:

- failure to compete successfully in our markets;
- risks relating to developments in the industries in which our customers operate;
- our ability to maintain our manufacturing, engineering and technological expertise;
- the loss of any of our large customers or the loss of their respective market shares;
- risks related to scheduling production accurately and maximizing efficiency;
- our ability to realize net sales represented by our awarded business;
- our ability to successfully identify or integrate acquisitions;
- risks related to entering new markets;
- our ability to develop new and innovative processes and gain customer acceptance of such processes;
- our ability to recruit and retain our key executive officers, managers and trade-skilled personnel;
- risks related to our information technology systems and infrastructure;
- manufacturing risks, including delays and technical problems, issues with third-party suppliers, environmental risks and applicable statutory and regulatory requirements;
- political and economic developments, including foreign trade relations and associated tariffs;
- volatility in the prices or availability of raw materials critical to our business;
- results of legal disputes, including product liability, intellectual property infringement and other claims;
- risks associated with our capital-intensive industry;
- risks related to our treatment as an S Corporation prior to the consummation of this offering;
- risks related to our employee stock ownership plan’s treatment as a tax-qualified retirement plan;
- our ability to remediate the material weaknesses in internal control over financial reporting identified in preparing our financial statements included in this prospectus and to subsequently maintain effective internal control over financial reporting; and
- other risks and factors listed under “Risk Factors” and elsewhere in this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in annual gross revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in Section 2(a) of the Securities Act of 1933, as amended, which we sometimes refer to as the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, which we sometimes refer to as the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These provisions include:

- an option to present only two years of audited financial statements and related management’s discussion and analysis in the registration statement of which this prospectus is a part;
- an exemption from compliance with the requirement for auditor attestation of the effectiveness of our internal control over financial reporting for so long as we qualify as an emerging growth company;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies;
- reduced disclosure about our executive compensation arrangements; and
We will remain an emerging growth company until the earliest to occur of: the last day of the year in which we have $1.07 billion or more in annual gross revenue; the date we qualify as a “large accelerated filer” with at least $700.0 million of equity securities held by non-affiliates as of the last day of our most recently completed second quarter; the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities; and the last day of the year ending after the fifth anniversary of this offering. We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act. We intend to take advantage of certain of the exemptions discussed above, including the extended transition periods available under the JOBS Act for complying with new or revised accounting standards. Accordingly, the information contained herein may be different from the information you receive from other public companies. See “Risk Factors—Risks Related to Being a Public Company.” We cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

Corporate Information

We are a Wisconsin corporation and commenced operations in 1945. Our principal operating offices are located at 715 South Street, Mayville, Wisconsin 53050, and our phone number is (920) 387-4500. Our website address is www.mecinc.com. Information contained on our website is not incorporated by reference in, and does not constitute a part of, this prospectus.

MEC Employee Stock Ownership Plan

In 1985, the Mayville Engineering Company, Inc. Employee Stock Ownership Plan began acquiring shares of our common stock and in 2003 became our sole shareholder. In connection with this offering, we will divide the existing employee stock ownership plan into two separate employee stock ownership plans, the 401(k) ESOP and the Traditional ESOP, which, together with the existing employee stock ownership plan, we sometimes refer to individually and/or collectively as the ESOP or ESOPs. The ESOP is a retirement plan and trust subject to the requirements of the Internal Revenue Code of 1986, as amended, or the Code, and the Employee Retirement Income Security Act of 1974, as amended, or ERISA. The independent trustee of the ESOP is GreatBanc Trust Company. Following consummation of this offering, our annual obligation to repurchase shares of our common stock held in the ESOP to satisfy legally required diversification distributions for eligible employees and distributions to employees who have terminated their employment with us or who passed away will terminate; and, thereafter, the ESOPs will be able to distribute shares of our common stock to these employees or ex-employees rather than cash. In addition, the ESOP participants (or their beneficiaries) will have the right to direct the ESOP Trustee on how to vote the shares of common stock allocated to such ESOP participant’s accounts under the ESOP. The ESOP Trustee will vote any ESOP shares for which no voting directions are timely received by the ESOP Trustee in its independent fiduciary discretion.

S Corporation Status

Since 1998, we have elected to be taxed for U.S. federal income tax purposes as an “S Corporation” under the provisions of Sections 1361 through 1379 of the Code. As a result, our earnings have not been subject to, and we have not paid, U.S. federal income tax, and no provision or liability for U.S. federal income tax has been included in our consolidated financial statements. Instead, for U.S. federal income tax purposes, our taxable income is “passed through” to our sole shareholder, the ESOP. As the ESOP is a retirement plan intended to be exempt...
from federal income taxes, we have not previously had to make any distributions to the ESOP for taxes. Except for the historical financial statements of DMP and the pro forma financial information for 2018 included elsewhere in this prospectus, no amount of our consolidated net income or our earnings per share presented in this prospectus, including in our consolidated financial statements and the accompanying notes appearing in this prospectus, reflects any provision for or accrual of any expense for U.S. federal income tax liability for any period presented. In connection with this offering, our status as an S Corporation will terminate. Thereafter, our taxable earnings will be subject to U.S. federal income tax and we will bear the liability for those taxes.
## THE OFFERING

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock offered by us</td>
<td>6,250,000 shares (or 7,187,500 shares if the underwriters’ option to purchase additional shares is exercised in full)</td>
</tr>
<tr>
<td>Common stock to be outstanding upon the completion of this offering</td>
<td>19,693,484 shares (or 20,630,984 shares if the underwriters’ option to purchase additional shares is exercised in full)</td>
</tr>
<tr>
<td>Option to purchase additional shares from us</td>
<td>We have granted to the underwriters a 30-day option to purchase up to 937,500 shares of our common stock at the initial public offering price less underwriting discounts and commissions</td>
</tr>
<tr>
<td>Use of proceeds</td>
<td>We estimate that our net proceeds from this offering, after deducting estimated underwriting discounts and approximately $2.7 million of estimated offering expenses payable by us, will be approximately $113.55 million, assuming an initial public offering price of $20.00 per share (the midpoint of the range set forth on the cover of this prospectus). We intend to use these net proceeds to repay our outstanding indebtedness and for general corporate purposes (which may include future acquisitions and/or setting funds aside in a deferred compensation trust to cover part or all of our deferred compensation obligations). See “Use of Proceeds.”</td>
</tr>
<tr>
<td>Directed share program</td>
<td>At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates and related persons. If these persons purchase reserved shares, it will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. For further information regarding our directed share program, see “Underwriting.”</td>
</tr>
<tr>
<td>Dividend policy</td>
<td>We anticipate that we will retain all future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in the foreseeable future. See “Dividend Policy.”</td>
</tr>
<tr>
<td>Concentration of ownership</td>
<td>Upon completion of this offering, our executive officers, directors and holders of 5% or more of our common stock, including the ESOP, will beneficially own, in the aggregate, approximately 68.26% of our outstanding shares of common stock.</td>
</tr>
<tr>
<td>Listing symbol</td>
<td>We have applied to list our common stock on the New York Stock Exchange under the symbol “MEC.”</td>
</tr>
</tbody>
</table>
You should carefully read and consider the information set forth under “Risk Factors” on page 20 of this prospectus and all other information in this prospectus before investing in our common stock.

Unless the context otherwise requires, the information in this prospectus:

- assumes that the shares of our common stock to be sold in this offering are sold at $20.00 per share (the midpoint of the range set forth on the cover of this prospectus);
- assumes that all shares of our common stock offered hereby are sold;
- assumes no exercise by the underwriters of their option to purchase additional shares;
- gives effect to the filing and effectiveness of our amended and restated articles of incorporation and the adoption of our amended bylaws, each of which will occur immediately prior to the completion of this offering; and
- gives retroactive effect to the issuance of an approximately 1,334.34-for-1 stock dividend in connection with this offering.
SUMMARY SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

The following sets forth our selected consolidated financial and operating information on a historical and pro forma basis. You should read the following summary of selected consolidated financial information in conjunction with our historical consolidated financial statements, the historical consolidated financial statements of DMP, our unaudited pro forma condensed combined statement of comprehensive income, and the related notes thereto, and with the section entitled “Management's Discussion and Analysis of Financial Condition and Results of Operations,” which are included elsewhere in this prospectus.

Our summary selected historical consolidated statement of comprehensive income information for the years ended December 31, 2018 and 2017, and our related summary selected historical consolidated balance sheet information as of December 31, 2018 and 2017, have been derived from our historical audited consolidated financial statements as of and for the year ended December 31, 2018 and 2017, which are included elsewhere in this prospectus.

The unaudited pro forma condensed combined statement of comprehensive income information set forth below gives effect to the DMP acquisition as if it had occurred as of January 1, 2018, and has been prepared to reflect adjustments to our historical financial information that are (i) directly attributable to the DMP acquisition, (ii) factually supportable, and (iii) expected to have a continuing impact on our results. The unaudited pro forma condensed combined statement of comprehensive income information includes various estimates which are subject to material change and may not be indicative of what may be expected to occur in the future. The unaudited pro forma condensed combined statement of comprehensive income information does not include non-recurring items, including, but not limited to, acquisition-related legal and advisory fees. The unaudited pro forma condensed combined statement of comprehensive income information reflects the impact of:

- the DMP acquisition as if it had occurred as of January 1, 2018;
- other adjustments related to the DMP acquisition described in the explanatory notes to the unaudited pro forma condensed combined statement of comprehensive income information; and
- the reclassification of our common stock, which is, before this offering and the related amendments to our ESOP, considered temporary equity redeemable under GAAP, to shareholders’ equity, including common stock and additional paid-in capital, following this offering.

See the introduction and the related notes to the unaudited pro forma condensed combined statement of comprehensive income information, included elsewhere in this prospectus, for a complete description of the adjustments and assumptions underlying the summary unaudited pro forma condensed combined statement of comprehensive income information.

Except as provided in footnote 1 below, the historical consolidated statements of operations information of DMP used in the preparation of the unaudited pro forma condensed combined statement of comprehensive income information set forth below has been derived from the historical financial statements of DMP, which are included elsewhere in this prospectus.
The data for the periods presented below is not necessarily indicative of the results to be expected for any future period.

### Statement of Comprehensive Income Data:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th>Pro Forma Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net sales</td>
<td>$354,526</td>
<td>$313,331</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>303,948</td>
<td>278,594</td>
</tr>
<tr>
<td><strong>Manufacturing margins</strong></td>
<td>50,578</td>
<td>34,737</td>
</tr>
<tr>
<td>Income from operations</td>
<td>22,169</td>
<td>9,426</td>
</tr>
<tr>
<td>Net income</td>
<td>17,935</td>
<td>5,246</td>
</tr>
<tr>
<td><strong>Earnings per share</strong>—basic and diluted(^{(2)})</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Weighted average shares outstanding</strong>(^{(2)})</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

### Other Financial Data:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th>Pro Forma Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>EBITDA(^{(3)})</td>
<td>$41,823</td>
<td>$30,190</td>
</tr>
<tr>
<td>EBITDA Margin(^{(3)})</td>
<td>11.8%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Transaction fees</td>
<td>474</td>
<td>—</td>
</tr>
<tr>
<td>Inventory fair value step up</td>
<td>583</td>
<td>—</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>814</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EBITDA(^{(3)})</td>
<td>43,694</td>
<td>30,190</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin(^{(3)})</td>
<td>12.3%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

### Balance Sheet Data:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,089</td>
</tr>
<tr>
<td>Total current assets</td>
<td>112,759</td>
</tr>
<tr>
<td>Total assets</td>
<td>391,725</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>83,161</td>
</tr>
<tr>
<td>Bank revolving credit notes, other long-term debt less current maturities, and other long-term liabilities</td>
<td>173,101</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>19,123</td>
</tr>
<tr>
<td>Deferred compensation and long-term incentive, less current portion</td>
<td>13,351</td>
</tr>
<tr>
<td>Temporary equity—redeemable common shares(^{(4)})</td>
<td>133,806</td>
</tr>
<tr>
<td>Retained earnings(^{(4)})</td>
<td>26,842</td>
</tr>
<tr>
<td>Treasury stock at cost(^{(4)})</td>
<td>(57,659)</td>
</tr>
<tr>
<td>Common stock</td>
<td>n/a</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>n/a</td>
</tr>
</tbody>
</table>

\(^{(1)}\) The historical financial statements of DMP have been adjusted to eliminate DMP’s results for October 1 to December 31, 2017 and, in lieu thereof, add DMP’s results for October 1 to December 31, 2018 (excluding DMP’s results for the period in which the Company owned DMP). For additional information, see Note 2 to our consolidated financial statements.
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(2) Share data gives retroactive effect to the issuance of a stock dividend of approximately $1,334.34-for-1 in connection with this offering.

(3) EBITDA represents net income before interest expense, provision (benefit) for income taxes, depreciation, and amortization. EBITDA Margin represents EBITDA as a percentage of net sales for each period. Adjusted EBITDA represents EBITDA before transaction fees incurred in connection with the DMP acquisition and this offering and the loss on debt extinguishment relating to our December 2018 credit agreement. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of net sales for each period. These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP as an indicator of our operating performance. We present Adjusted EBITDA and Adjusted EBITDA Margin as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.

(4) Following consummation of this offering, our annual obligation to repurchase shares of our common stock held in the ESOP to satisfy legally required diversification distributions for eligible employees and distributions to employees who have terminated their employment with us or who passed away will terminate; and, thereafter, we will be able to distribute shares of our common stock to these employees or former employees rather than cash.

Our calculation of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly named measures reported by other companies. Potential differences between our measure of Adjusted EBITDA compared to other similar companies’ measures of Adjusted EBITDA may include differences in capital structures and tax positions.

The following table presents a reconciliation of net income, the most directly comparable measure calculated in accordance with GAAP, to Adjusted EBITDA, and the calculation of Adjusted EBITDA Margin for each of the periods presented.

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$17,935</td>
<td>$5,246</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,879</td>
<td>4,180</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>(459)</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>33</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,468</td>
<td>20,731</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$41,823</td>
<td>$30,190</td>
</tr>
<tr>
<td>Transaction fees(1)</td>
<td>474</td>
<td>—</td>
</tr>
<tr>
<td>Inventory fair value step up(2)</td>
<td>583</td>
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</tr>
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<td>Loss on debt extinguishment(3)</td>
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<td>—</td>
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<td>12.3%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>
Table of Contents

(1) Includes transaction fees incurred in connection with the DMP acquisition and this offering. No transaction fees were incurred in 2017.

(2) Relates to the purchase accounting for the one-time fair value step up of inventory.

(3) Relates to the refinancing of our credit agreements.
RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business

Failure to compete successfully in our markets could materially adversely affect our business, financial condition, results of operations or prospects.

We offer our processes and solutions in highly competitive markets. The competitors in these markets may, among other things:

- respond more quickly to new or emerging technologies;
- have greater name recognition, critical mass or geographic market presence;
- be better positioned to take advantage of acquisition opportunities;
- adapt more quickly to changes in customer requirements;
- devote greater resources to the development, promotion and sale of their processes and solutions;
- be better positioned to compete on price due to any combination of low-cost labor, raw materials, components, facilities or other operating items, or willingness to make sales at lower margins than us;
- consolidate with other competitors in the industry which may create increased pricing and competitive pressures on our business; and
- be better able to utilize excess capacity which may reduce the cost of their processes and solutions.

Competitors with lower cost structures may have a competitive advantage over us. We also expect our competitors to continue to improve the performance of their current processes and solutions, to reduce the prices of their existing processes and solutions and to introduce new processes or solutions that may offer greater performance and improved pricing. Additionally, we may face competition from new entrants to the industry in which we operate. Any of these developments could cause a decline in sales and average selling prices, loss of market share or profit margin compression. Maintaining and improving our competitive position will require successful management of these factors, including continued investment by us in research and development, engineering, marketing and customer service and support. Our future growth rate depends upon our ability to compete successfully, which is impacted by a number of factors, including, but not limited to, our ability to (i) identify emerging technological trends in our target end markets, (ii) develop and maintain a wide range of competitive and appropriately priced processes and solutions and defend our market share against an ever-expanding number of competitors including many new and non-traditional competitors, (iii) ensure that our processes and solutions remain cost-competitive and (iv) attract, develop and retain individuals with the requisite technical expertise and understanding of customers’ needs to develop and sell new technologies and processes.

We are affected by developments in the industries in which our customers operate.

We derive a large amount of our net sales from customers in the following industry sectors: heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military. Factors affecting any of these
industries in general, or any of our customers in particular, could adversely affect us because our net sales growth largely depends on the continued growth of our customers’ businesses in their respective industries. These factors include:

- seasonality of demand for our customers’ products which may cause our manufacturing capacity to be underutilized for periods of time;
- our customers’ failure to successfully market their products, to gain or retain widespread commercial acceptance of their products or to compete effectively in their industries;
- loss of market share for our customers’ products, which may lead our customers to reduce or discontinue purchasing our processes and solutions and to reduce prices, thereby exerting pricing pressure on us;
- economic conditions in the markets in which our customers operate, in particular, the United States, including recessionary periods such as a global economic downturn;
- our customers’ decision to insource the production of components that has traditionally been outsourced to us; and
- product design changes or manufacturing process changes that may reduce or eliminate demand for the components we supply.

We expect that future sales will continue to depend on the success of our customers. If economic conditions and demand for our customers’ products deteriorate, we may experience a material adverse effect on our business, operating results and financial condition.

**We may not be able to maintain our manufacturing, engineering and technological expertise.**

The markets for our processes and solutions are characterized by changing technology and evolving process development. The continued success of our business will depend upon our ability to:

- hire, retain and expand our pool of qualified engineering and trade-skilled personnel;
- maintain technological leadership in our industry;
- implement new and expand upon current robotics, automation and tooling technologies; and
- anticipate or respond to changes in manufacturing processes in a cost-effective and timely manner.

We cannot be certain that we will develop the capabilities required by our customers in the future. The emergence of new technologies, industry standards or customer requirements may render our equipment, inventory or processes obsolete or uncompetitive. We may have to acquire new technologies and equipment to remain competitive. The acquisition and implementation of new technologies and equipment may require us to incur significant expense and capital investment, which could reduce our margins and affect our operating results. When we establish or acquire new facilities, we may not be able to maintain or develop our manufacturing, engineering and technological expertise due to a lack of trained personnel, effective training of new staff or technical difficulties with machinery. Failure to anticipate and adapt to customers’ changing technological needs and requirements or to hire and retain a sufficient number of engineers and maintain manufacturing, engineering and technological expertise may have a material adverse effect on our business, operating results and financial condition.

**We are dependent on a limited number of large customers for current and future net sales. The loss of any of these customers or the loss of market share by these customers could materially adversely affect our business, financial condition, results of operations and cash flows.**

We depend on a limited number of major manufacturers for a majority of our net sales. For example, our largest customers in 2018, including John Deere, AB Volvo, Honda Motor Co. and PACCAR Inc. accounted for 17%, 14%, 12% and 12% of our pro forma net sales, respectively. Our financial performance depends in large part on our ability to continue to arrange for the purchase of our processes and solutions with these customers, and we
expect these customers to continue to make up a large portion of our net sales in the foreseeable future. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger net sales base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

- loss of business relationship;
- reduced or delayed customer requirements;
- the insourcing of business that has been traditionally outsourced to us;
- strikes or other work stoppages affecting production by our customers; or
- reduced demand for our customers’ products.

**Most of our customers do not commit to long-term production schedules, which makes it difficult for us to schedule production accurately and achieve maximum efficiency of our manufacturing capacity.**

Most of our customers do not commit to long-term contracts or firm production schedules, and we continue to experience reduced lead-times in customer orders. Additionally, customers may change production quantities or delay production with little lead-time or advance notice. Therefore, we rely on and plan our production and inventory levels based on our customers’ advance orders, commitments and/or forecasts, as well as our internal assessments and forecasts of customer demand. The volume and timing of sales to our customers may vary due to, among others:

- variation in demand for or discontinuation of our customers’ products;
- our customers’ attempts to manage their inventory;
- design changes;
- changes in our customers’ manufacturing strategies; and
- acquisitions of or consolidation among customers.

The variations in volume and timing of sales make it difficult to schedule production and optimize utilization of manufacturing capacity. This uncertainty may require us to increase staffing and incur other expenses in order to meet an unexpected increase in customer demand, potentially placing a significant burden on our resources. Additionally, an inability to respond to such increases in a timely manner may cause customer dissatisfaction, which may negatively affect our customer relationships.

Further, in order to secure sufficient production scale, we may make capital investments in advance of anticipated customer demand. Such investments may lead to low utilization levels if customer demand forecasts change and we are unable to utilize the additional capacity. Because fixed costs make up a large proportion of our total production costs, a reduction in customer demand can have a significant adverse impact on our gross profits and operating results. Additionally, we order materials and components based on customer forecasts and orders and suppliers may require us to purchase materials and components in minimum quantities that exceed customer requirements, which may have an adverse impact on our gross profits and operating results. In the past, anticipated orders from some of our customers have failed to materialize and delivery schedules have been deferred as a result of changes in our customers’ business needs.

**We may be unable to realize net sales represented by our awarded business, which could materially and adversely impact our business, financial condition, results of operations and cash flows.**

The realization of future net sales from awarded business is inherently subject to a number of important risks and uncertainties, including a lack of long-term commitments and production schedules with customers. Accordingly,
we cannot assure you that we will realize any or all of the future net sales represented by our awarded business. Any failure to realize these net sales could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition to not having a commitment from our customers regarding the minimum number of components they must purchase from us if we obtain awarded business, typically the terms and conditions of the agreements with our customers provide that they have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. In many cases, we must commit substantial resources in preparation for production under awarded customer business well in advance of the customer’s production start date. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incurred for raw materials and work-in-progress. Although we have been successful in recovering these costs under appropriate circumstances in the past, we cannot assure you that our results of operations will not be materially adversely impacted in the future if we are unable to recover these types of pre-production costs related to our customers’ cancellation of awarded business.

Our growth strategy includes acquisitions, and we may not be able to identify attractive acquisition targets or successfully integrate acquired targets without impacting our business.

Acquisitions have played a key role in our growth strategy, and we expect to continue to grow through acquisitions in the future. We expect to continue evaluating potential strategic acquisitions of businesses, assets and product lines. We may not be able to identify suitable candidates, negotiate appropriate or favorable acquisition terms, obtain financing that may be needed to consummate such transactions or complete proposed acquisitions. There is significant competition for acquisition and expansion opportunities in our businesses, which may increase the cost of any acquisition or result in the loss of attractive acquisition targets.

In addition, acquisitions involve numerous risks, including (i) incurring the time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in management’s attention being diverted from the operation of our existing business; (ii) using estimates and judgments to evaluate credit, operations, funding, liquidity, business, management and market risks with respect to the target entity or assets; (iii) litigation relating to an acquisition, particularly in the context of a publicly held acquisition target, could require us to incur significant expenses or result in the delaying or enjoining of the transaction; (iv) failing to properly identify an acquisition candidate’s liabilities, potential liabilities or risks; and (v) not receiving required regulatory approvals or such approvals being delayed or restrictively conditional. In addition, any acquisitions could involve the incurrence of substantial additional indebtedness or dilution to our shareholders. We cannot assure you that we will be able to successfully integrate any acquisitions that we undertake or that such acquisitions will perform as planned or prove to be beneficial to our operations and cash flow. Any such failure could seriously harm our financial condition, results of operations and cash flows.

We routinely evaluate potential acquisition candidates and engage in discussions and negotiations regarding potential acquisitions; however, even if we execute a definitive agreement for an acquisition, there can be no assurance that we will consummate the transaction within the anticipated closing timeframe, or at all. Further, acquisitions typically involve the payment of a premium over book- and market-value for the target business or asset and, therefore, some dilution of our tangible book value and/or earnings per common share may occur in connection with any future transaction.

Entering new markets, either organically or via acquisition, poses new competitive threats and commercial risks.

As we expand into new markets, either organically or via acquisition, we expect to diversify our net sales by leveraging our development, engineering and manufacturing capabilities in order to source necessary parts and
components for other industries. Such diversification requires investments and resources that may not be available as needed. Furthermore, even if we sign contracts in new markets, we cannot guarantee that we will be successful in leveraging our capabilities into these new markets and thus in meeting the needs of these customers and competing favorably in these new markets. If these customers experience reduced demand for their products or financial difficulties, our future prospects will be negatively affected as well.

If we fail to develop new and innovative processes or if customers in our market do not accept them, our results would be negatively affected.

Our processes must be kept current to meet our customers’ needs. To remain competitive, we therefore must develop new and innovative processes on an ongoing basis. If we fail to make innovations or the market does not accept our new processes, our sales and results would suffer. We invest significantly in the research and development of new processes; however, these expenditures do not always result in processes that will be accepted by the market. To the extent they do not, whether as a function of the process or the business cycle, we will have increased expenses without significant sales to offset such costs. Failure to develop successful new processes may also cause potential customers to purchase from competitors.

We depend on our key executive officers, managers and trade-skilled personnel and may have difficulty retaining and recruiting qualified employees. Moreover, we operate in competitive labor markets, which may also impact our ability to hire and retain employees at our facilities.

Our success depends to a large extent upon the continued services of our executive officers, senior management, managers and trade-skilled personnel and our ability to recruit and retain skilled personnel to maintain and expand our operations. We could be affected by the loss of any of our executive officers who are responsible for formulating and implementing our business plan and strategy, and who have been instrumental in our growth and development. In addition, in order to manage our growth, we will need to recruit and retain additional management personnel and other skilled employees at our facilities. However, competition for our trade-skilled labor is high, particularly in some of the geographic locations where our facilities are located. Although we intend to continue to devote significant resources to recruit, train and retain qualified employees, we may not be able to attract, effectively train and retain these employees. Any failure to do so could impair our ability to conduct design, engineering and manufacturing activities, efficiently perform our contractual obligations, develop marketable components, timely meet our customers’ needs and ultimately win new business, all of which could adversely affect our business, financial condition and results of operations. If we are not able to do so, our business and our ability to continue to grow could be negatively affected. In addition, salaries and related costs are a significant portion of the cost of providing our solutions and, accordingly, our ability to efficiently utilize our workforce impacts our profitability. If our employees are under-utilized, our profitability could suffer.

We are dependent on information technology and our systems and infrastructure face certain risks, including cyber security risks and data leakage risks.

We are dependent on information technology systems and infrastructure that could be damaged or interrupted by a variety of factors. Any significant breach, breakdown, destruction or interruption of these systems by employees, others with authorized access to our systems or unauthorized persons has the potential to negatively affect our operations. There is also a risk that we could experience a business interruption, theft of information or reputational damage as a result of a cyberattack, such as the infiltration of a data center, or data leakage of confidential information either internally or at our third-party providers. Although we have invested in the protection of our data and information technology to reduce these risks and periodically test the security of our information systems network, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems that could have a material adverse effect on our financial condition, results of operations and liquidity.
We may incur additional expenses and delays due to technical problems or other interruptions at our manufacturing facilities.

Disruptions in operations due to technical problems or power interruptions as well as other interruptions such as floods, fire or other natural disasters could adversely affect the manufacturing capacity of our facilities. Such interruptions could cause delays in production and cause us to incur additional expenses such as charges for expedited deliveries for components that are delayed. Additionally, our customers have the ability to cancel purchase orders in the event of any delays in production and may decrease future orders if delays are persistent. Additionally, to the extent that such disruptions do not result from damage to our physical property, these may not be covered by our business interruption insurance. Any such disruptions may adversely affect our operations and financial results.

Political and economic developments could adversely affect our business.

Increased political instability and social unrest, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could affect the availability of raw materials and components we need in our manufacturing operations or the means to transport those materials or components to our manufacturing facilities and finished parts to our customers. These events have had and may continue to have an adverse effect, generally, on the economy and consumer confidence and spending, which could adversely affect our net sales and operating results. The effect of these events on the volatility of the financial markets could in the future lead to volatility of the market price of our securities and may limit the capital resources available to us, our customers and our suppliers.

Volatility in the prices or availability of raw materials and energy prices and our ability to pass along increased costs to our customers could adversely affect our results of operations.

The prices and availability of raw materials critical to our business and performance are based on global supply and demand conditions. Certain raw materials used by us are only available from a limited number of suppliers, and it may be difficult to find alternative suppliers at the same or similar costs. While we strive to pass through the price of raw materials to our customers, we may not be able to do so in the future, and volatility in the prices of raw materials may affect customer demand for certain components. In addition, we, along with our suppliers and customers, rely on various energy sources for a number of activities connected with our business, such as the transportation of raw materials and finished parts. The availability and pricing of these resources are subject to market forces that are beyond our control. Furthermore, we are vulnerable to any reliability issues experienced by our suppliers, which also are beyond our control. Our suppliers contract separately for the purchase of such resources, and our sources of supply could be interrupted should our suppliers not be able to obtain these materials due to higher demand or other factors that interrupt their availability. Energy and utility prices, including electricity and water prices, and in particular prices for petroleum-based energy sources, are volatile. Increased supplier and customer operating costs arising from volatility in the prices of energy sources, such as increased energy and utility costs and transportation costs, could be passed through to us and we may not be able to increase our product prices sufficiently or at all to offset such increased costs. The impact of any volatility in the prices of energy or the raw materials on which we rely, including the reduction in demand for certain components caused by such price volatility, could result in a loss of net sales and profitability and adversely affect our results of operations.
Our manufacturing operations are dependent upon third-party suppliers, making us vulnerable to supply shortages.

We obtain raw materials, parts and certain components from third-party suppliers. Any delay in receiving supplies could impair our ability to timely deliver components to our customers and, accordingly, could have an adverse effect on our business, financial condition, results of operations and cash flows. The volatility in the financial markets and uncertainty in the sectors our suppliers service could result in exposure related to the financial viability of certain of our suppliers. Suppliers may also exit certain business lines, causing us to find other suppliers for materials or components and potentially delaying our ability to deliver components to customers, or our suppliers may change the terms on which they are willing to provide parts or materials to us, any of which could adversely affect our financial condition and results of operations. In addition, many of our suppliers have unionized workforces that could be subject to work stoppages as a result of labor relations issues. Some of our suppliers supply components and materials that cannot be quickly or inexpensively re-sourced to another supplier due to long lead times and contractual commitments that might be required by another supplier in order to provide the components or materials.

The impact of foreign trade relations and associated tariffs could adversely impact our business.

We currently source certain raw materials from international suppliers. Import tariffs, taxes, customs duties and/or other trade regulations imposed by the U.S. government on foreign countries, or by foreign countries on the United States, could significantly increase the prices we pay for certain raw materials, such as steel, aluminum and purchased components, that are critical to our ability to manufacture components for our customers. In addition, we may be unable to find a domestic supplier to provide the necessary raw materials on an economical basis in the amounts we require. If the cost of our raw materials increases, or if we are unable to procure the necessary raw materials required to manufacture our components, then we could experience a negative impact on our operating results, profitability, customer relationships and future cash flows.

Additionally, our customers’ businesses may be negatively impacted by import tariffs, taxes, customs duties and/or other trade regulations imposed by the U.S. government on foreign countries or by foreign countries on the United States, which could, in turn, reduce our customers’ demand for the components that we manufacture for them. Any reduction in customer demand for our components as a result of such tariffs, taxes, customs duties and/or other trade regulations could have a material adverse impact on our financial position, results of operations, cash flows and liquidity.

Because our industry is capital intensive and we have significant fixed and semi-fixed costs, our profitability is sensitive to changes in volume.

The property, plants and equipment needed to produce components for our customers and provide our processes and solutions can be very expensive. We must spend a substantial amount of capital to purchase and maintain such property, plants and equipment. Although we believe our current cash balance, along with our projected internal cash flows and available financing sources, will provide sufficient cash to support our currently anticipated operating and capital needs, if we are unable to generate sufficient cash to purchase and maintain the property, plants and equipment necessary to operate our business, we may be required to reduce or delay planned capital expenditures or to incur additional indebtedness.
We may need to raise additional capital in the future for working capital, capital expenditures and/or acquisitions, and we may not be able to do so on favorable terms, or at all, which would impair our ability to operate our business or achieve our growth objectives.

Our ongoing ability to generate cash is important for the funding of our continuing operations, making acquisitions and servicing our indebtedness. To the extent that existing cash balances and cash flow from operations, together with borrowing capacity under our existing credit facilities, are insufficient to make investments or acquisitions or provide needed working capital, we may require additional financing from other sources. Our ability to obtain such additional financing in the future will depend in part upon prevailing capital market conditions, as well as conditions in our business and our operating results, and those factors may affect our efforts to arrange additional financing on terms that are acceptable to us. Furthermore, if economic, political or other market conditions adversely affect the financial institutions that provide credit to us, it is possible that our ability to draw upon our existing credit facilities may be impacted. If adequate funds are not available, or are not available on acceptable terms, we may not be able to make future investments, take advantage of acquisitions or other opportunities, or respond to competitive challenges, resulting in loss of market share, any of which could have a material adverse impact on our financial position, results of operations, cash flows and liquidity.

The risks associated with climate change, as well as climate change legislation and regulations, could adversely affect our operations and financial condition.

The physical risks of climate change, such as more frequent or more extreme weather events, changes in temperature and precipitation patterns, changes to ground and surface water availability and other related phenomena, could affect some, or all, of our operations. Severe weather or other natural disasters could be destructive, which could result in increased costs, including supply chain costs.

In addition, a number of government bodies have finalized, proposed or are contemplating legislative and regulatory changes in response to growing concerns about climate change. In recent years, federal, state and local governments have taken steps to reduce emissions of greenhouse gases, or GHGs. The Environmental Protection Agency has finalized a series of GHG monitoring, reporting and emissions control rules for certain large sources of GHGs, and the U.S. Congress has, from time to time, considered adopting legislation to reduce GHG emissions. Numerous states have already taken measures to reduce GHG emissions, primarily through the development of GHG emission inventories and/or regional GHG cap-and-trade programs. While the current administration has announced that the United States will withdraw from international commitments to reduce GHG emissions, many state and local officials have announced their decisions to uphold such commitments.

Although it is not possible at this time to predict how future legislation or regulations to address GHG emissions would impact our business, any such laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations, could require us to incur costs to reduce GHG emissions associated with our operations. We cannot assure you that our costs, liabilities and obligations relating to environmental matters will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our manufacturing, painting and coating operations are subject to environmental, health and safety laws and regulations that could result in liabilities to us.

Our manufacturing, painting and coating operations are subject to environmental, health and safety laws and regulations, including those governing discharges to air and water, the management and disposal of hazardous substances, the cleanup of contaminated sites and health and safety matters. We could incur material costs, including cleanup costs, civil and criminal fines, penalties and third-party claims for cost recovery, property
damage or personal injury as a result of violations of or liabilities under such laws and regulations. The ultimate cost of remediating contaminated sites, if any, is difficult to accurately predict and could exceed estimates. In addition, as environmental, health and safety laws and regulations have tended to become stricter, we could incur additional costs complying with requirements that are promulgated in the future.

If our manufacturing processes do not comply with applicable statutory and regulatory requirements, or if we manufacture components containing manufacturing defects, demand for our capabilities may decline and we may be subject to liability claims.

Our manufacturing processes and facilities need to comply with applicable statutory and regulatory requirements. We may also have the responsibility to ensure that the processes we use satisfy safety and regulatory standards, including those applicable to our customers and to obtain any necessary certifications. In addition, our customers’ products, as well as the manufacturing processes and components that we use to produce such products, are often highly complex. As a result, components that we manufacture may at times contain manufacturing defects, and our manufacturing processes may be subject to errors or not be in compliance with applicable statutory and regulatory requirements or demands of our customers. Defects in the components we manufacture, whether caused by a manufacturing or component failure or error, or deficiencies in our manufacturing processes, may result in delayed shipments to customers, replacement costs or reduced or cancelled customer orders. If these defects or deficiencies are significant, our business reputation may also be damaged. The failure of the components that we manufacture for our customers to comply with statutory and regulatory requirements may subject us to legal fines or penalties and, in some cases, require us to shut down or incur considerable expense to correct a manufacturing process or facility. In addition, these defects may expose us to liability to pay for the recall of a customer’s product or to indemnify our customers for the costs of any such claims or recalls which they face as a result of using items manufactured by us in their products.

Adverse judgments or settlements in legal disputes, including product liability, intellectual property infringement and other claims, could result in materially adverse monetary damages or injunctive relief and damage our business and/or our reputation.

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. The results of litigation and other legal proceedings are inherently uncertain and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or obtain adequate insurance in the future.

The components we manufacture can expose us to potential liabilities. For instance, our manufacturing businesses expose us to potential product liability claims resulting from injuries caused by defects in components we design or manufacture, as well as potential claims that components we design infringe on third-party intellectual property rights. Such claims could subject us to significant liability for damages, subject the infringing portion of our business to injunction and, regardless of their merits, could be time-consuming and expensive to resolve. We may also have greater potential exposure from warranty claims and recalls due to problems caused by component or product design. Although we have product liability insurance coverage, it may not be sufficient to cover the full extent of our product liability, if at all. A successful product liability claim in excess or outside of our insurance coverage or any material claim for which insurance coverage was denied or limited and for which
We may experience work-related accidents that may expose us to liability claims.

Due to the nature of our operations, we are subject to the risks of our employees being exposed to industrial-related accidents at our premises. If such accidents occur in the future, we may be required to pay compensation and may also suffer reputational harm. Under such circumstances, our business and financial performance could be adversely affected.

Increases in the cost of employee benefits could impact our financial results and cash flows.

Our expenses relating to employee health benefits are significant. Unfavorable changes in the cost of and the unpredictability of claims under such benefits could impact our financial results and cash flows. Healthcare costs have risen significantly in recent years, and recent legislative and private sector initiatives regarding healthcare reform could result in significant changes to the U.S. healthcare system. Pursuant to the Affordable Care Act, employees may be ineligible for certain healthcare subsidies if such employee is eligible and offered qualifying and affordable healthcare coverage under an employer’s plan. Due to the breadth and complexity of the healthcare reform legislation, the lack of implementing regulations and interpretive guidance and the uncertainty surrounding further reform proposals, we are not able to fully determine the impact that healthcare reform will have in the future on company sponsored medical plans.

Compliance or the failure to comply with regulations and governmental policies could cause us to incur significant expense.

We are subject to a variety of local and foreign laws and regulations including those relating to labor and health and safety concerns. Such laws may require us to pay mandated compensation and penalties. Additionally, we may need to obtain and maintain licenses and permits to conduct business in various jurisdictions. If we or the businesses or companies we acquire have failed or fail in the future to comply with such laws and regulations, then we could incur liabilities and fines and our operations could be suspended. Such laws and regulations could also restrict our ability to modify or expand our facilities, could require us to acquire costly equipment, or could impose other significant expenditures.

Prior to this offering, we were treated as an S Corporation, and claims of taxing authorities related to our prior status as an S Corporation could have an adverse effect on our business, financial condition and results of operations.

Upon the consummation of this offering, our status as an S Corporation will terminate and we will be treated as a “C Corporation” for U.S. federal income tax purposes and thus will begin to be subject to U.S. federal income tax. If the unaudited, open tax years in which we were an S Corporation are audited by the Internal Revenue Service, or IRS, and we are determined not to have qualified for, or to have violated any requirement for maintaining, our S Corporation status, we will be obligated to pay back taxes, interest and possibly penalties. The amounts that we would be obligated to pay could include taxes on all our taxable income attributable to such open tax years. Any such claims could result in additional costs to us and could have a material adverse effect on our business, financial condition and results of operations.
Prior to the completion of this offering we are 100% owned by the ESOP, which is a retirement plan intended to be tax-qualified. If the ESOP fails to meet the requirements of a tax-qualified retirement plan, we could be subject to substantial penalties.

The ESOP is a defined contribution retirement plan subject to the requirements of the Code and ERISA. The ESOP has received a determination letter from the IRS that it meets the requirements of a tax-qualified retirement plan in form and we endeavor to maintain and administer the ESOP in compliance with all requirements of the Code and ERISA. However, the rules regarding tax-qualified plans, and especially ESOPs, are complex and change frequently. Accordingly, it is possible that the ESOP may not have been and may not in the future be administered in full compliance with all applicable rules under the Code or ERISA.

If the IRS were to determine that the ESOP was not in material compliance with the Code or ERISA, then the ESOP could lose its tax-qualified status and we could be subject to substantial penalties under the Code and/or ERISA, which could have a material adverse effect on our business, financial condition or results of operations. Additionally, any retroactive loss of the ESOP’s tax-qualified status would adversely impact our prior treatment as an S Corporation. See “—Prior to this offering, we were treated as an S Corporation, and claims of taxing authorities related to our prior status as an S Corporation could have an adverse effect on our business, financial condition and results of operations.”

Any failure to protect our customers’ intellectual property that we use in the products we manufacture for them could harm our customer relationships and subject us to liability.

The products we manufacture for our customers often contain our customers’ intellectual property, including copyrights, patents, trade secrets and know-how. Our success depends, in part, on our ability to protect our customers’ intellectual property. The steps we take to protect our customers’ intellectual property may not adequately prevent its disclosure or misappropriation. If we fail to protect our customers’ intellectual property, our customer relationships could be harmed and we may experience difficulty in establishing new customer relationships. In addition, our customers might pursue legal claims against us for any failure to protect their intellectual property, possibly resulting in harm to our reputation and our business, financial condition and operating results.

Risks Related to Our Indebtedness

Our Credit Agreements restrict our ability and the ability of our subsidiaries to engage in some business and financial transactions.

On December 14, 2018, we entered into a credit agreement with certain lenders and Wells Fargo Bank, National Association, as administrative agent, which we sometimes refer to as the Senior Credit Agreement. The Senior Credit Agreement provides for (i) a $90.0 million revolving credit facility, with a letter of credit sub-facility in an aggregate amount not to exceed $5.0 million, and a swingline facility in an aggregate amount of $15.0 million, which we sometimes collectively refer to as the Revolving Loan, and (ii) a $69.0 million term loan facility, which we sometimes refer to as Term Loan A, and a $26.0 million real estate term loan facility, which we sometimes refer to as the Real Estate Term Loan, and, together with Term Loan A, which we sometimes collectively refer to as the Term Loans.

On December 14, 2018, we also entered into a credit agreement with certain lenders and Wells Fargo Strategic Capital Inc., as administrative agent, which we sometimes refer to as the Subordinated Credit Agreement and, together with the Senior Credit Agreement, as the Credit Agreements. The Subordinated Credit Agreement provides for a $25.0 million term loan facility, which we sometimes refer to as the Subordinated Term Loan.
Our Credit Agreements contain a number of covenants that limit our ability and the ability of our subsidiaries to:

- create, incur or assume indebtedness (other than certain permitted indebtedness);
- create or incur liens (other than certain permitted liens);
- make investments (other than certain permitted investments);
- merge or consolidate with another entity or sell our stock other than to the ESOP or pursuant to an initial public offering reasonably satisfactory to the administrative agent for each of the Credit Agreements;
- make asset dispositions (other than certain permitted dispositions);
- declare or pay any dividend or any other distribution to shareholders;
- enter into transactions with affiliates;
- make certain organizational changes, including changing our fiscal year end or amending our organizational documents;
- pay or amend or waive the terms of subordinated indebtedness;
- enter into any agreement further restricting our ability to create or assume any lien;
- sell notes receivable or accounts receivable except under certain circumstances;
- enter into sale leaseback transactions;
- incur capital expenditures in excess of $25,000,000, in the case of the Senior Credit Agreement, or $26,000,000, in the case of the Subordinated Credit Agreement, in any fiscal year;
- permit any person or group other than the ESOP to own or control more than 20% of our equity interests; or
- permit our board of directors to not be composed of a majority of our continuing directors (i.e., our directors as of December 14, 2018 and any additional or replacement directors that have been approved by at least 51% of the directors then in office).

Each Credit Agreement also requires us to maintain a fixed charge coverage ratio and a consolidated leverage ratio, and contains certain customary representations and warranties, affirmative covenants and events of default (including, among others, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, certain changes of control, material money judgments and failure to maintain subsidiary guarantees). If an event of default occurs under either Credit Agreement, the lenders under such Credit Agreement will be entitled to take various actions, including the acceleration of amounts due thereunder, the termination of such credit facility and all actions permitted to be taken by a secured creditor. Our failure to comply with our obligations under either Credit Agreement may result in an event of default under such Credit Agreement. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all.

We are able to incur additional debt, which could reduce our ability to satisfy our current obligations under our existing indebtedness.

At December 31, 2018, we had $95.0 million outstanding under the Term Loans, $59.6 million outstanding under the Revolving Loan and $25.0 million outstanding under the Subordinated Term Loan. In addition, we may be able to incur significant additional indebtedness in the future, and we may do so, among other reasons, to fund acquisitions as part of our growth strategy. Although each of the Credit Agreements contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and we could incur substantial additional indebtedness in compliance with these restrictions.
Risks Related to Our Common Stock and This Offering

Your ability to influence corporate matters may be limited because the ESOP owns a substantial amount of our stock and will continue to have significant influence over us after this offering, which may limit your ability to influence the outcome of important transactions, including a change in control.

Upon completion of this offering, our employees and certain former employees, through their interests in the 401(k) ESOP and the Traditional ESOP, will beneficially own approximately 68.26% of the outstanding shares of our common stock. Following completion of this offering, each ESOP participant is entitled to direct the vote of the shares allocated to his or her ESOP account, in his or her sole discretion. As a result, our employees and former employees, if acting together, will be able to influence or control matters requiring approval by our shareholders, including the election of directors, influence over our management and policies and the approval of mergers, acquisitions or other extraordinary transactions. As employees and former employees, the ESOP participants’ interests may be contrary to yours. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our non-ESOP shareholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

The ESOP Trustee may have the power to vote in its discretion a large block of shares on matters presented to shareholders for approval.

Following completion of this offering, ESOP participants have the right to direct the vote of the shares allocated to his or her ESOP account. However, if a participant does not timely direct the voting of his or her shares, then the ESOP Trustee will vote such shares in its independent fiduciary discretion. Additionally, the ESOP Trustee has fiduciary duties under ERISA which may cause the ESOP Trustee to override participants’ voting directions. Consequently, there may be circumstances in which the ESOP Trustee has the ability to vote a significant block of shares on matters presented to shareholders for approval. The ESOP, which as a retirement plan has the purpose of providing retirement benefits to current and former employees of the company and their beneficiaries, may have interests that are different from yours and may vote in a way with which you disagree and which may be adverse to your interests.

There is no existing market for our common stock and an active, liquid trading market for our common stock may not develop following this offering.

Prior to this offering, there has been no public market for our common stock. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that market may become. If an active trading market does not develop, you may have difficulty selling any of our common stock that you purchase. The initial public offering price of our common stock was determined by negotiation between us and the underwriters, and may not be indicative of prices that will prevail after the completion of this offering. In addition, the market price of our common stock may decline below the initial public offering price, and you may not be able to resell your shares at, or above, the initial public offering price.

The market price of our common stock may be volatile, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price of our common stock will be determined through negotiation between us and the underwriters. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our common stock following this offering. In addition, the market price of our common stock following this offering is likely to be highly volatile, may be higher or lower than the initial public offering price and could be subject to wide fluctuations.
fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the market price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- relatively small percentage of our common stock available publicly;
- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market’s expectations about our operating results;
- changes in our orders in a given period;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the markets in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to manufacture new and enhanced components for the products of our customers on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of securities available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of our securities by our directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recession, interest rates, tariffs, fuel prices, international currency fluctuations and acts of war or terrorism.

In the past, following periods of volatility in the overall market and the market price of a particular company’s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources.

Additionally, if our common stock is not listed on, or becomes delisted from, the New York Stock Exchange, or NYSE, for any reason, and is quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on the NYSE or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

Sales of outstanding shares of our common stock into the market in the future could cause the market price of our common stock to drop significantly, even if our business is doing well.

Immediately after this offering, we will have outstanding 19,693,484 shares of our common stock. Of these shares, the 6,250,000 shares sold in this offering will be freely tradable except for any shares purchased by our “affiliates” as that term is used in Rule 144 under the Securities Act and any shares sold to our directors or officers pursuant to our directed share program.

Of the remaining outstanding shares approximately 13,443,484 shares of common stock will be held by the ESOP. Additionally, 2,000,000 shares of common stock are reserved for issuance under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan, which we sometimes refer to as the Omnibus Incentive Plan, which we adopted in connection with this offering. We intend to register the shares reserved for issuance under our Omnibus Incentive Plan and the shares subject to diversification rights under the ESOP and applicable law on Form S-8 registration statements following this offering.
The 2019 annual diversification election opportunity for participants in the Traditional ESOP (based upon participant share balances as of December 31, 2018) is anticipated to run until at least the 90th day following completion of this offering and the Traditional ESOP will then distribute shares of our common stock that any participants have elected to diversify 90 days following the end of the diversification election period. Therefore, no shares distributed in connection with Traditional ESOP diversification elections will be available for sale prior to 180 days following the date of this offering, but shares will be distributed to electing participants no later than December 31, 2019. Upon completion of this offering, approximately 558,000, or 2.8%, of our shares will be eligible for the 2019 diversification opportunity. There are approximately 150 Traditional ESOP participants that are eligible to diversify in the 2019 diversification period, who have an average balance of 0.019% of our shares after this offering, and none of whom hold more than 0.263% of our shares after this offering. Upon completion of the 2019 diversification opportunity, eligible Traditional ESOP participants’ next opportunity to diversify will occur during the 2020 diversification election period, and annually thereafter.

As required by law, 401(k) ESOP participants who have at least three years of service will be able to elect to sell some or all the shares of our common stock held in their 401(k) ESOP accounts and invest such proceeds in the other investment options made available under the 401(k) ESOP. The initial participant diversification opportunity will take place 180 days after the date of this offering following which the trustee will sell shares on behalf of diversifying participants in an orderly fashion. Therefore, no shares distributed in connection with 401(k) ESOP diversification elections will be available for sale prior to 180 days following the date of this offering. Upon completion of this offering, approximately 2,661,000, or 13.5%, of our shares would be eligible for the initial diversification election under the 401(k) ESOP. There are approximately 2,200 401(k) ESOP participants that are eligible to diversify in the initial diversification opportunity, who have an average balance of 0.006% of our shares after this offering, and none of whom hold more than 0.085% of our shares after this offering.

Upon termination of employment or death, participants are entitled to receive distributions in equal annual installments over a period of five years of the shares of our common stock allocated to such participant’s account under the 401(k) ESOP and the Traditional ESOP. The 2019 annual distribution period for these ex-employees will occur no earlier than 180 days following the date of this offering. Upon completion of this offering, approximately 827,000, or 4.2%, of our shares will be the subject of such a distribution. There are approximately 780 ESOP participants that will receive shares of our common stock in the 2019 distribution, who will receive, on average, 0.004% of our shares after this offering, and none of whom will receive in the 2019 distribution more than 0.119% of our shares after this offering.

Following the time periods set forth above, the terms of the ESOPs may be amended to allow for more frequent sales of our common stock by participants or more frequent distributions to terminated participants.

While our officers and directors and the ESOP itself (subject to certain exceptions) are subject to lock-up agreements, other participants in the ESOP generally are not subject to lock-up agreements. Therefore, participants who fall into one of the three categories described above and who are not locked up will be eligible to sell all their shares in the market after the dates described above without restrictions. We cannot predict whether any participants will exercise their diversification elections or if they do as to how many shares. We cannot predict the effect, if any, that the sales of shares by the participants who make diversification elections or who receive shares following their termination of employment or death may have on the market price of our common stock. Sales of substantial amounts of our common stock by participants may cause the market price of our common stock to decline.

After this offering, we will have an aggregate of 53,306,516 shares of common stock authorized but unissued and not reserved for issuance under our Omnibus Incentive Plan or otherwise. We may issue all of these shares without any action or approval by our shareholders. The issuance of additional shares could be dilutive to existing holders.
Investors in this offering will experience immediate and substantial dilution.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of the outstanding common stock immediately after this offering. Based on an assumed initial public offering price of $20.00 per share (the mid-point of the price range set forth on the cover page of this prospectus) and our net tangible book value as of December 31, 2018, if you purchase our common stock in this offering you will pay more for your shares than the amounts paid by our existing shareholders for their shares and you will suffer immediate dilution of approximately $15.17 per share in pro forma net tangible book value. See “Dilution.” As a result of such dilution, investors purchasing common stock in this offering may receive significantly less than the full purchase price that they paid for the shares purchased in this offering in the event of a liquidation.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our securities adversely, the price and trading volume of our securities could decline.

The trading market for our securities will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage of us, our stock price and trading volume would likely be negatively impacted. If any of the analysts who may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on it, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

We will have broad discretion over the use of the proceeds to us from this offering, and we may not use these funds in a manner of which you would approve or which would enhance the market price of our common stock.

We will have broad discretion to use the net proceeds from this offering, and you will be relying on the judgment of our board of directors and management regarding the use of these proceeds. We intend to use a significant portion of the net proceeds from this offering to repay existing indebtedness, including indebtedness incurred with respect to the DMP acquisition.

After the completion of this offering, we do not expect to declare any dividends in the foreseeable future.

The continued operation and growth of our business, including acquisitions and capital expenditures, will require substantial cash. Accordingly, after the completion of this offering, we do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon results of operations, financial condition, any contractual restrictions, our indebtedness, restrictions imposed by applicable law and other factors our board of directors deems relevant. Consequently, investors may need to sell all or part of their holdings of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

Some provisions of Wisconsin law and our amended and restated articles of incorporation and bylaws that will be in effect at the closing of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

Upon the closing of this offering, our status as a Wisconsin corporation and the anti-takeover provisions of the Wisconsin Business Corporation Law, which we sometimes refer to as the WBCL, may discourage, delay or
prevent a change in control even if a change in control would be beneficial to our shareholders by prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the person becomes an interested shareholder. We may engage in a business combination with an interested shareholder after the expiration of the three-year period with respect to that shareholder only if one or more of the following conditions is satisfied: (i) our board of directors approved the acquisition of the stock before the date on which the shareholder acquired the shares, (ii) the business combination is approved by a majority of our outstanding voting stock not beneficially owned by the interested shareholder or (iii) the consideration to be received by shareholders meets certain fair price requirements of the WBCL with respect to form and amount.

In addition, our amended and restated articles of incorporation and bylaws that will be in effect upon the closing of this offering contain provisions that may make the acquisition of the company more difficult, including the following:

- establishing a classified board of directors so that not all members of our board of directors are elected at one time, which could delay the ability of shareholders to change the membership of a majority of our board of directors;
- authorizing undesignated preferred stock, the terms of which may be established and shares of which may be issued by our board of directors without shareholder approval;
- requiring certain procedures to be satisfied in order for a shareholder to call a special meeting of shareholders, including requiring that we receive written demands for a special meeting from holders of 10% or more of all the votes entitled to be cast on any issue proposed to be considered;
- requiring that a director may be removed from office only for “cause” and with the affirmative vote of shareholders holding at least 66 2/3% of the then outstanding shares of stock entitled to vote in the election of directors;
- not providing for cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of stock to elect some directors; and
- establishing advance notice procedures for shareholder proposals or the nomination of candidates for election as directors.

These provisions could have the effect of discouraging, delaying or preventing a transaction involving a change in control of the company. These provisions could also have the effect of discouraging proxy contests and make it more difficult for you and other shareholders to elect directors of your choosing or prevent us from taking other corporate actions that you desire.

**Risks Related to Being a Public Company**

*The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business.*

Following the completion of this offering, we will be required to comply with various regulatory and reporting requirements, including those required by the United States Securities and Exchange Commission, or the SEC. Complying with these reporting and other regulatory requirements will be time-consuming and will result in increased costs to us and could have a negative effect on our business, financial condition and operating results.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, which we sometimes refer to as the Exchange Act, and the requirements of the Sarbanes-Oxley Act of 2002. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we may need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements
applicable to public companies. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join the company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition and operating results.

We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

As a public company, we will be required in future years to document and assess the effectiveness of our system of internal controls over financial reporting to satisfy the requirements of the Sarbanes-Oxley Act.

During the course of preparing for this offering, we identified two material weaknesses in the design and operation of our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’s annual or interim financial statements will not be prevented or detected on a timely basis. The first material weakness relates to information technology general controls specific to segregation of duties, systems access and change management processes. The second material weakness relates to a lack of consistently documented accounting policies and procedures, a lack of controls over the preparation and review of journal entries and a limited number of personnel with a level of GAAP accounting knowledge commensurate with our financial reporting requirements, which, in the aggregate, constitute a material weakness.

We are currently evaluating a number of steps to enhance our internal control over financial reporting and address these material weaknesses, including: hiring of additional financial reporting personnel with technical accounting and financial reporting experience, enhancing our internal review procedures during the financial statement close process, and designing and implementing IT general computer controls; however, our current efforts to design and implement effective controls may not be sufficient to remediate the material weaknesses described above or prevent future material weaknesses or other deficiencies from occurring. Despite these actions, we may identify additional material weaknesses in our internal control over financial reporting in the future.

If we fail to effectively remediate these material weaknesses in our internal control over financial reporting, if we identify future material weaknesses in our internal control over financial reporting or if we are unable to comply with the demands that will be placed upon us as a public company, including the requirements of Section 404 of the Sarbanes-Oxley Act, in a timely manner, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our stock price may be adversely affected.

Commencing with our second annual report on Form 10-K that we will file after becoming a public reporting company, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our
We are an emerging growth company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an “emerging growth company” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this exemption from new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that have not made this election.

For as long as we continue to be an emerging growth company, we also intend to take advantage of certain other exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (i) the last day of the year in which we have total annual gross revenue of $1.07 billion or more; (ii) the last day of the year following the fifth anniversary of the date of the closing of this offering; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Our business and stock price may suffer as a result of our lack of public company operating experience.

We have never operated as a public company, and we expect that the obligations of being a public company, including substantial public reporting, auditing and investor relations obligations, will require significant additional expenditures, place additional demands on our management and require the hiring of additional personnel. These obligations will increase our operating expenses and could divert our management’s attention from our operations. The Sarbanes-Oxley Act and the SEC rules and regulations implementing such Act, as well as various NYSE rules, will require us to implement additional corporate governance practices and may require further changes. These rules and regulations will increase our legal and financial compliance costs, and make some activities more difficult, time-consuming and/or costly. We also expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance. We may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified independent members of our board of directors and qualified members of our management team.
USE OF PROCEEDS

We estimate that our net proceeds from this offering, after deducting estimated underwriting discounts and commissions and approximately $2.7 million of estimated offering expenses payable by us, will be $113.55 million, assuming an initial public offering price of $20.00 per share (the midpoint of the range set forth on the cover of this prospectus). We intend to use these net proceeds to repay our outstanding indebtedness and for general corporate purposes (which may include future acquisitions and/or setting funds aside in a deferred compensation trust to cover part or all of our deferred compensation obligations). We are continuously reviewing possible acquisitions, however, as of the date of this prospectus, we have no current plan or agreements in place with respect to any future acquisitions.

At March 31, 2019, we had total borrowings of $95.0 million outstanding under the Term Loans, $25.0 million outstanding under the Subordinated Term Loan and $66.4 million outstanding under the Revolving Loan with an average interest rate of 5.7% on outstanding borrowings. At March 31, 2019, the interest rates on our Term Loan A, Real Estate Term Loan, Subordinated Term Loan and Revolving Loan were 4.75%, 4.75%, 11.59% and 4.75%, respectively.

A $1.00 increase or decrease in the assumed initial public offering price per share of our common stock would cause our net proceeds from this offering to increase or decrease by approximately $5.81 million, assuming the number of shares of our common stock offered by us remains the same and after deducting the estimated underwriting discounts and commissions and offering expenses payable by us. Each increase or decrease of 100,000 shares in the number of shares offered by us at the assumed initial public offering price per share of our common stock would increase or decrease our net proceeds from this offering by $1.86 million after deducting the estimated underwriting discounts and commissions and offering expenses payable by us.
DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that our board of directors considers relevant. In addition, the terms of the Senior Credit Agreement and the Subordinated Credit Agreement restrict our ability to pay cash dividends to the holders of our common stock.
The following table sets forth cash and cash equivalents, as well as our capitalization, as of December 31, 2018 (after giving retroactive effect to our amended and restated articles of incorporation and the issuance of a stock dividend of approximately 1,334.34-for-1 in connection with this offering):

- on an actual basis; and
- on a pro forma as adjusted basis, to give effect to the sale and issuance by us of 6,250,000 shares of our common stock in this offering (assuming no exercise of the underwriters’ option to purchase additional shares) at an assumed initial public offering price of $20.00 per share (the midpoint of the range set forth on the cover of this prospectus) and application of an estimated $113.55 million of net proceeds from this offering as described in “Use of Proceeds.”

You should read the following table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th>(in thousands, except per share data)</th>
<th>As of December 31, 2018</th>
<th>Pro Forma As Adjusted(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,089</td>
<td>$ 18,577</td>
</tr>
<tr>
<td>Term loans(2)</td>
<td>95,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Subordinated term loan(3)</td>
<td>25,000</td>
<td>0</td>
</tr>
<tr>
<td>Revolving loan(2)</td>
<td>59,629</td>
<td>0</td>
</tr>
<tr>
<td>Deferred compensation and long-term incentive, less current portion(4)</td>
<td>13,351</td>
<td>28,788</td>
</tr>
<tr>
<td>Other long-term debt</td>
<td>1,106</td>
<td>1,106</td>
</tr>
<tr>
<td>Debt financing costs</td>
<td>(825)</td>
<td>(825)</td>
</tr>
<tr>
<td>Total debt and deferred compensation and long-term incentive</td>
<td>$193,261</td>
<td>$124,069</td>
</tr>
<tr>
<td>Preferred stock, par value $0.01; n/a shares authorized and no shares issued and outstanding, actual; 5,000,000 shares authorized and no shares issued and outstanding, pro forma as adjusted</td>
<td>$ n/a</td>
<td>$ 0</td>
</tr>
<tr>
<td>Temporary equity—redeemable common shares, no par value</td>
<td>133,806</td>
<td>n/a</td>
</tr>
<tr>
<td>Common stock, no par value; n/a shares authorized, issued and outstanding, actual; 75,000,000 shares authorized, 44,873,830 shares issued and 19,693,484 shares outstanding, pro forma as adjusted</td>
<td>n/a</td>
<td>0</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>0</td>
<td>247,356</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>26,842</td>
<td>26,842</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td>(57,659)</td>
<td>(57,659)</td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$102,989</td>
<td>$216,539</td>
</tr>
</tbody>
</table>

(1) A $1.00 increase or decrease in the assumed initial public offering price per share of our common stock would increase or decrease each of cash, additional paid-in-capital and total capitalization by approximately $5.81 million, assuming the number of shares of our common stock offered by us remains the same and after deducting the estimated underwriting discounts and commissions and offering expenses payable by us. The pro forma as adjusted information is illustrative only, and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) Represents borrowings outstanding under the Senior Credit Agreement. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Credit Agreement.”
Upon completion of this offering, the open performance periods under the Mayville Engineering Company, Inc. Long-Term Incentive Plan will be truncated and the amounts earned by the participants in this plan will be paid out. For additional information regarding this plan, see “Executive Compensation—Incentive Compensation Plans—LTIP Awards.”

(3) Represents borrowings outstanding under the Subordinated Credit Agreement. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Subordinated Credit Agreement.”

(4) Prior to this offering, all amounts deferred under the Mayville Engineering Company Deferred Compensation Plan are deemed invested in shares of our common stock (which deemed investment will be eliminated in connection with this offering). The obligation set forth on our consolidated balance sheet at December 31, 2018 is based on the latest ESOP appraisal of the Company, performed under Code Section 401(a)(28), as a privately held company. Upon completion of this offering, the amount of this obligation will increase to reflect the valuation of the Company based on the price established by the underwriters for our sale of stock in this offering. For additional information regarding this plan, see “Executive Compensation—Pension Benefits and Nonqualified Deferred Compensation; 401(k) Plan; ESOP.”

Upon completion of this offering, the open performance periods under the Mayville Engineering Company, Inc. Long-Term Incentive Plan will be truncated and the amounts earned by the participants in this plan will be paid out. For additional information regarding this plan, see “Executive Compensation—Incentive Compensation Plans—LTIP Awards.”
DILUTION

Dilution is the amount by which the offering price paid by purchasers of our common stock sold in this offering will exceed the pro forma as adjusted net tangible book value per share of our common stock after the completion of this offering. The pro forma net tangible book value of our common stock at December 31, 2018 was $75.67 million, or $5.63 per share. Pro forma net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of outstanding shares of our common stock.

After giving effect to the sale by us of shares of our common stock in this offering at the assumed initial public offering price of $20.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2018 would have been $64.93 million, or $4.83 per share. This represents an immediate increase in pro forma net tangible book value of $14.37 per share to our existing shareholders and an immediate dilution in pro forma net tangible book value of $15.17 per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price.

The following table illustrates the per share dilution:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed initial public offering price per share</td>
<td>$20.00</td>
</tr>
<tr>
<td>Pro forma net tangible book value (deficit) per share at December 31, 2018</td>
<td>$5.63</td>
</tr>
<tr>
<td>Increase in pro forma net tangible book value (deficit) per share attributable to new investors in this offering</td>
<td>$(0.80)</td>
</tr>
<tr>
<td>Pro forma as adjusted net tangible book value per share immediately after this offering</td>
<td>$4.83</td>
</tr>
<tr>
<td>Dilution in pro forma net tangible book value per share to new investors in this offering</td>
<td>$15.17</td>
</tr>
</tbody>
</table>

Each $1.00 increase or decrease in the assumed initial public offering price per share of our common stock would increase or decrease our pro forma as adjusted net tangible book value after the completion of this offering by approximately $5.81 million, and increase or decrease the dilution to purchasers in this offering by approximately $0.44 per share, assuming the number of shares of our common stock offered by us remains the same and after deducting estimated underwriting discounts and commissions and offering expenses payable by us.

If the underwriters’ option to purchase additional shares of our common stock from us is exercised in full, the pro forma as adjusted net tangible book value per share of our common stock, as adjusted to give effect to this offering, would be $6.12 per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $13.88 per share.
The following table summarizes, at December 31, 2018, on the pro forma as adjusted basis described above, the difference between the total cash consideration paid and the average price per share paid by existing shareholders and the purchasers of our common stock in this offering with respect to the number of shares of our common stock purchased from us, before deducting estimated underwriting discounts and commissions and offering expenses payable by us.

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Existing shareholders</td>
<td>13,443,484</td>
<td>68.3%</td>
</tr>
<tr>
<td>Purchasers of common stock in this offering</td>
<td>6,250,000</td>
<td>31.7%</td>
</tr>
<tr>
<td>Total</td>
<td>19,693,484</td>
<td>100%</td>
</tr>
</tbody>
</table>

Each $1.00 increase or decrease in the assumed initial public offering price of $20.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all shareholders by approximately $5.81 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters’ option to purchase additional shares of our common stock from us. If the underwriters’ option to purchase additional shares of our common stock were exercised in full, our existing shareholders would own 68.26% and our new investors would own 31.74% of the total number of shares of our common stock outstanding upon the completion of this offering.

The total number of shares of our common stock that will be outstanding after this offering is based on 13,443,484 shares of our common stock outstanding as of December 31, 2018.
SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following sets forth our selected consolidated financial and operating information on a historical and pro forma basis. You should read the following summary of selected consolidated financial information in conjunction with our historical consolidated financial statements, the historical consolidated financial statements of DMP, our unaudited pro forma condensed combined statement of comprehensive income, and the related notes thereto, and with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” each of which is included elsewhere in this prospectus.

Our selected historical consolidated statement of comprehensive income information for the years ended December 31, 2018 and 2017, and our related selected historical consolidated balance sheet information as of December 31, 2018 and 2017, have been derived from our historical audited consolidated financial statements as of and for the year ended December 31, 2018 and 2017, which are included elsewhere in this prospectus.

On December 14, 2018, we acquired all of the issued and outstanding shares of common stock of DMP. The unaudited pro forma condensed combined statement of comprehensive income information set forth below gives effect to the DMP acquisition as if it had occurred as of January 1, 2018, and has been prepared to reflect adjustments to our historical financial information that are (i) directly attributable to the DMP acquisition, (ii) factually supportable, and (iii) expected to have a continuing impact on our results. The unaudited pro forma condensed combined statement of comprehensive income information includes various estimates which are subject to material change and may not be indicative of what may be expected to occur in the future. The unaudited pro forma condensed combined statement of comprehensive income information does not include non-recurring items, including, but not limited to, acquisition-related legal and advisory fees. The unaudited pro forma condensed combined statement of comprehensive income information reflects the impact of:

- the DMP acquisition as if it had occurred as of January 1, 2018;
- other adjustments related to the DMP acquisition described in the explanatory notes to the unaudited pro forma condensed combined statement of comprehensive income information; and
- the reclassification of our common stock, which is, before this offering and the related amendments to our ESOP, considered temporary equity redeemable under GAAP, to shareholders’ equity, including common stock and additional paid-in capital, following this offering.

See the introduction and the related notes to the unaudited pro forma condensed combined statement of comprehensive income information, included elsewhere in this prospectus, for a complete description of the adjustments and assumptions underlying the selected unaudited pro forma condensed combined statement of comprehensive income information.

Except as provided in footnote 1 below, the historical consolidated statements of operations information of DMP used in the preparation of the unaudited pro forma condensed combined statement of comprehensive income information set forth below has been derived from the historical financial statements of DMP, which are included elsewhere in this prospectus.
The data for the periods presented below is not necessarily indicative of the results to be expected for any future period.

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th>Pro Forma Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>$354,526</td>
<td>$313,331</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>303,948</td>
<td>278,594</td>
</tr>
<tr>
<td><strong>Manufacturing margins</strong></td>
<td>50,578</td>
<td>34,737</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>22,169</td>
<td>9,426</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>17,935</td>
<td>5,246</td>
</tr>
<tr>
<td><strong>Earnings per share—basic and diluted</strong></td>
<td>—</td>
<td>basic and diluted</td>
</tr>
<tr>
<td><strong>Weighted average shares outstanding</strong></td>
<td>—</td>
<td>basic and diluted</td>
</tr>
</tbody>
</table>

**Other Financial Data:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong>(3)</td>
<td>$41,823</td>
<td>$30,190</td>
<td>$57,393</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong>(3)</td>
<td>11.8%</td>
<td>9.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Transaction fees</strong></td>
<td>474</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Inventory fair value step up</strong></td>
<td>583</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Loss on debt extinguishment</strong></td>
<td>814</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong>(3)</td>
<td>43,694</td>
<td>30,190</td>
<td>57,393</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong>(3)</td>
<td>12.3%</td>
<td>9.6%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

**Balance Sheet Data:**

<p>|                                      | December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>$3,089</td>
<td>$76</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>112,759</td>
<td>64,173</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>391,725</td>
<td>214,316</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>83,161</td>
<td>41,876</td>
</tr>
<tr>
<td><strong>Bank revolving credit notes, other long-term debt less current maturities, and other long-term liabilities</strong></td>
<td>173,101</td>
<td>67,919</td>
</tr>
<tr>
<td><strong>Deferred income taxes</strong></td>
<td>19,123</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred compensation and long-term incentive, less current portion</strong></td>
<td>13,351</td>
<td>11,634</td>
</tr>
<tr>
<td><strong>Temporary equity—redeemable common shares</strong>(4)</td>
<td>133,806</td>
<td>125,042</td>
</tr>
<tr>
<td><strong>Retained earnings</strong>(4)</td>
<td>26,842</td>
<td>17,671</td>
</tr>
<tr>
<td><strong>Treasury stock at cost</strong>(4)</td>
<td>(57,659)</td>
<td>(49,826)</td>
</tr>
<tr>
<td><strong>Common stock</strong></td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Additional paid-in capital</strong></td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) The historical financial statements of DMP have been adjusted to eliminate DMP’s results for October 1 to December 31, 2017 and, in lieu thereof, add DMP’s results for October 1 to December 31, 2018 (excluding DMP’s results for the period in which the Company owned DMP). For additional information, see Note 2 to our consolidated financial statements.
(2) Share data gives retroactive effect to the issuance of a stock dividend of approximately 1,334.34-for-1 in connection with this offering.

(3) EBITDA represents net income before interest expense, provision (benefit) for income taxes, depreciation, and amortization. EBITDA Margin represents EBITDA as a percentage of net sales for each period. Adjusted EBITDA represents EBITDA before transaction fees incurred in connection with the DMP acquisition and this offering and the loss on debt extinguishment relating to our December 2018 credit agreement. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of net sales for each period. These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP as an indicator of our operating performance. We present Adjusted EBITDA and Adjusted EBITDA Margin as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.

(4) Following consummation of this offering, our annual obligation to repurchase shares of our common stock held in the ESOP to satisfy legally required diversification distributions for eligible employees and distributions to employees who have terminated their employment with us or who passed away will terminate; and, thereafter, we will be able to distribute shares of our common stock to these employees or ex-employees rather than cash.

Our calculation of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly named measures reported by other companies. Potential differences between our measure of Adjusted EBITDA compared to other similar companies’ measures of Adjusted EBITDA may include differences in capital structures and tax positions.

The following table presents a reconciliation of net income, the most directly comparable measure calculated in accordance with GAAP, to Adjusted EBITDA, and the calculation of Adjusted EBITDA Margin for each of the periods presented.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>For the Year Ended December 31,</th>
<th>Pro Forma Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$17,935</td>
<td>$5,246</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>3,879</td>
<td>4,180</td>
</tr>
<tr>
<td><strong>Provision (benefit) for income taxes</strong></td>
<td>(459)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>20,468</td>
<td>20,731</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>—</td>
<td>33</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$41,823</td>
<td>$30,190</td>
</tr>
<tr>
<td><strong>Transaction fees</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>474</td>
<td>—</td>
</tr>
<tr>
<td><strong>Inventory fair value step up</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>583</td>
<td>—</td>
</tr>
<tr>
<td><strong>Loss on debt extinguishment</strong>&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>814</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$43,694</td>
<td>$30,190</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
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</tr>
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<td>9.6%</td>
</tr>
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<td><strong>Adjusted EBITDA Margin</strong></td>
<td>12.3%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>
Table of Contents

(1) Includes transaction fees incurred in connection with the DMP acquisition and this offering. No transaction fees were incurred in 2017.

(2) Relates to the purchase accounting for the one-time fair value step up of inventory.

(3) Relates to the refinancing of our credit agreements.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Historical results may not be indicative of future performance. This discussion includes forward-looking statements that reflect our plans, estimates and beliefs. Such statements involve risks and uncertainties. Our actual results may differ materially from those contemplated by these forward-looking statements as result of various factors, including those set forth in “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.” This discussion should be read in conjunction with “Prospectus Summary—Summary Selected Historical and Pro Forma Financial Data,” “Selected Historical and Pro Forma Financial Information,” our audited consolidated financial statements and the notes thereto and the audited consolidated financial statements of DMP and the notes thereto, all of which are included elsewhere in this prospectus. In this discussion, we use certain non-GAAP financial measures. Explanation of these non-GAAP financial measures and reconciliation to the most directly comparable GAAP financial measures are included in this Management’s Discussion and Analysis of Financial Condition and Results of Operations as well as “Selected Historical and Pro Forma Financial Information.” Investors should not consider non-GAAP financial measures in isolation or as substitutes for financial information presented in compliance with GAAP.

Overview

MEC is a leading U.S.-based value-added manufacturing partner that provides a broad range of prototyping and tooling, production fabrication, coating, assembly and aftermarket components. Our customers operate in diverse end markets, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture, military and other end markets. We have developed long-standing relationships with our blue chip customers based upon a high level of experience, trust and confidence.

Our one operating segment focuses on producing metal components that are used in a broad range of heavy- and medium-duty commercial vehicles, construction, powersports, agricultural, military and other products.

On December 14, 2018, we acquired DMP, a leading U.S. based manufacturer of component parts for the heavy- and medium-duty commercial vehicles, construction, agriculture and military markets. At the closing, we paid cash of $114.7 million dollars, net of acquired cash, and assumed certain liabilities. There is also an additional one-time earn-out payment of up to $10 million that could be paid in 2019 if DMP meets certain financial performance metrics during 2019. The DMP acquisition provides us with enhanced product, customer and geographic diversification with minimal customer overlap. DMP’s business is included in our results of operations since the date of acquisition.

How We Assess Performance of Our Business

Net Sales

Net sales reflect sales of our components and products net of allowances for returns and discounts. Several factors affect our net sales in any given period, including general economic conditions, weather, timing of acquisitions and the production schedules of our customers. Net sales are recognized at the time of shipment to the customer.
Manufacturing Margins

Manufacturing margins represents net sales less cost of sales. Cost of sales consists of all direct and indirect costs used in the manufacturing process, including raw materials, labor, equipment costs, depreciation, lease expenses, subcontract costs and other directly related overhead costs. Our cost of sales is directly affected by fluctuations in commodity prices, primarily sheet steel and aluminum, but these changes are largely mitigated by contractual agreements with our customers that allow us to pass through these price changes based on certain market indexes.

Depreciation and Amortization

We carry property, plant and equipment on our balance sheet at cost, net of accumulated depreciation and amortization. Depreciation on property, plant and equipment is computed on a straight-line basis over the estimated useful life of the asset. Amortization expense is the periodic expense related to leasehold improvements and intangible assets. Leasehold improvements are amortized over the lesser of the life of the underlying asset or the remaining lease term. Our intangible assets were recognized as result of certain acquisitions and are generally amortized on a straight-line basis over the estimated useful lives of the assets.

Other Selling, General and Administrative Expenses

Other selling, general and administrative expenses consist primarily of salaries and personnel costs for our sales and marketing, finance, human resources, information systems, administration and other certain managerial employees and certain corporate level administrative expenses such as incentive compensation, audit, accounting, legal and other consulting and professional services, travel and insurance.

Other Key Performance Indicators

EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA represents net income before interest expense, provision (benefit) for income taxes, depreciation, and amortization. EBITDA Margin represents EBITDA as a percentage of net sales for each period.

Adjusted EBITDA represents EBITDA before transaction fees incurred in connection with the DMP acquisition and this offering and the loss on debt extinguishment relating to our December 2018 credit agreement. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of net sales for each period. These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP as an indicator of our operating performance. We present Adjusted EBITDA and Adjusted EBITDA Margin as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.

Our calculation of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly named measures reported by other companies. Potential differences between our measure of Adjusted EBITDA compared to other similar companies’ measures of Adjusted EBITDA may include differences in capital structures and tax positions.
The following table presents a reconciliation of net income, the most directly comparable measure calculated in accordance with GAAP, to Adjusted EBITDA, and the calculation of Adjusted EBITDA Margin for each of the periods presented.

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31, 2018</th>
<th>Pro Forma Year Ended December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net income</td>
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<td>$ 5,246</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,879</td>
<td>4,180</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>(459)</td>
<td>—</td>
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<tr>
<td>Other</td>
<td>—</td>
<td>33</td>
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<td>$ 30,190</td>
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<tr>
<td>Transaction fees(^{(1)})</td>
<td>474</td>
<td>—</td>
</tr>
<tr>
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<td>—</td>
</tr>
<tr>
<td>Loss on debt extinguishment(^{(3)})</td>
<td>814</td>
<td>—</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$ 43,694</td>
<td>$ 30,190</td>
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<td>9.6%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes transaction fees incurred in connection with the DMP acquisition and this offering. No transaction fees were incurred in 2017.

\(^{(2)}\) Relates to the purchase accounting for the one-time fair value step up of inventory.

\(^{(3)}\) Relates to the refinancing of our credit agreements.
Consolidated Results of Operations

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

The following table sets forth selected financial data for the year ended December 31, 2018 and December 31, 2017:

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>For the Year Ended December 31</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net sales</td>
<td>$354,526</td>
<td>$313,331</td>
</tr>
<tr>
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<td>278,594</td>
</tr>
<tr>
<td>Manufacturing margins</td>
<td>50,578</td>
<td>34,737</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>4,096</td>
<td>3,756</td>
</tr>
<tr>
<td>Profit sharing, bonuses and deferred compensation</td>
<td>8,058</td>
<td>5,397</td>
</tr>
<tr>
<td>Employee Stock Ownership Plan expense</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Other selling, general and administrative expenses</td>
<td>12,255</td>
<td>12,158</td>
</tr>
<tr>
<td>Income from operations</td>
<td>22,169</td>
<td>9,426</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,879</td>
<td>4,180</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>814</td>
<td>0.2</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>(459)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Net income and comprehensive Income</td>
<td>$ 17,935</td>
<td>$ 5,246</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 41,823</td>
<td>$ 30,190</td>
</tr>
<tr>
<td>Transaction fees</td>
<td>$ 474</td>
<td>$ —</td>
</tr>
<tr>
<td>Inventory fair value step up</td>
<td>583</td>
<td>0.2</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>$ 814</td>
<td>$ —</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 43,694</td>
<td>$ 30,190</td>
</tr>
</tbody>
</table>

Net Sales. Net sales were $354.5 million for the year ended December 31, 2018 compared to $313.3 million for the year ended December 31, 2017. The increase of $41.2 million, or 13.2%, was due in part to our recent acquisition of DMP, which accounted for $4.8 million, or 1.5%, of the increase, general market demand increases, which accounted for $27.5 million, or 8.8%, of the increase, and sales price increases passed along to our customers for increased material cost and other labor related inflationary reasons, which accounted for $8.9 million, or 2.9%, of the increase.

Manufacturing Margins. Manufacturing margins were $50.6 million for the year ended December 31, 2018 compared to $34.7 million for the year ended December 31, 2017. Of the increase of $15.8 million, or 45.6%, $7.5 million, or 47.2%, was related to the increased market demand noted above, $6.0 million, or 37.7%, was related to sales price realization, and $2.4 million, or 15.1%, was related to realized operational efficiencies and cost improvements.
Amortization of Intangibles. Amortization of intangibles were $4.1 million for the year ended December 31, 2018 compared to $3.8 million for the year ended December 31, 2017. The increase of $0.3 million, or 9.1%, related to our recent acquisition of DMP.

Profit Sharing, Bonuses and Deferred Compensation. Profit sharing, bonuses and deferred compensation expense was $8.1 million for the year ended December 31, 2018 compared to $5.4 million for the year ended December 31, 2017. The increase of $2.7 million, or 49.3%, related to the financial performance and increased valuation of the Company.

Employee Stock Ownership Plan Expense. Employee stock ownership plan expense was $4.0 million for both the year ended December 31, 2018 and the year ended December 31, 2017. This expense relates to stock that was repurchased during the year from our employees.

Other Selling, General and Administrative Expenses. Other selling, general and administrative expenses were $12.3 million for the year ended December 31, 2018 compared to $12.2 million for the year ended December 31, 2017. The increase of $0.1 million, or 0.8%, related to salary increases.

Interest Expense. Interest expense was $3.9 million for the year ended December 31, 2018 compared to $4.2 million for the year ended December 31, 2017. The decrease of $0.3 million, or 7.2%, related to debt reduction that occurred prior to the December 2018 acquisition of DMP.

Net Income and Comprehensive Income. Net income and comprehensive income was $17.9 million for the year ended December 31, 2018 compared to $5.2 million for the year ended December 31, 2017. The increase of $12.7 million, or 241.9%, was due to the factors described above.

EBITDA and EBITDA Margin. EBITDA and EBITDA Margin were $41.8 million and 11.8%, respectively, for the year ended December 31, 2018, as compared to $30.2 million and 9.6%, respectively, for the year ended December 31, 2017. The increase in EBITDA and EBITDA Margin was primarily due to the factors described above.

Liquidity and Capital Resources

Cash Flows Analysis

The following table sets forth our cash flows for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$36,715</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(132,569)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>98,867</td>
</tr>
<tr>
<td>Net change in cash</td>
<td>$3,013</td>
</tr>
</tbody>
</table>

Operating Activities

Cash provided by operating activities was $36.7 million for the year ended December 31, 2018, as compared to $30.8 million for the year ended December 31, 2017. The $5.9 million, or 19.2%, increase in cash provided by
operating activities was primarily due to the increase in net income of $12.7 million, partially offset by changes in working capital items including $4.4 million of additional inventory primarily driven by higher forecasted volumes year over year and increases in prepaid and other assets primarily due to the timing of payments. Changes to pricing, payment terms and credit terms did not have a significant impact to working capital items, or any other element of operating cash flow activities, for the periods presented.

Inventing Activities

Cash used in investing activities was $132.6 million for the year ended December 31, 2018, as compared to $11.2 million for the year ended December 31, 2017. The $121.4 million increase in cash used in investing activities was primarily due to the $114.7 million net payment to acquire DMP in addition to an $6.6 million increase in capital expenditures.

Financing Activities

Cash provided by financing activities was $98.9 million for the year ended December 31, 2018, as compared to $19.6 million used in the year ended December 31, 2017. The increase of $118.5 million in cash provided by financing activities was primarily due to the DMP acquisition facilitated by the restructuring of our debt facilities.

Senior Credit Agreement

On December 14, 2018, we entered into the Senior Credit Agreement with the lenders from time to time party thereto, Wells Fargo Bank, National Association, as administrative agent for the lenders, who we sometimes refer to as the Agent, and Wells Fargo Securities, LLC, as sole lead arranger and sole bookrunner. The Senior Credit Agreement provides for the Revolving Loan and the Term Loans. We are required to repay the aggregate outstanding principal amount of the Term Loan A in consecutive quarterly installments equal to $1,725,000 on the last business day of each of March, June, September and December commencing March 31, 2019. We are required to repay the aggregate outstanding principal amount of the Real Estate Term Loan in consecutive quarterly installments equal to $325,000 on the last business day of each of March, June, September and December commencing March 31, 2019. All amounts borrowed under the Senior Credit Agreement mature on December 14, 2023.

Our obligations under the Senior Credit Agreement are guaranteed by, and secured by first priority security interests in substantially all of the assets (including the equity interests) of, our direct and indirect subsidiaries: Center Manufacturing, Inc., Center Manufacturing Holdings, Inc., Center—Moeller Products LLC, Defiance Metal Products Co., Inc., Defiance Metal Products of Arkansas, Inc., Defiance Metal Products of PA., Inc. and Defiance Metal Products of WI, Inc.

Under the Senior Credit Agreement, borrowings under the Revolving Loan and the Term Loans can be designated as LIBOR Rate Loans or DBLR Loans. The interest rate for LIBOR Rate Loans fluctuates and is equal to the quotient of the rate published by the ICE Benchmark Administration Limited, a United Kingdom company, or a comparable successor quoting service approved by the Agent two London Banking Days (as defined in the Senior Credit Agreement) before the first day of the applicable interest period, which we sometimes refer to as LIBOR, divided by 1.00 minus the Euro-Dollar Reserve Percentage (as defined in the Senior Credit Agreement) plus 1.00-2.25% depending on the current Consolidated Adjusted Total Leverage Ratio (as defined in the Senior Credit Agreement). The interest rate for DBLR Loans and Swingline Loans fluctuates and is equal to the one month London Interbank Offered Rate as determined at approximately 11:00 a.m., London time, two Business Days (as defined in the Senior Credit Agreement) prior to the first day of each month, for deposits in dollars, as published in the “Money Rates” section of the Wall Street Journal, plus 1.00-2.25% depending on the current Consolidated
Adjusted Total Leverage Ratio (as defined in the Senior Credit Agreement). If the Agent determines that dollar deposits are not being offered to banks in the London interbank Eurodollar market, that reasonable and adequate means do not exist for ascertaining the LIBOR Rate, or the Required Lenders (as defined in the Senior Credit Agreement) determine that the LIBOR Rate does not adequately and fairly reflect the cost to such lenders of making or maintaining such loans, then we must either repay in full the outstanding principal amount of each LIBOR Rate Loan and DBLR Loan or convert the then outstanding principal amount of each such LIBOR Rate Loan and DBLR Loan to a Base Rate Loan. If any change in applicable law occurs that makes it unlawful or impossible for any of the lenders under the Senior Credit Agreement to honor its obligations or make or maintain any LIBOR Rate Loan or DBLR Loan, then until such circumstances no longer exist, (i) any existing LIBOR Rate Loans or DBLR Loans shall be immediately converted into a Base Rate Loan and (ii) the obligation of the lenders to make LIBOR Rate Loans or DBLR Loans are suspended and we may select only Base Rate Loans. The interest rate for Base Rate Loans is equal to the highest of (x) the prime rate (as publicly announced by the Agent from time to time) and (y) the Federal Funds Rate plus 0.50%.

At December 31, 2018, the interest rate on outstanding borrowings under each of the Term Loans and Revolving Loan was 4.69%. At December 31, 2018, we had availability of $30.4 million under the Revolving Loan.

We must pay a commitment fee at a rate of 0.20% per annum on the average daily unused portion of the aggregate unused revolving commitments under the Senior Credit Agreement. We must also pay fees as specified in the Fee Letters (as defined in the Senior Credit Agreement) and with respect to any letters of credit issued under the Senior Credit Agreement.

The Senior Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on our ability to, subject to certain exceptions, create, incur or assume indebtedness, create or incur liens, make certain investments, merge or consolidate with another entity, sell our stock other than to the ESOP or pursuant to an initial public offering reasonably satisfactory to the Agent, make certain asset dispositions, pay any dividend or other distribution to shareholders, enter into transactions with affiliates, pay any subordinated indebtedness unless certain financial tests are met, enter into sale leaseback transactions, incur capital expenditures in excess of $25,000,000 in any fiscal year or permit any person or group other than the ESOP to own or control more than 20% of our equity interests or permit our board of directors to not be composed of a majority of our continuing directors (i.e., our directors as of December 14, 2018 and any additional or replacement directors that have been approved by at least 51% of the directors then in office), which we sometimes refer to as a Change in Control.

The Senior Credit Agreement also requires us to satisfy certain financial covenants, including a minimum fixed charge coverage ratio of 1.20 to 1.00. At December 31, 2018, our fixed charge ratio was 2.72 to 1.00. The Senior Credit Agreement also requires us to maintain a consolidated total leverage ratio not to exceed 3.75 to 1.00 for the period from September 30, 2018 through September 30, 2019, and to be reduced periodically thereafter. At December 31, 2018, our consolidated total leverage ratio was 2.96 to 1.00.

The Senior Credit Agreement includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, certain changes of control, material money judgments and failure to maintain subsidiary guarantees. If an event of default occurs, the Agent will be entitled to take various actions, including the acceleration of amounts due under the Senior Credit Agreement, termination of the credit facility and all other actions permitted to be taken by a secured creditor.

Our obligations under the Senior Credit Agreement and Subordinated Credit Agreement are subject to a subordination agreement, which we sometimes refer to as the Subordination Agreement, among us, the Agent,
and the Subordinated Agent (as defined below), whereby any payment default under the Subordinated Credit Agreement constitutes a cross-default of the Senior Credit Agreement.

At December 31, 2018, we were in compliance with all covenants under the Senior Credit Agreement.

Subordinated Credit Agreement

On December 14, 2018, we entered into the Subordinated Credit Agreement with the lenders from time to time party thereto and Wells Fargo Strategic Capital Inc., as administrative agent for the lenders, who we sometimes refer to as the Subordinated Agent. The Subordinated Credit Agreement provides for the Subordinated Term Loan. We are required to repay the Subordinated Term Loan on June 14, 2024.

Our obligations under the Subordinated Credit Agreement are guaranteed by, and secured by subordinated security interests in substantially all of the assets (including the equity interests) of, our direct and indirect subsidiaries: Center Manufacturing, Inc., Center Manufacturing Holdings, Inc., Center—Moeller Products LLC, Defiance Metal Products Co., Inc., Defiance Metal Products of Arkansas, Inc., Defiance Metal Products of PA., Inc. and Defiance Metal Products of WI, Inc.

The interest rate for the Subordinated Term Loan fluctuates and is equal to 9.0% plus the higher of (i) 1.50% per annum and (ii) LIBOR divided by 1.00 minus the Euro-Dollar Reserve Percentage (as defined in the Subordinated Credit Agreement).

At December 31, 2018, the interest rate for the Subordinated Term Loan was 11.8%.

We must pay fees specified in the Fee Letter (as defined in the Subordinated Credit Agreement). Any prepayment of the Subordinated Term Loan (other than as a result of a Change in Control) is subject to: (i) prior to December 14, 2019, a make-whole premium in an amount equal to 3% of the amount to be prepaid plus the applicable make-whole payment premium amount (an amount in cash equal to the present value of all required interest payments due on the outstanding principal balance of the facility from the date of any prepayment to December 14, 2019); (ii) after December 14, 2019 but prior to December 14, 2020, a prepayment premium in an amount equal to 3% of the amount to be prepaid; (iii) after December 14, 2020 but prior to December 14, 2021, a prepayment premium in an amount equal to 2% of the amount to be prepaid; and (iv) thereafter, no prepayment premium. Any prepayment in connection with a Change of Control (as defined in the Subordinated Credit Agreement) is subject to: (x) prior to December 14, 2019, a prepayment premium in an amount equal to 3% of the amount to be prepaid; (y) after December 14, 2019 but prior to December 14, 2020, a prepayment premium in an amount equal to 2% of the amount to be prepaid; and (z) thereafter, no prepayment premium. Prepayments of the Subordinated Term Loan require consent from the senior lenders under the Subordination Agreement.

The Subordinated Credit Agreement contains usual and customary negative covenants for agreements of this type, which are substantially the same as the negative covenants in the Senior Credit Agreement (as set forth above).

The Subordinated Credit Agreement also requires us to satisfy certain financial covenants, including a minimum fixed charge coverage ratio of 1.10 to 1.00. At December 31, 2018, our fixed charge ratio was 2.72 to 1.00. The Subordinated Credit Agreement also requires us to maintain a consolidated total leverage ratio not to exceed 4.00 to 1.00 for the period from September 30, 2018 through September 30, 2019, and to be reduced periodically thereafter. At December 31, 2018, our consolidated total leverage ratio was 2.96 to 1.00.

The Subordinated Credit Agreement includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events,
certain changes of control, material money judgments and failure to maintain subsidiary guarantees. Our obligations under the Senior Credit Agreement and Subordinated Credit Agreement are subject to the Subordination Agreement, whereby any payment default under the Senior Credit Agreement constitutes a cross-default of the Subordinated Credit Agreement. If an event of default occurs, subject to the Subordination Agreement, the Subordinated Agent will be entitled to take various actions, including the acceleration of amounts due under the Subordinated Credit Agreement, termination of the credit facility, and all other actions permitted to be taken by a secured creditor.

At December 31, 2018, we were in compliance with all covenants under the Subordinated Credit Agreement.

**Capital Requirements and Sources of Liquidity**

During the years ended December 31, 2018 and 2017, our capital expenditures were approximately $17.9 million and $11.3 million, respectively. The increase of $6.6 million related to the continued investment in new technologies such as fiber optic lasers with automation, robotic brake presses, and other general purpose equipment.

Historically, we have had significant cash requirements in order to organically expand our business to meet the market related needs of our customers, continue our investment in new technologies and automation, as well as fund new projects. Additionally, prior to this offering, we have been required to use cash to repurchase shares of our common stock from the ESOP in connection with legally required diversification and other distributions to eligible ESOP participants. Following the consummation of this offering, this requirement will terminate, which will allow us to direct this previously allocated cash to operating- and growth-related purposes. Our cash requirements include costs related to capital expenditures, purchase of materials and production of materials and cash to fund these needs. Our working capital needs are driven by the growth of our business, with our cash requirements greater in periods of growth. Additional cash requirements resulting from our growth include the costs of additional personnel, production and distribution facilities, enhancing our information systems and, our integration of DMP and any future acquisitions and, in the future, our compliance with laws and rules applicable to being a public company. Following the completion of this offering, our primary uses of cash will be investing in flexible, re-deployable automation used to provide our components and products and funding organic and acquisitive growth initiatives.

We have historically relied upon cash available through credit facilities, in addition to cash from operations, to finance our working capital requirements and to support our growth. At December 31, 2018, we had availability of $30.4 million under our Credit Agreements. We regularly monitor potential capital sources, including equity and debt financings, in an effort to meet our planned capital expenditures and liquidity requirements. Our future success will be highly dependent on our ability to access outside sources of capital.

We believe that our operating cash flow and available borrowings under the Credit Agreements are sufficient to fund our operations for at least the next twelve months. However, future cash flows are subject to a number of variables, and additional capital expenditures will be required to conduct our operations. There can be no assurance that operations and other capital resources will provide cash in sufficient amounts to maintain planned or future levels of capital expenditures. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of capital expenditures and/or seek additional capital. If we seek additional capital, we may do so through borrowings under the Credit Agreements, joint ventures, asset sales, offerings of debt or equity securities or other means. We cannot guarantee that this additional capital will be available on acceptable terms or at all. If we are unable to obtain the funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the capital expenditures necessary to conduct our operations.
Contractual Obligations

The following table presents our obligations and commitments to make future payments under contracts and contingent commitments at December 31, 2018:

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Total</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt obligations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payment obligations (1)</td>
<td>$180,735</td>
<td>$ 8,606</td>
<td>$16,400</td>
<td>$130,729</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Forecasted interest on long-term debt obligations (2)</td>
<td>45,143</td>
<td>10,047</td>
<td>18,922</td>
<td>14,702</td>
<td>1,473</td>
<td></td>
</tr>
<tr>
<td>Capital lease obligations</td>
<td>2,225</td>
<td>354</td>
<td>670</td>
<td>670</td>
<td>531</td>
<td></td>
</tr>
<tr>
<td>Operating lease obligations</td>
<td>13,223</td>
<td>3,275</td>
<td>4,861</td>
<td>2,404</td>
<td>2,683</td>
<td></td>
</tr>
<tr>
<td>Purchase obligations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$241,326</td>
<td>$22,282</td>
<td>$40,853</td>
<td>$148,505</td>
<td>$29,687</td>
<td></td>
</tr>
</tbody>
</table>

(1) The long-term amounts in the table include principal payments under the Term Loans of $121,106 and $59,629 outstanding under the Revolving Loan, which expires in 2023.

(2) Interest calculated on the payment obligation based on the interest rate as of December 31, 2018.

Critical Accounting Policies and Estimates

The discussion of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. The results of our analysis form the basis for making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and the impact of such differences may be material to our consolidated financial statements.

Critical accounting policies are those policies that, in management’s view, are most important in the portrayal of our financial condition and results of operations. The notes to the consolidated financial statements also include disclosure of significant accounting policies. The methods, estimates and judgments that we use in applying our accounting policies have a significant impact on the results that we report in our financial statements. These critical accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. Those critical accounting policies and estimates that require the most significant judgment are discussed further below.

Revenue Recognition

We recognize revenue for sales when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivables are reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable. Sales are supported by documentation such as supply
agreements and purchase orders which specify certain terms and conditions including product specifications, quantities, fixed prices, delivery dates and payment terms. Revenues related to services are recognized in the period services are performed.

For many customers, we design, engineer and build production tooling, which is purchased by the customer. Revenue is recognized when the tooling is completed, the customer signs off on the product through the Product Part Approval Process and the tool is placed into service. At that time, the cost to build the tooling is released from the balance sheet and included in cost of goods sold.

We offer certain customers discounts for early payments. These discounts are recorded against net sales in the consolidated statement of comprehensive income and accounts receivable in the consolidated balance sheet. We do not offer any other customer incentives, rebates or allowances.

Goodwill, Other Intangibles and Other Long-Lived Assets

Our long-lived assets consist primarily of property, equipment, purchased intangible assets and goodwill. The valuation and the impairment testing of these long-lived assets involve significant judgments and assumptions, particularly as they relate to the identification of reporting units, asset groups and the determination of fair market value.

We test our tangible and intangible long-lived assets subject to amortization for impairment whenever facts and circumstances indicate that the carrying amount of an asset may not be recoverable. We test goodwill and indefinite lived intangible assets for impairment annually, or more frequently if triggering events occur indicating that there may be impairment.

We have recorded goodwill and perform testing for potential goodwill impairment at a reporting unit level. A reporting unit is an operating segment, or a business unit one level below an operating segment for which discrete financial information is available, and for which management regularly reviews the operating results. Additionally, components within an operating segment can be aggregated as a single reporting unit if they have similar economic characteristics. We have performed testing on each of our reporting units which contain goodwill.

We determine the fair value of our reporting units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach. Under the income approach, we calculate the fair value of a reporting unit based on the present value of estimated future cash flows. The income approach is dependent on several key management assumptions, including estimates of future sales, gross margins, operating costs, interest expense, income tax rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital or the discount rate. Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the reporting unit. Expected cash flows used under the income approach are developed in conjunction with our budgeting and forecasting process. Under the market approach, we estimate fair value of the reporting units using EBITDA multiples. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics as the respective reporting units.

During the fourth fiscal quarters of 2018 and 2017, we performed our annual impairment assessments of goodwill, which did not indicate an impairment existed. For the year ended December 31, 2018 we had two reporting units, DMP and MEC. The DMP reporting unit was acquired on December 14, 2018 and had preliminarily estimated goodwill of $29.2 million as of December 31, 2018. For the 18-day period from December 14 through December 31, 2018, DMP’s actual results of operations were above estimates utilized to determine the preliminary
purchase price allocation. As a result, the fair value of the DMP reporting unit at December 31, 2018 is nominally above its carrying value. At December 31, 2018 and 2017, the MEC reporting unit had goodwill with a carrying amount of approximately $40.2 million. The fair value of the MEC reporting unit substantially exceeded carrying value for both 2018 and 2017.

Changes to management assumptions and estimates utilized in the income and market approaches could negatively impact the fair value conclusions for our reporting units resulting in goodwill impairment. All key assumptions and valuations are determined by and are the responsibility of management. The factors used in the impairment analysis are inherently subject to uncertainty. We believe that the estimates and assumptions are reasonable to determine the fair value of our reporting units, however, if actual results are not consistent with these estimates and assumptions, goodwill and other intangible assets may be overstated which could trigger an impairment charge.

For impairment testing of long-lived assets, we identify asset groups at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flow expected to be generated by the assets. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. For the years ended December 31, 2018 and 2017, there were no events or changes in circumstances that would indicate a material impairment of our long-lived assets.

Determining the useful life of an intangible asset also requires judgment. Certain intangible assets are expected to have indefinite lives based on their history and our plans to continue to support and build the acquired brands. Other acquired intangible assets such as customer relationships, trade names, and non-compete agreements are expected to have determinable useful lives. The costs of determinable-lived intangibles are amortized to expense over their estimated lives.

Income Taxes

Deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. We regularly review our deferred tax assets for recoverability and, where necessary, establish a valuation allowance. Valuation allowances are established to reduce deferred tax assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized in future periods.

To assess this likelihood, we use historical three-year accumulated losses, estimates and judgments regarding our future taxable income as well as the jurisdiction in which this taxable income is generated to determine whether a valuation allowance is required. Such evidence can include our current financial position, results of operations, actual and forecasted results, the reversal of deferred tax liabilities, tax planning strategies and the current and forecasted business economics of our industry. Additionally, we record uncertain tax positions at their net recognizable amount, based on the amount that management deems is more likely than not to be sustained upon ultimate settlement with the tax authorities in jurisdictions in which we operate.

On the basis of our evaluations, at December 31, 2018 and 2017, no valuation allowance was recorded on our net deferred tax assets, and we had no material uncertain tax positions. If our estimates or assumptions regarding our current and deferred tax items are inaccurate or are modified, these changes could have potentially material impacts on our earnings.
Use of Estimates

The preparation of our consolidated financial statements in accordance with GAAP requires us to make certain estimates and assumptions that affect the reported amounts and disclosures. Estimates are used for, but not limited to, determining the net carrying value of trade receivables, inventories, property, plant and equipment, goodwill, intangible assets, health insurance reserves, loss contingencies and ESOP valuation. Accordingly, our actual results could differ from those estimates.

ESOP

Prior to completion of this offering, shares of our common stock held by the ESOP are presented as temporary equity as they include a cash redemption feature that is not solely within our control. Throughout the year, as employee services are rendered, we record compensation expense based on a percentage of salaries or wages for eligible employees. The stock in the ESOP is held in trust for the sole benefit of the participants. Shares allocated to a participant’s account are fully vested.

Upon retirement, death, termination of employment or exercise of diversification rights, the eligible portion of a participant’s ESOP account is redeemable annually at the current price per share of the stock. Such per share price is established annually by an independent valuation firm as of the end of the plan year preceding the redemption. Under the current terms of the ESOP, we are obligated to redeem eligible participant account balances for cash (in accordance with the redemption schedule and subject to the limitations set forth in the ESOP). Prior to this offering, we present all shares held by the ESOP as temporary equity on the consolidated balance sheet at their maximum redemption value. Following this offering, (i) we will no longer redeem participants’ ESOP interests, as distributions from the ESOP made to a participant following retirement, death or termination of employment, or the exercise of diversification rights under the Traditional ESOP, will be made in our common stock, and upon receiving a distribution of our common stock from the ESOP a participant will be able to sell such shares of common stock in the market, subject to any requirements of federal securities law; and (ii) with respect to any participant who exercises statutory diversification rights under the 401(k) ESOP, the ESOP Trustee will sell, on behalf of the participant, the shares that the participant has elected to diversify and reinvest the sale proceeds in an alternate investment option as directed by the participant.

Emerging Growth Company

The JOBS Act permits an “emerging growth company” like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to use this provision and, as a result, we will comply with new or revised accounting standards as required for private companies.

Internal Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of our assets are made in accordance with management’s authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal

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control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Furthermore, our controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control, and misstatements due to error or fraud may occur and not be detected on a timely basis.

In the course of preparing the consolidated financial statements that are included in this prospectus, our management has determined that we have two material weaknesses in our internal control over financial reporting. The first material weakness relates to information technology general controls specific to segregation of duties, systems access and change management processes. The second material weakness relates to a lack of consistently documented accounting policies and procedures, a lack of controls over the preparation and review of journal entries and a limited number of personnel with a level of GAAP accounting knowledge commensurate with our financial reporting requirements, which, in the aggregate, constitute a material weakness. We have concluded that these material weaknesses in our internal control over financial reporting are due to the fact that, prior to this offering, we were a private company with limited resources and consequently, we did not have the necessary internal controls formally designed and implemented.

We are currently in the process of planning or implementing a number of steps to enhance our internal control over financial reporting and to address these material weaknesses, including taking the following actions: (i) in January 2019, we have hired additional accounting and finance staff members, including a senior accounting officer with public company reporting experience, to augment our current staff and to improve the effectiveness of our closing and financial reporting processes; and (ii) we have engaged a third party to assist us with formalizing our business processes, accounting policies and internal controls documentation, enhancing related internal controls and strengthening supervisory reviews by our management.

Our management has concluded that the consolidated financial statements included elsewhere in this prospectus present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

If we fail to remediate the above material weaknesses and maintain effective internal controls in the future, it could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis, which could cause investors to lose confidence in our financial information or cause our stock price to decline. Our independent registered public accounting firm has not assessed the effectiveness of our internal control over financial reporting and, under the JOBS Act, will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected.

Quantitative and Qualitative Disclosure about Market Risks

We are exposed to market risk from changes in customer forecasts, interest rates, inflation, and, to a lesser extent, commodities. To reduce such risks, we selectively use financial instruments and other proactive management techniques.

Customer Forecasts

The use and consumption of our components, products and services fluctuates depending on order forecasts we receive from our customers. These order forecasts can change dramatically from quarter to quarter dependent upon the respective markets that our customers provide products.
Interest Rate Risk

We are exposed to interest rate risk on certain of our short- and long-term debt obligations used to finance our operations and acquisitions. We have LIBOR-based floating rate borrowings under the Credit Agreements, which expose us to variability in interest payments due to changes in the reference interest rates.

At December 31, 2018, we had a total of $179.6 million of variable rate borrowings outstanding. Holding other factors constant and absent the interest rate swap agreement described above, a hypothetical 1% change in our borrowing rates would result in a $1.8 million change in our annual interest expense based on our variable rate debt at December 31, 2018.

Commodity Risk

We source a wide variety of materials and components from a network of suppliers. While such materials are generally available from numerous suppliers, commodity raw materials, such as steel, aluminum, copper, paint and paint chemicals, and other production costs are subject to price fluctuations, which could have a negative impact on our results. We strive to pass along such commodity price increases to customers to avoid profit margin erosion and in many cases utilize contracts with those customers to mitigate the impact of commodity raw material price fluctuations. As of December 31, 2018, we did not have any commodity hedging instruments in place.
MEC is a leading U.S.-based value-added manufacturing partner that provides a broad range of prototyping and tooling, production fabrication, coating, assembly and aftermarket components. Our customers operate in diverse end markets, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture, military and other end markets. We have developed long-standing relationships with our blue chip customers based upon a high level of experience, trust and confidence. “We Make Things Simple” by providing a diverse set of process offerings and a “one stop shop” for end-to-end solutions with benefits throughout the entire product lifecycle, including front-end collaboration in design and prototyping, product manufacturing, aftermarket components and ancillary supply chain benefits. Founded in 1945 and headquartered in Mayville, WI, we are a leading Tier I U.S. supplier of highly engineered components to OEM customers with leading positions in their respective markets. We are focused on producing the highest quality components using complex processes at the lowest cost by working with customers throughout the product design and development process to establish optimal solutions. Our engineering expertise and technical know-how allows us to add value through every product redevelopment cycle (generally every three to five years for our customers). According to The Fabricator, we have been ranked as the largest fabricator in the United States for the past eight years in a row (2011 – 2018). We are more than two times the size of our next largest competitor, based on The Fabricator’s projections for 2018 revenue for metal fabricating companies.

Our customers’ complex products require a unique combination of our capabilities that allow us to achieve a customized offering to satisfy our customers’ desired outcomes. Our capabilities, which include, but are not limited to: metal fabrication, metal stamping, tube bending and forming, robotic part forming, robotic welding, resistance welding, five-axis tube and fiber laser cutting and custom coatings, including high heat and CARC painting, are used in a variety of applications and represent the building blocks of what we produce.

The graphic below includes representative examples of our product applications across various customer end products.
Our key customers have globally recognized brands and demand the highest product quality and expertise. Over our nearly 75-year history, we have developed capabilities and provide solutions that result in customer loyalty and long-standing relationships, which we call “Experience You Can Trust.” We have a diverse and market-leading customer base that serves broad end markets representing favorable near- and long-term growth prospects for us. We have a track record of growth and are well-positioned to increase our market share and benefit from growth in customer demand as well as consolidate demand across the end markets that we serve. To help pursue our strategic mission, we have more than 3,100 employees who are tactically aligned around our core values and will continue to participate in our employee ownership culture. We are led by an experienced management team that has contributed to our growth by establishing deep and long-standing relationships with key customers, and has worked to expand the customer base both organically and through strategic acquisitions.
We maintain an established base of long-standing customers comprised of leading, blue-chip OEM manufacturers across the United States. Our broad capabilities offering and track record of producing the highest quality solutions have allowed us to establish, and subsequently deepen, relationships with additional products and platforms over time. For example, our more than 40 year relationship John Deere began with a small order of simple stamped parts for a farm tractor in its agricultural segment that expanded over time and represented 2018 pro forma sales in excess of $90.0 million across five market segments, representing over 60 model platforms. We have also been successful in winning customers and rapidly expanding relationships with high-growth customers by utilizing our diversified “one-stop” offering. For instance, our relationship with Volvo Truck began with fuel tanks and has expanded over the last six years to include exhaust tubing, new sleeper cab and chassis fabrications and air tanks. Through the expansion of multiple fabricated components from multiple facilities, we have been able to deepen our relationship with this customer and solidify our position as an important strategic sourcing partner.

**Operational Footprint**

We serve customers through 21 strategically located U.S. facilities across eight states, with almost three million square feet of manufacturing capacity. Our expansive footprint enables us to service and maintain strong relationships with existing key customers across the United States with a “local” presence, as well as target new customer opportunities. We have a proven track record of improving financial results by thoroughly understanding our capabilities and the markets we serve, and aligning our people and resources to optimize results. Coupled with our focus on market alignment and execution, we constantly strive to improve and refine capabilities and capacities. In addition, the ongoing investment in flexible, re-deployable automation allows us to expand output while reducing cost and improving quality, productivity and consistency for margin enhancement and market leading competitiveness. Through this continuum of activities, we have generated approximately $34.3 million in improved results from the beginning of 2014 through December 31, 2018.

Our leading market position, embedded customer relationships with leading OEMs, unique value proposition and proven acquisition strategy has allowed us to achieve attractive financial performance and has positioned us for further growth. Our historical financial success is a function of our engineering expertise, extensive manufacturing capabilities, limited commodity exposure, investment in automation and embedded relationships with the contractual ability to pass input costs through prices. We believe we are poised to grow through economic cycles due to our:

- market positioning and reputation;
Our diversified profile today best positions us for stability and leading market performance through all phases of an economic cycle. For the year ended December 31, 2018, we reported net sales of $354.5 million, net income of $17.9 million and Adjusted EBITDA of $43.7 million. See “Selected Historical and Pro Forma Financial Information” for the reconciliation of Adjusted EBITDA to net income, its most comparable GAAP financial measure.

Recent Acquisition

Acquisition of Defiance Metal Products. On December 14, 2018, we acquired DMP, an Ohio-based manufacturer of metal products for the heavy- and medium- duty commercial vehicles, construction, agriculture and military industries. The purchase price was approximately $115.0 million, subject to customary purchase price adjustments, and an additional one-time earn out payment up to $10.0 million. Founded in 1939 and headquartered in Defiance, OH, DMP is a full-service metal fabricator and contract manufacturer with two facilities in the Defiance, OH area, one in Heber Springs, AR, and one in Bedford, PA. The DMP acquisition provides us with enhanced product, customer and geographic diversification with minimal (i.e., less than $15.0 million) customer overlap. We expect a variety of net sales, operating and purchasing synergies to be realized from the acquisition over the course of the next several years.

Our Industry

We compete in the highly fragmented market of contract manufacturers, the majority of which are small local players that are limited in scale, capabilities and technology. Many of these local manufacturers have single or limited production capabilities and provide niche components in specific geographic markets. Accordingly, there are a limited number of competitors in the contract manufacturing market in which we operate with the capacity and expertise to deliver the full range of solutions we offer. For example, our diverse manufacturing capabilities across product lines have contributed to us being the recipient of The Fabricator’s “FAB 40” #1 Largest Fabricator in the attractive U.S. markets for the past eight years in a row (2011 — 2018). While we compete with certain manufacturers across selected product lines, we believe that no single manufacturer directly competes with us across our full offering and end market applications.

Our end market diversification coupled with our extensive product breadth allows us to maintain financial stability as individual end markets fluctuate. The primary end markets we serve include heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military, among other machinery markets. As markets strengthen or weaken, our output is redirected and realigned to support ongoing change. Further, as these fluctuations affect the market, we are favorably positioned to benefit from the broader trend of our OEM customers to consolidate to fewer and more sophisticated suppliers in order to improve quality and delivery while lowering the total cost of doing business. This consolidation trend will allow us to grow and protects our cash flow as markets change and shift.

We have also experienced, and benefitted from, an OEM trend of seeking to improve their strategy execution and simplify their business through outsourcing. Based on our history, OEMs pursue a strategy that focuses on core component market differentiation, such as structural frames and complete powertrain assemblies, and prefer to outsource the remaining product components to third parties rather than manufacturing them in-house. This is done in order to maintain their strategic focus, drive cost savings and reduce their own investment in manufacturing, thereby allowing them to focus on the most important aspects of their value creation process,
namely product design and development, final product assembly and testing, branding, sales, marketing and distribution. While each specific OEM differs in its strategy, we see this trend continuing as customers deal with workforce constraints and look for optimum return on investments and improving cash flow. This trend is further magnified as international labor costs continue to rise, and OEMs have an increased focus on reshoring manufacturing operations to further shorten their supply chain and lower logistics costs. Moreover, our OEM customers focus on the production of the core components of their products, which leads them to rely on outsourced providers like us for the remaining components of their finished product needs. We believe we will benefit from this continued shift in our customers’ focus and ongoing desire for OEMs to improve efficiencies, reduce costs and simplify supply chains. Our established and embedded relationships, breadth of capabilities and scalability will allow us to simplify the supply chain process for our customers by acting as a single point of contact in the supply chain. In addition, we believe OEMs are increasingly favoring platforms supported by larger, more sophisticated and financially stable suppliers with the ability to serve large national and international operations all while maintaining a local touch. Our extensive manufacturing footprint, competitive cost structure and integrated design, engineering, production planning and quality program management capabilities positions us favorably to take advantage of these opportunities and trends.

Our Competitive Strengths

We believe that customers turn to us for their manufacturing needs because we are the ultimate “ReSource”. ReSource is a dual-purpose acronym we use to describe the breadth of our capabilities and our goal to be the one-stop solution allowing customers to re-source all of their fabrication needs through us. We collaborate with our customers to generate a strategic alignment and position ourselves as an essential part of our customers’ product development and manufacturing process by drawing on our deep product and engineering knowledge to deliver best-in-class solutions. We offer a broad portfolio of end-to-end solutions comprised of advanced and innovative processes and capabilities that enhance quality and simplify supply chains. We are focused on producing the highest quality components using complex processes at the lowest cost by working with customers throughout the product design and development process to establish optimal solutions. Our engineering expertise and technical know-how allows us to add value through every product redevelopment cycle (generally every three to five years for our customers).

Value-Added Supply Chain Partner with Embedded Relationships. Our embedded relationships with our large and diverse customer base are driven by the P.R.I.D.E. ("Personal Responsibility In Daily Excellence") approach our employees take in their work, which emphasizes the highest quality and performance in all facets of our business, including our ability to partner with our customers and deliver to them complex solutions across a wide range of products. Our unique, end-to-end offering provides solutions throughout the life cycle of a product, including upfront product manufacturability advice and prototyping, production volumes and aftermarket components. We strive to maintain operational alignment (and continuous re-alignment) with our customers’ strategy and production activities as they evolve, allowing us to remain agile in response to market changes, while enabling our customers to be successful, and to remain adaptable to changes in customer needs to retain flexibility to adjust appropriately. Together, these items comprise “The MEC Mission.” Our focus on collaboration with our customers and our breadth of capabilities also generates strategic alignment with our customers, resulting in sticky relationships, driving vendor reduction and providing other ancillary benefits such as optimization of working capital investments. Our track record of engineering expertise has resulted in our consistent inclusion in customer design and prototyping activities, enabling customers to view us as an invaluable extension of their own teams. In turn, this collaboration allows our customers to focus on the development of their core technologies and products. Our position as a deeply embedded supply chain partner of scale allows us to provide a multitude of solutions, driving strong customer relationships with high switching costs.

Leading and Defendable Market Position in Attractive North American Market. According to The Fabricator, we have been ranked as the largest fabricator in the United States for the past eight years in a row (2011 – 2018).

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The market is highly fragmented and characterized by high barriers to entry given the complex nature of the work, established relationships and high customer switching costs. While there are numerous competitors in the markets in which we operate, few maintain the product breadth, manufacturing capabilities, scale or engineering expertise that we do. Our depth of capabilities allows us to offer our customers:

- low volume production capability;
- customized and sophisticated solutions;
- unique engineering and manufacturing capabilities throughout the product lifecycle;
- critical scale to service large national and regional customers as well as local customers; and
- the ability to act as a single point of contact and offer seamless customer service.

Our position in the market, along with our acquisition experience and reputation as the go-to consolidator, will result in continued organic and acquisitive growth in the future.

**End Market and Customer Diversification.** Our value-added manufacturing focus enables us to remain diversified across a variety of customer end markets, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military, among others. These end markets are representative of our globally recognized customers, which are comprised of large OEM manufacturers. In 2018, our top customer and top ten customers accounted for 23% and 81% of net sales, respectively, which collectively represent hundreds of platforms that we serve across a variety of end markets and customer operating segments. Our access to a multitude of end markets allows us to strategically shift focus to sell into current opportunities as end market demand evolves. In addition to customer and end market diversification, our customers themselves are also diversified across multiple end markets. For example, John Deere is one of our leading customers with fiscal 2018 net sales accounting for 23% of our total net sales, to whom we provide over 5,000 SKUs across over 60 individual John Deere platforms including the agriculture, forestry, turf care, power systems and construction markets. Our increasingly stable performance is a direct result of our intentional business design of agility and adaptability to realign manufacturing capacities to serve diversified and ever changing end markets.

**End Market Diversification**

<table>
<thead>
<tr>
<th>Year</th>
<th>Heavy- and Medium-Duty Commercial Vehicles</th>
<th>Construction</th>
<th>Powersports</th>
<th>Agriculture</th>
<th>Military</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14%</td>
<td>11%</td>
<td>27%</td>
<td>17%</td>
<td>37%</td>
<td>5%</td>
</tr>
<tr>
<td>2016</td>
<td>13%</td>
<td>11%</td>
<td>32%</td>
<td>16%</td>
<td>21%</td>
<td>4%</td>
</tr>
<tr>
<td>2017</td>
<td>14%</td>
<td>13%</td>
<td>29%</td>
<td>16%</td>
<td>35%</td>
<td>3%</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
<td>17%</td>
<td>24%</td>
<td>17%</td>
<td>35%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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**Breadth of Capabilities Appealing to a Variety of Applications.** We have many manufacturing capabilities that together represent the building blocks for the complex solutions we provide to our customers. We maintain a full spectrum of capabilities across our 21 production facilities to address a wide set of customer needs, including upfront product development advice and prototyping, unique manufacturing processes and capabilities across a variety of products and back-end finishing, assembly and aftermarket components representing a unique end-to-end offering. Our range of capabilities combined with our breadth of components, including fabrications, tubes, tanks and performance structures, expands the applicable uses and end markets in which we may offer our components. Throughout our history, our capabilities have allowed us to generate growth by expanding into new verticals and by further penetrating existing verticals through cross-selling to increase wallet share, a strategy that has driven sticky relationships with our customers. Further, our unique combination of manufacturing processes allows us to opportunistically target sophisticated, higher margin business. The diversity of our offering has provided our Company with financial stability through various end market and economic cycles.

**Technology-Enabled Infrastructure.** We continue to invest in a technology-enabled asset base that provides significant flexible and re-deployable capacity to support our planned growth, increases profitability and efficiency and drives a long-term cost advantage over our competitors. We have leveraged our purchasing power to make significant investments in operational infrastructure throughout our history, in items such as flexible and re-deployable automation and capacity improvements to improve throughput, quality and consistency. For example, we were one of the first in our industry to adopt fiber lasers and have continued to invest in this capability. Specifically, we have implemented two 10,000-watt fiber lasers with an automation tower, which are on average three times faster, provide a cleaner, more precise cut and use one-third of the power compared to traditional CO2 lasers, generating an IRR of approximately 47% with a payback period of less than two years. Additionally, the implementation of three robotic brakes has improved quality through a continued shift towards precision automation. By reducing setup procedures, manual employee lifting requirements and downtime while offering additional capacity, the implementation of robotic brakes has generated an IRR of approximately 55% with a payback period of approximately two years. These two examples of investments in technology-enabled infrastructure allow us to alleviate up to 24 employees who can, with retraining, be redeployed into more technically skilled positions. In today’s tight labor market, the ability to redeploy labor to increase flexibility and capacity for our customers is of utmost importance and interest as part of our strategy. Our investments in continuous improvement and automation have driven operational efficiencies and improved metric tracking allowing our management team to more effectively run the business and improve the value we provide to our customers. We have, from time-to-time, made strategic, customer-driven investments that directly support new product and market expansion which result in further competitive advantages and higher switching costs for our customers.

**Cost Structure and Operational Excellence.** We have reduced our exposure to commodity price risk by structuring our customer contracts to pass through changes in commodity prices. As such, we have been able to effectively limit any potential impact from recent tariffs and commodity price volatility to our margins. Our scale and profitability have also allowed us the flexibility to implement continuous improvement initiatives in driving efficiencies, such as automation and additional capacity, which will result in long-term efficiency and margin improvements, and expanded capabilities.

**Our Strategy**

**Achieve Sales Growth Through Organic Expansion.** We believe there is ample opportunity to achieve deeper penetration of existing customers and to win new customers with our strong one-stop offerings. By leveraging our core product capabilities to expand into new markets, and establishing new offerings in attractive, adjacent or complementary platforms through new product introductions, there is significant opportunity to execute on our
organic growth initiatives. Expanding our wallet share with our customers by capturing a wider variety of products and more platforms both increases customer switching costs and attracts potential new customers that seek to simplify supply chains, while also defending our market position from our competitors. Our expertise allows us to produce higher quality components at cost-effective rates while our volume, equipment and know-how establish competitive advantages. Further, an expanded offering increases our strategic alignment with customers and supports our “We Make Things Simple” value proposition by presenting customers with further vendor consolidation opportunities.

**Pursue Opportunistic Acquisitions.** Our management team maintains a proven track record of successfully executing and integrating strategic acquisitions. We have completed two significant acquisitions since 2012 (Center Mfg. Co. in 2012 and DMP in December 2018) and four other complementary acquisitions since 2004, which have contributed new capabilities, end markets and technologies to our legacy business, along with significant synergy opportunities that have enhanced our financial position. Our strategy is to continue to identify, and opportunistically execute on, accretive acquisitions that will allow our Company to achieve further growth. We believe that our reputation, scale and track record of performance makes us a “consolidator of choice” among industry participants, which has led to a growing pipeline of actionable acquisition opportunities. Our investment criteria for acquisitions are U.S.-based companies with revenues between $50—$200 million, long-standing customer bases comprised of leading OEMs, and specialization in fabricated metal components and metal coating/finishing capabilities in current and adjacent markets, among other criteria. It is our view that continued execution of our acquisition strategy provides significant opportunity to generate shareholder value through further consolidation of our fragmented industry. The market environment, comprised mainly of small local and regional players, provides ample add-on acquisition opportunities to sustain our growth trajectory and bolster our one-stop shop approach to broadly serving our customers. Beyond our existing served markets, we see potential acquisition opportunities within the rail, aerospace, heavy fabrication and food end markets, among others. We believe the liquidity resulting from this offering will enable us to continue to execute on our acquisition strategy and relevant opportunities.

**Continue Process-Driven Improvement Initiatives.** Our process-driven improvement initiatives have resulted in significant savings throughout our history, leading to improved financial results and positive customer outcomes. Our strategy will continue to include a keen focus on continuous improvements in order to maintain a differentiated and defendable market-leading position, as well as ongoing cost and operating improvements. Improvement initiatives in 2018 were focused on strategic investments in automation technology and capacity, which are expected to drive immediate productivity and margin improvements as the integration efforts are completed. For example, we currently have process driven improvement plans that relate to:

- the installation of a direct-to-metal paint line that will yield additional paint capacity and provide an improved cost position;
- consolidation of our leased Wytheville, VA plant into our owned Atkins, VA facility that will result in reduced overhead and support costs, increased capacity and labor flexibility across various product lines; and
- the recent and continued investment into collaborative robots that will reduce the need for direct labor employees by an estimated three to one ratio.

**Maintain Alignment with Employee Base and Employee-Driven Results.** Our rich history of employee ownership and personal responsibility in daily excellence has cultivated a strategic management-employee alignment and results-driven organization with each employee contributing to a common goal. Our employees will maintain a significant ownership stake following this offering, which we believe will benefit the entire organization as our strategic alignment will remain in place and continue to generate employee-driven results. As we continue to invest in our business and increasingly implement a more technology-enabled infrastructure, we will strive to redeploy our employees in other, higher-skilled areas of our business and invest in training where needed. Our employees are the foundation of our company; with experience across a diverse range of markets and capabilities,
they drive innovation, believe in our process and the outcomes of their work and our success. We and our employees are also highly involved in, and actively support, the communities in which our facilities are located; our 3,100 employees take P.R.I.D.E. in creating value and support for both our customers and communities every day.

**Our Capabilities.** We offer a broad portfolio of end-to-end processes and solutions comprised of advanced and innovative capabilities that enhance quality and simplify supply chains for our customers. Through our collaborative approach, we maintain a complete, and growing, set of sophisticated manufacturing capabilities to meet the diverse needs of our customers, including:

- **Program Management**—We offer our customers a complete solution from concept to launch following the APQP (Advanced Product Quality Planning) process (planning, product design and development, process design and improvement, product and process validation and continuous improvement).
- **Engineering**—We collaborate with our customers and provide design for manufacturing, off-line programming (lasers, brake press, machining, welding), value engineering and CI (continuous improvement).
- **Tooling Design and Build**—Our in-house tool design and tool room capability ensures quality from start to finish. We build and service all categories of tooling, including large progressive dies.
- **Laser Cutting**—Our programmable fiber optic and CO2 laser cutting capabilities eliminate expensive hard tooling. Our equipment can cut metal up to 5/8 of an inch thick while maintaining tolerances to .002 inches at speeds up to 2,300 inches per minute.
- **Brake Press**—We combine our operator’s expertise with the proper equipment required to offer top versatility to our clients for bending, forming, coining and air bending. Our facilities house the latest press brake press machinery including robotic part manipulation and stacking.
- **Stamping**—We provide custom metal stamping capabilities for short, medium or long production runs. For longer runs, our production of sheet metal stamping uses 50 to 1,000-ton manual or automatic feed presses with state-of-the-art feed lines for precision metal stamping. Our small, high-speed presses are ideal for producing intricate high-volume stampings.
- **Machining**—We provide a variety of machining capabilities to meet our customer needs by providing in-house machining assistance for parts that are part of larger fabrications and assemblies.
- **Tube Bending**—We maintain vast tube bending capabilities, including (i) manufacturing of oval, round and square tubes from .25 inch up through six inch and (ii) leveraging our extensive inventory of equipment including the latest CNC (computer numerical control) benders; and state-of-the-art technologies such as CNC electro-servo-driven bending with multi-stack heads.
- **Welding**—We have earned our reputation as one of the premier manufacturers of weldments. Our welding departments offer manual and robotic wire welding, including GMAW (Gas Metal Arc Welding and also known as MIG, or Metal Inert Gas), GTAW (Gas Tungsten Arc Welding and also known as TIG (Tungsten Inert Gas), Heliarc), Fluxcore, Metalcore, Aluminum, Plasma Weld, Brazing and Pulse Heliarc.
- **Coatings, Assembly and Logistics**—We provide premier full-service coating, assembly and logistics solutions for Blue Chip OEMs. Our coating capabilities offer a full-range of high technology industrial coating capabilities, including: E-Coat, military certified CARC, commercial and industrial powder and liquid coatings. Our coating systems utilize pre-treatment including acid pickle, zinc phosphate and in-line Alodine for the conversion of aluminum.

The graphic below includes representative components that we manufacture using the capabilities listed above:

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**Our Proven Approach.** We collaborate with our customers to generate a strategic alignment and position ourselves as an essential part of our customers’ product development and manufacturing process by drawing on
our deep product and engineering knowledge to deliver best-in-class solutions. Our approach is simple: we view quality as a significant business strategy with a strong return on investment. Our philosophy on quality is based on Continuous Improvement with an IATF (international automotive task force) and ISO (international organization for standardization) foundation. Our skilled and experienced staff is highly trained in areas of quality planning, metrology, geometric dimensioning and tolerancing (ASME Y14.5M 1994), ISO, QS9000, statistical techniques (SPC) and ISO 14001 certifications. Our Quality Management System is comprised of the following:

- IATF 16949:2016 certification (one of the automotive industry’s most widely used international standards for quality management);
- ISO 9001:2015 registration (international standard for quality management systems);
- Process and assembly line audits with focus on process control;
- Process capability that is proven at validation and monitored during production; and
- Specialized validations for paint and weld operations.

We periodically enter into joint process improvement efforts with key customers. Such exercises have historically resulted in reduced manufacturing critical path time, cost reductions and quality improvements through effective batch sizes and more repeatable processes. Our continuous improvement initiatives have resulted in the acquisition and application of state-of-the-art technologies and plant improvements that support lean, quick response manufacturing flexibility that put us at the forefront of our market. Moreover, the agility that our quick response manufacturing methodology provides us keeps our purchasing, manufacturing, engineering and quality teams on the cutting edge of flexible manufacturing. This adaptable approach also decreases manufacturing costs, allows for faster order turnaround times, and elimination of excess waste.

We maintain an advanced machinery portfolio in our facilities that allow us to leverage our employee workforce with state of the art capabilities and functionality. We strive to maintain our assets or upgrade capabilities where deterioration has driven obsolescence or better technology is available. Most recently, we have invested in two fiber laser systems with automation aimed at reducing labor content and optimizing floor space which allows us to generate more revenue with the same workforce and footprint. We have also recently invested in a machining center with palletizers, robotic brake presses, robotic weld cells and a direct-to-metal paint line.

Our Markets. Our primary end markets include (but are not limited to) the heavy- and medium-duty commercial vehicles, construction, powersports, agriculture and military markets. While our individual end markets may be exposed to cyclical variations, the diversified nature of our end markets affords us the ability to shift production with demand as certain end markets trend lower and others trend higher. In our experience, our diversification has muted the impact of downturns on our business that we have faced in the past. For example, we experienced net sales growth during the 2008 and 2009 recession due to strong orders, particularly from our customers focused on the military end market. Moreover, as our heavy- and medium-duty commercial vehicles, construction, powersports and agriculture customers’ revenues fluctuated from 2013 to 2017, with median peak-to-trough sales declines of 23%, our peak-to-trough sales declines were less than that of those respective markets at only 10%. We were able to accomplish this by reallocating our resources to serve our heavy- and medium-duty commercial vehicles and powersports customers, leading to strong double-digit growth in those end markets.

- Heavy- and Medium-Duty Commercial Vehicles: Heavy-duty commercial vehicles include class 8 heavy trucks such as standard semi-trucks. Medium-duty commercial vehicles include classes 3-7 trucks such as box trucks;
- Construction: Primary applications include tractors, off-highway vehicles, excavators, pipe layers and other construction equipment;
- Powersports: Encompasses our all-terrain (ATV) and multi-utility (MUV) vehicles, as well as marine and motorcycle markets;
Additionally, we maintain our branded MEC Outdoors business which provides shotshell re-loaders, including single stage machines, fully progressive machines and metallic single stage presses, as well as clay target machines, among other outdoor-focused products. This business comprised of less than 2% of net sales in 2018.

**Our Customers.** We are a critical and deeply embedded supply partner with strong strategic alignment and relationships with our customers. We have developed long-standing business relationships with our OEM customers, many of which span decades. Further, we are diversified by customers and end markets with net sales attributed to our top 20 customers accounting for $479 million of 2018 pro forma net sales, and no single end market accounting for more than 35% of pro forma net sales. For the year ended December 31, 2018, John Deere, AB Volvo, Honda Motor Co. and PACCAR Inc. accounted for 17%, 14%, 12% and 12% of pro forma net sales, respectively. We have not historically experienced customer attrition given high customer switching costs resulting from our embedded relationships driven by our broad capabilities and scale.

Our top four customers are highlighted in the graphic below:

![Selected Customer Locations](image-url)
Raw Materials and Manufactured Components. Our purchases primarily include steel and aluminum. We maintain a broad and diverse base of over 1,000 suppliers. Our established relationships provide efficient and flexible access to resources and redundancy to ensure support of our customers. We have no history of material supply issues or outages. In 2018, on a pro forma basis, no single supplier represented more than 18% of our total purchases and 98% of the raw materials we purchased were sourced from domestic suppliers. Our suppliers are strategically located in order to maximize efficiencies and minimize shipping costs, although switching costs are minimal and we maintain a multitude of alternative suppliers that we could transfer orders to, if needed. We have structured our customer contracts to pass through commodity price changes, which has allowed us to remain mostly unaffected by the recent raw material price volatility and tariffs. As we continue to grow, we intend to leverage our size and scale to further reduce material costs.
**Our Facilities.** We maintain 21 strategically located U.S. facilities comprising approximately three million square feet of manufacturing space. We are headquartered in Mayville, Wisconsin.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Description of Use</th>
<th>Approximate Square Feet</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayville, WI</td>
<td>Manufacturing / Corporate Headquarters</td>
<td>340,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>167,000</td>
<td>Owned</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>507,000</td>
<td></td>
</tr>
<tr>
<td>Defiance, OH</td>
<td>Manufacturing</td>
<td>250,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>192,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Warehouse</td>
<td>90,000</td>
<td>Leased</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>532,000</td>
<td></td>
</tr>
<tr>
<td>Beaver Dam, WI</td>
<td>Manufacturing</td>
<td>303,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>163,000</td>
<td>Owned</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>466,000</td>
<td></td>
</tr>
<tr>
<td>Greenwood, SC</td>
<td>Manufacturing</td>
<td>234,000</td>
<td>Owned</td>
</tr>
<tr>
<td>Heber Springs, AR</td>
<td>Manufacturing</td>
<td>190,000</td>
<td>Owned</td>
</tr>
<tr>
<td>Bedford, PA</td>
<td>Manufacturing</td>
<td>181,000</td>
<td>Leased</td>
</tr>
<tr>
<td>Wautoma, WI</td>
<td>Manufacturing</td>
<td>157,000</td>
<td>Owned</td>
</tr>
<tr>
<td>Atkins, VA</td>
<td>Manufacturing</td>
<td>150,000</td>
<td>Owned</td>
</tr>
<tr>
<td>Byron Center, MI</td>
<td>Manufacturing</td>
<td>138,000</td>
<td>Leased</td>
</tr>
<tr>
<td>Neillsville, WI</td>
<td>Manufacturing</td>
<td>58,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>42,000</td>
<td>Owned</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Vanderbilt, MI</td>
<td>Manufacturing</td>
<td>50,000</td>
<td>Owned</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>40,000</td>
<td>Owned</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>Greenville, MS</td>
<td>Manufacturing</td>
<td>76,000</td>
<td>Leased</td>
</tr>
<tr>
<td>Wayland, MI</td>
<td>Manufacturing</td>
<td>75,000</td>
<td>Leased</td>
</tr>
<tr>
<td>Wytheville, VA</td>
<td>Manufacturing</td>
<td>68,000</td>
<td>Leased</td>
</tr>
<tr>
<td>Piedmont, MI</td>
<td>Manufacturing</td>
<td>34,000</td>
<td>Leased</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>2,938,000</td>
<td></td>
</tr>
</tbody>
</table>

We believe that our facilities are sufficient to meet our current and near-term manufacturing needs.

**Sales and Marketing.** We have a strong sales team comprised of over 35 experienced professionals responsible for managing and expanding client relationships, and proactively pursuing new opportunities. Sales personnel are aligned by market segment and customer, including heavy- and medium-duty commercial vehicles, construction, powersports, agriculture, military and other end markets, and employ a highly technical and collaborative sales process with deep knowledge of our customers and capabilities. Sales personnel have assigned support teams.
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comprised of inside sales, marketing, and sales administration personnel. We are consistently involved in request for proposal processes, where our sales teams with deep process expertise collaborate with customers on optimal designs for manufacturability and manufacturing efficiency. The upfront collaboration drives formalization of product specifications, program lifecycle planning, cost estimates and risk mitigation. The sales process typically takes 3-18 months and ultimately ends in the implementation of product lifecycle timelines and purchase orders under long-term customer arrangements. The sales team utilizes systems infrastructure that effectively track and manage backlogs, quotes and bookings information, strategic projects and call reports, all of which are reviewed weekly sales team meetings.

Information Systems. We utilize standardized information technology systems across all areas of quoting and estimating, enterprise resource planning, materials resource planning, capacity planning and accounting for enhanced procurement of work, project execution and financial controls. We provide information technology oversight and support from our corporate headquarters in Mayville, WI. The operational information systems we employ throughout our company are industry specific applications that in some cases have been internally or vendor modified and improved to fit our operations. Our enterprise resource planning software is integrated with our operational information systems wherever possible to deliver relevant, real-time operational data to designated personnel. Accounting and operations personnel of acquired companies are trained not only by our information technology support staff, but by long-tenured employees in our organization with extensive experience using our systems. We believe our information systems provide our people with the tools to execute their individual job function and achieve our strategic initiatives.

Our Competition. We participate in a highly fragmented market with competitors in each of the end markets we serve ranging in size from small companies focused on a single capability or end market, to large multi-disciplinary companies. While there can be instances of intense competition from specific end markets, we believe that we have been able to effectively compete, and maintain competitive advantages on the basis of our:

- scale and product offering with the ability to cross-sell and provide our customers with a one-stop solution;
- broad manufacturing capability and flexibility to fulfill requests that require complex solutions;
- customer service with our highly skilled and knowledgeable workforce able to provide consultative advice; and
- regionalized geographic focus provides a defensible position from both foreign and domestic competitors as our customers continue to take a regionalized approach to production, which provides a shorter supply chain with greater flexibility.

Our Employees. We maintain an experienced and skilled workforce. We have been highly focused on attracting and retaining high quality personnel as they represent a critical factor in our continued success. As of December 31, 2018, we had approximately 3,100 full-time employees, none of which are unionized. Despite the recent market challenges in the hiring of trade-skilled employees, our continued investment in newer technologies and capabilities has allowed us to opportunistically re-train and redeploy certain roles that were previously human capital-intensive, and re-train and repurpose employees into other areas of the company. On average, our employees have approximately seven years of service with us. We believe we maintain strong relations with our employees and believe they are aligned with our employee-owned mindset.

Legal Proceedings. We are not currently a party to any material litigation proceedings. From time to time, however, we may be a party to litigation and subject to claims incident to the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Environmental Matters. We are subject to numerous federal, state and local laws and regulations relating to manufacturing, handling and disposal of materials into the environment. We believe that our environmental control procedures are adequate and we have no current plans for capital expenditures in the area.

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MANAGEMENT

Directors and Executive Officers

Set forth below is the name, age, position and a brief description of the business experience of each of our directors and executive officers at April 12, 2019.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert D. Kamphuis</td>
<td>61</td>
<td>Chairman, President, Chief Executive Officer and Director</td>
</tr>
<tr>
<td>Todd M. Butz</td>
<td>48</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Ryan F. Raber</td>
<td>36</td>
<td>Executive Vice President—Sales &amp; Marketing</td>
</tr>
<tr>
<td>Clifford O. Sanderson</td>
<td>61</td>
<td>Vice President—Human Resources</td>
</tr>
<tr>
<td>Eric J. Welak</td>
<td>43</td>
<td>Executive Vice President—Fabrication</td>
</tr>
<tr>
<td>Allen J. Carlson</td>
<td>68</td>
<td>Director</td>
</tr>
<tr>
<td>Timothy L. Christen</td>
<td>60</td>
<td>Director</td>
</tr>
<tr>
<td>Steven L. Fisher</td>
<td>64</td>
<td>Director</td>
</tr>
<tr>
<td>Craig E. Johnson</td>
<td>70</td>
<td>Director</td>
</tr>
<tr>
<td>Patrick D. Michels</td>
<td>59</td>
<td>Director</td>
</tr>
<tr>
<td>Jay O. Rothman</td>
<td>59</td>
<td>Director</td>
</tr>
<tr>
<td>John A. St. Peter</td>
<td>68</td>
<td>Director</td>
</tr>
</tbody>
</table>

Robert D. Kamphuis joined our company as President and Chief Executive Officer in 2005 and has served as the Chairman, President and Chief Executive Officer since January 2007. Mr. Kamphuis also serves as a board member and past Chairman of Wisconsin Manufacturers & Commerce, a board member of Brakebush Brothers, Inc. and The Nordic Group of Companies, Ltd., and a member of the UW System Business Council, the John Deere Direct Material Supplier Council, the Harley Davidson Supplier Advisory Council and the Mebane Manor Executive Corporate Club. Prior to joining our company, Mr. Kamphuis held various roles with Giddings & Lewis, Inc. including as President and Chief Executive Officer of Gilman Engineering and Manufacturing Co., LLC, a designer and manufacturer of automated assembly systems, and began his career with Ernst & Young. Mr. Kamphuis is a graduate of the Executive International Leadership Program at Stanford University and earned a Bachelor of Business Administration & Accounting from the University of Wisconsin-Whitewater. He is also a licensed certified public accountant. We believe that Mr. Kamphuis is qualified to serve as a director of our company because he has extensive senior management experience and serves as our President and Chief Executive Officer.

Todd M. Butz joined our company in 2008 and has served as our Chief Financial Officer since January 2014. Mr. Butz also serves on the Board of Trustees for Marian University. Prior to joining our company, Mr. Butz spent time as the Finance Manager at Mercury Marine, a subsidiary of the Brunswick Corporation, and Audit Supervisor at Schenck Business Solutions. Mr. Butz earned a Bachelor of Science in Accounting and Business Management from Marian University and is a licensed certified public accountant.

Ryan F. Raber joined our company in 2009 and has served as our Executive Vice President – Sales & Marketing since November 2018. Prior to serving in his current position, Mr. Raber served as our Vice President of Sales & Marketing beginning in August 2013. Mr. Raber earned a Masters of Business Administration from the University of Wisconsin-Madison and a Bachelor of Science in Mechanical Engineering from Purdue University.

Clifford O. Sanderson joined our company in October 2013 and has served as our Vice President – Human Resources since that time. Prior to joining our company, Mr. Sanderson served as the Director of Human
Resources at Coleman Cable, Inc. from June 1998 to October 2013, the Human Resources Manager at Nypro and the Divisional Director of Human Resources at Wheeling Pittsburgh Steel Corporation. Mr. Sanderson has over 30 years of human resources management experience. Mr. Sanderson earned a Masters in Human Resources and a Masters of Business Administration, Operations and Finance, from the Keller Graduate School of Management at DeVry University and a Bachelor of Science in Business from the University of Illinois Chicago.

**Eric J. Welak** joined our company in 1996 and has served as our Executive Vice President – Fabrication since January 2017. Prior to serving in his current position, Mr. Welak served as our Operations Manager, Plant Manager, Director of Operations and Vice President of Operations. Mr. Welak earned an Associate of Industrial Engineering from Moraine Park Technical College and a Bachelor of Science in Business Administration, Management and Operations from Marian University.

**Allen J. Carlson** has been a member of our board of directors since January 2016. Mr. Carlson is currently employed by the University of Florida’s College of Engineering, serves as a director of KMCO, Inc. and on the Board of Regents of the Milwaukee School of Engineering. Mr. Carlson previously served as a director and the Chief Executive Officer of Sun Hydraulics Corporation from 2000 to 2016. From October 1977 to March 1996, Mr. Carlson held various engineering, marketing and management positions for Vickers Incorporated, a wholly owned subsidiary of Trinova Corporation. Mr. Carlson earned his Bachelor’s degree from the Milwaukee School of Engineering and is a graduate of the Advanced Management Program at the Harvard Business School. We believe that Mr. Carlson’s over 40 years of experience in the manufacturing industry and nearly 16 years as the Chief Executive Officer of a public company qualify him to serve as a member of our board of directors.

**Timothy L. Christen** has been a member of our board of directors since June 2016. He is currently an independent contractor providing consulting services to Baker Tilly Virchow Krause, LLP, a national public accounting firm, where he served as a partner from 1990 to 2016 and as Chairman and Chief Executive Officer from 1999 to 2016. Mr. Christen has served as the non-executive Chairman of Baker Tilly International Ltd. since 2017 and as a director of CPA.com, an accounting technology reseller, since 2018. Mr. Christen also served as director of the American Institute of CPAs from 2014 to 2017, serving as Chairman from 2015 to 2016. Mr. Christen earned his Bachelor of Science in Accounting from the University of Wisconsin-Platteville and is a licensed certified public accountant. We believe Mr. Christen’s over 36 years of accounting expertise and substantial strategy, risk and management experience over his 16 years as the Chief Executive Officer of a national public accounting firm qualify him to serve as a member of our board of directors.

**Steven L. Fisher** has been a member of our board of directors since November 2013. He has previously served as an executive at Caterpillar, Inc., where he was the Division Chief Financial Officer from 1991 to 1998 and Vice President from 2005 to 2014. Mr. Fisher currently serves as a member of the advisory board of Palmer Johnson Power Systems. Mr. Fisher received a Bachelor of Science in Accounting from Bradley University and is a licensed certified public accountant. We believe Mr. Fisher’s substantial experience as an executive of a public company in the manufacturing industry and accounting expertise qualify him to serve on our board of directors.

**Craig E. Johnson** has been a member of our board of directors since October 2006. He previously served as a risk management and insurance consultant for Corporate Insurance Solutions, Inc. from October 2004 to February 2018. Mr. Johnson also served as a director for Southern Eagle Insurance Company from January 2006 to June 2013 and Gulf State Insurance Services, Ltd. from November 2007 to June 2012. In addition, Mr. Johnson served as Chief Executive Officer and Chairman of Broker’s Surety Services, Inc. from 1992 to 1997 and Managing Member of First Partners, LLC, a risk management and actuarial consulting firm, from December 1999 to May 2012. He also served as a director and Credit Committee Chairman at FDIC Bank from 1983 to 1997. Mr. Johnson earned his Bachelor of Science from Bradley University. Mr. Johnson served in the United States Air Force as a
Captain from 1970 to 1984. He served as both active duty and reserves and was Vice President of the Air Force Division of the Reserve Officers Association. We believe Mr. Johnson’s experience as an executive in the risk management industry and actuarial expertise qualify him to serve on our board of directors.

**Patrick D. Michels** has been a member of our board of directors since January 2010. He has served as the President, Chief Executive Officer and director of Michels Corporation, an international utility and infrastructure contractor based in Brownsville, Wisconsin, since 1998. Mr. Michels has also served as a director for the Raymond Foundation since 2012 and National Exchange Bank and Trust since 2016. He was a director of St. Norbert’s College from 2006 to 2018 and a director of American Bank from 1998 to 2016. Mr. Michels earned his Bachelor of Business Administration from St. Norbert’s College. We believe that Mr. Michels’ extensive experience as the President and Chief Executive Officer of a large construction contractor company qualifies him to serve on our board of directors.

**Jay O. Rothman** has been a member of our board of directors since July 2008. He has served as the Chairman and Chief Executive Officer of Foley & Lardner LLP, a national law firm, since June 2011, has been a member of the firm’s Management Committee since February 2002 and has been a partner since February 1994. He joined Foley & Lardner LLP in October 1986. Mr. Rothman serves as director of Quad/Graphics, Inc. Mr. Rothman received a Bachelor of Arts from Marquette University in 1982 and a Juris Doctor from Harvard Law School in 1985. We believe that Mr. Rothman’s career as an executive and as a business attorney qualify him to serve as a member of our board of directors.

**John A. St. Peter** has been a member of our board of directors since January 2014. He is currently a partner at Dempsey, Edgarton, St. Peter, Petak & Rosenfeldt, a law firm located in Fond du Lac, Wisconsin, where he has served as an attorney for 42 years. Mr. St. Peter has been one of our legal advisors since our incorporation. He has also served on the boards of directors of Hornung’s Golf Products, Inc. since 1990, Ted and Grace Bachhuber Foundation since 2018, Agnesian HealthCare Foundation, Inc. since 2012 and Moraine Park Technical College Foundation, Inc. since 1989. Mr. St. Peter earned his Bachelor of Arts from the University of Wisconsin-Madison and his Juris Doctor from the Saint Louis University School of Law. We believe that Mr. St. Peter’s career as a business attorney and his extensive familiarity with our company qualify him to serve as a member of our board of directors.

**Board of Directors**

Our board of directors currently consists of eight persons. Our bylaws provide that our board of directors shall be divided into three classes, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors will be elected each year. Messrs. Michels and St. Peter are Class III directors with terms ending at our 2020 annual meeting of shareholders; Messrs. Carlson, Christen and Johnson are Class II directors with terms ending at our 2021 annual meeting of shareholders; and Messrs. Fisher, Kamphuis and Rothman are Class I directors with terms ending at our 2022 annual meeting of shareholders.

**Director Independence**

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that each of our non-employee directors is “independent” as that term is defined under the listing standards of the NYSE. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the transactions involving them described below and in the section titled “Certain Relationships and Related Party Transactions.”
In particular, for Mr. Fisher, our board of directors considered the consulting arrangement between Mr. Fisher and us, which ended in 2018. Mr. Fisher did not receive greater than $120,000 from us in any twelve-month period within the last three years pursuant to the prior consulting arrangement.

Mr. Johnson was a consultant of Corporate Insurance Solutions, Inc., a company then wholly-owned by Mr. Johnson’s wife, until 2018. We paid fees to Corporate Insurance Solutions, Inc. for risk management consulting work in 2016 and 2017, and we also paid fees directly to Mr. Johnson in 2018 for such work. In no event did Corporate Insurance Solutions, Inc. or Mr. Johnson receive greater than $120,000 from us for such consulting fees in any twelve-month period within the last three years.

Mr. St. Peter is a partner in the law firm of Edgarton, St. Peter, Petak & Rosenfeldt, which provides legal services to us. In no event did Edgarton, St. Peter, Petak & Rosenfeldt or Mr. St. Peter receive greater than $120,000 from us for such legal services in any twelve-month period within the last three years.

In each of the cases noted above and otherwise described in the section titled “Certain Relationships and Related Party Transactions,” our board of directors has determined that each of our non-employee directors is “independent” as that term is defined under the listing standards of the NYSE.

Committees of our Board of Directors

We currently have an Audit Committee and a Compensation Committee and, upon completion of this offering, will have a Nominating and Corporate Governance Committee. We may have such other committees as our board of directors shall determine from time to time. Each of our committees has the composition and responsibilities described below.

Audit Committee

Rules implemented by the NYSE and the SEC require us to have an audit committee comprised of at least three directors, each of whom meets the independence and experience standards established by the NYSE and the Exchange Act. Our Audit Committee consists of the following members: Messrs. Christen, Fisher and Michels, with Mr. Christen serving as the chair. Our board of directors has determined that each member of the Audit Committee qualifies as an “audit committee financial expert” (as defined in Item 407(d)(5) of Regulation S-K) and that all of the members are independent (as defined in Rule 10A-3 of the Exchange Act and under the listing standards of the NYSE).

The Audit Committee is governed by a charter adopted by our board of directors, a copy of which will be available on our website.

Our Audit Committee assists the board of directors in fulfilling the oversight responsibilities the board of directors has with respect to (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the qualifications and independence of our independent registered public accounting firm and (iv) the performance of our internal audit function and our independent registered public accounting firm. The Audit Committee has responsibility for the appointment, compensation, retention and oversight of our independent registered public accounting firm, which reports directly to the Audit Committee. The Audit Committee is also responsible for preparing an audit committee report to be included in our annual proxy statement, and reviews, approves and oversees on an on-going basis any related party transactions. The Audit Committee has authority to preapprove all auditing and permitted non-audit services to be performed by our independent registered public accounting firm, subject to the de minimis exceptions provided under the Exchange Act. The Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting and auditing matters.
Compensation Committee

Our Compensation Committee consists of the following members: Messrs. Carlson, Fisher and Johnson, with Mr. Fisher serving as the chair. The purposes of our Compensation Committee are to (i) assist the board of directors in discharging its responsibilities relating to the compensation of our executive officers, (ii) administer our incentive and equity compensation plans and (iii) provide oversight of the policies and practices relating to employee relations and human resource activities. Our board of directors adopted a charter defining our Compensation Committee’s primary duties, a copy of which will be available on our website.

Our Compensation Committee approves the compensation of our executive officers, including the Chief Executive Officer. Our Compensation Committee also provides oversight of the design of all our retirement and health and welfare plan programs and human resource management practices and policies, including hiring and retention, performance management programs, diversity policies and practices, leadership development and manager succession planning. It has authority to retain or obtain the advice of compensation consultants to assist with regard to any of its activities.

Our Compensation Committee administers our incentive and equity compensation plans. Our Compensation Committee will also be responsible for overseeing the preparation of the compensation discussion and analysis section to be included in our annual proxy statement when the Company becomes subject to, or otherwise determines to comply with, SEC requirements for such section.

Nominating and Corporate Governance Committee

Upon completion of this offering, our Nominating and Corporate Governance Committee will consist of the following members: Messrs. Carlson, Christen, Rothman and St. Peter, with Mr. Rothman serving as the chair. The purpose of our Nominating and Corporate Governance Committee will be to (i) carry out the responsibilities delegated to it by our board of directors relating to our director nomination process and procedures, (ii) identify individuals qualified to become members of the board (consistent with criteria approved by the board), (iii) select and recommend to the board qualified potential director nominees for election at each of the annual meeting of shareholders, (iv) develop, maintain and recommend to the board of directors a set of corporate governance guidelines applicable to us, (v) oversee the evaluation of the board, its committees and management and (vi) oversee, in concert with the Audit Committee, compliance with the rules, regulations and ethical standards for our directors, officers and employees, including corporate governance matters and practices. Our board of directors adopted, effective immediately preceding the completion of this offering, a charter defining our Nominating and Corporate Governance Committee’s primary duties, a copy of which will be available on our website.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of us.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics applicable to our employees, directors and officers, in accordance with applicable federal securities laws and the corporate governance rules of the NYSE. Our code of business conduct and ethics will be available on our
website. Any amendments to, or waivers from, this code of business conduct and ethics may be made only by our board of directors and will be promptly disclosed by posting such information on our website.

**Corporate Governance Guidelines**

Prior to the completion of this offering, our board of directors will adopt corporate governance guidelines, a copy of which will be available on our website.
EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the “Summary Compensation Table for 2018” below. Our named executive officers for 2018 were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Principal Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert D. Kamphuis</td>
<td>Chairman, President and Chief Executive Officer</td>
</tr>
<tr>
<td>Todd M. Butz</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Ryan F. Raber</td>
<td>Executive Vice President – Sales &amp; Marketing</td>
</tr>
</tbody>
</table>

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

Summary Compensation Table for 2018

The following table provides information regarding the compensation of our named executive officers during 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($) (1)</th>
<th>Stock awards ($)</th>
<th>Option awards ($)</th>
<th>Non-equity incentive plan compensation ($) (2)</th>
<th>Non-qualified deferred compensation earnings ($) (3)</th>
<th>All other compensation ($) (4)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert D. Kamphuis</td>
<td>2018</td>
<td>510,000</td>
<td>892,680</td>
<td>—</td>
<td>—</td>
<td>1,607,418</td>
<td>—</td>
<td>14,687</td>
<td>3,024,785</td>
</tr>
<tr>
<td><strong>Chairman, President and Chief Executive Officer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Todd M. Butz</td>
<td>2018</td>
<td>310,000</td>
<td>257,560</td>
<td>—</td>
<td>—</td>
<td>390,823</td>
<td>—</td>
<td>14,687</td>
<td>973,070</td>
</tr>
<tr>
<td><strong>Chief Financial Officer</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ryan F. Raber</td>
<td>2018</td>
<td>265,000</td>
<td>190,220</td>
<td>—</td>
<td>—</td>
<td>247,404</td>
<td>—</td>
<td>14,903</td>
<td>717,743</td>
</tr>
<tr>
<td><strong>Executive Vice President – Sales &amp; Marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

(1) The amounts in this column represent discretionary cash bonuses in the amount of $100,000 for Mr. Kamphuis and $50,000 for Mr. Butz, as well as incentive awards paid under the Mayville Engineering Company, Inc. Long-Term Incentive Plan with respect to the three-year performance period covering 2016 to 2018 even though the performance goals were not achieved. The amounts paid under the Mayville Engineering Company, Inc. Long-Term Incentive Plan with respect to 2016 to 2018 were as follows: Mr. Kamphuis—$792,680; Mr. Butz—$207,560; and Mr. Raber—$190,220. The terms and conditions of the Mayville Engineering Company, Inc. Long-Term Incentive Plan are described in narrative disclosure below.

(2) The amounts in this column represent performance-based annual cash bonuses earned in 2018.
Employment, Severance or Change in Control Agreements

During the first four months of 2018, we maintained change in control severance agreements with our named executive officers. Each of these agreements expired on April 30, 2018.

Following this offering, Messrs. Kamphuis and Butz will be covered under executive severance agreements providing a lump sum severance benefit equal to one and one-half times and one times, respectively, of his then current annual base salary and target annual cash bonus, in the event that his employment is involuntarily terminated without cause or he terminates for good reason. As a condition of receiving such severance Messrs. Kamphuis and Butz are required to execute a release and waiver of claims. Other than the foregoing, our named executive officers have no employment, severance or change in control agreements.

Incentive Compensation Plans

2018 Annual Cash Bonus

During 2018, our named executive officers were eligible to receive annual cash bonuses based on the achievement of certain performance conditions established by our Compensation Committee. The performance goals had both (1) company performance measures, which were Return on Net Capital Employed, or RONCE, Earnings Before Interest, Taxes, Depreciation, Amortization and ESOP Expense, or EBITDAE, and, for Mr. Raber, Manufacturing Return on Assets, or MFG ROA, and Manufacturing Margin, or MFG Margin, and (2) individual performance measures. The performance goals for each element were pre-established at threshold, target and maximum performance levels.

The performance measures that applied to each named executive officer, and the impact of the performance measures on the amount of the annual cash bonus earned, was as follows. For Messrs. Kamphuis and Butz, the applicable measures were weighted as follows: 40% RONCE, 40% EBITDAE and 20% individual performance. Mr. Raber’s measures were weighted as follows: 10% RONCE, 10% EBITDAE, 30% MFG ROA, 30% MFG Margin and 20% individual performance. For 2018, the percentages achieved were as follows:

<table>
<thead>
<tr>
<th>2018 Actual Achievement</th>
<th>Percentage Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>RONCE</td>
<td>123.9%</td>
</tr>
<tr>
<td>EBITDAE</td>
<td>88.8%</td>
</tr>
<tr>
<td>MFG ROA</td>
<td>66.7%</td>
</tr>
<tr>
<td>MFG Margin</td>
<td>78.7%</td>
</tr>
</tbody>
</table>

Our Compensation Committee also established specific target bonus payouts for each named executive officer, which are expressed as a percentage of each named executive officer’s base salary. For 2018, the named executive officer target payouts as a percentage of base salary were: Mr. Kamphuis 300%; Mr. Butz 120% and Mr. Raber 100%. The actual annual cash bonus paid is calculated by multiplying the applicable weightings by the percentages of achievement to derive the percentages shown in the table below, and multiplying the sum of those
percentages by the bonus target payouts for each named executive officer and each named executive officer’s base salary. In 2018, the actual annual cash bonus calculations were as follows:

<table>
<thead>
<tr>
<th></th>
<th>RONCE (%)</th>
<th>EBITDA (%)</th>
<th>MFG ROA (%)</th>
<th>MFG Margin (%)</th>
<th>Individual (%)</th>
<th>Total Bonus Percentage Achieved (%)</th>
<th>Bonus Target (%)</th>
<th>Base Salary ($)</th>
<th>Annual Cash Bonus ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Robert D. Kamphuis</strong></td>
<td>49.6</td>
<td>35.5</td>
<td>N/A</td>
<td>N/A</td>
<td>20</td>
<td>105.1</td>
<td>300</td>
<td>510,000</td>
<td>1,607,418</td>
</tr>
<tr>
<td><strong>Todd M. Butz</strong></td>
<td>49.6</td>
<td>35.5</td>
<td>N/A</td>
<td>N/A</td>
<td>20</td>
<td>105.1</td>
<td>120</td>
<td>310,000</td>
<td>390,823</td>
</tr>
<tr>
<td><strong>Ryan F. Raber</strong></td>
<td>12.4</td>
<td>8.9</td>
<td>27.6</td>
<td>24.5</td>
<td>20</td>
<td>93.4</td>
<td>100</td>
<td>265,000</td>
<td>247,404</td>
</tr>
</tbody>
</table>

**Mayville Engineering Company, Inc. Long-Term Incentive Plan**

Our named executive officers participate in the Mayville Engineering Company, Inc. Long-Term Incentive Plan, which we sometimes refer to as the Long-Term Plan, which provides for the grant of long-term cash incentive, which we sometimes refer to as LTIP, awards that may be earned if the specified performance goals are achieved.

**Administration**

Our Compensation Committee has the full power and authority to construe, interpret, and administer the Long-Term Plan, which includes making each determination provided for in the Long-Term Plan and adopting rules, regulations, and procedures for the Long-Term Plan. The Compensation Committee may delegate part or all of its duties to any person who is our employee or affiliate.

**LTIP Awards**

LTIP awards granted under the Long-Term Plan are interests in a long-term cash incentive award for a three-calendar-year performance period. Payment of the LTIP awards is entirely discretionary. The performance goal applicable to the LTIP awards granted for the performance period 2016 to 2018 was for our value at the end of the performance period, as determined under the ESOP, to have increased by a minimum of 12% from the value immediately prior to the start of the period. As a condition to receiving payment under the LTIP awards, a participating employee must either (1) be our employee or our affiliate’s employee on the date of the applicable cash payment after the performance period or (2) have retired after reaching age 65, died or become disabled during the performance period.

At the end of the performance period, the Compensation Committee reviews the performance of our Chief Executive Officer, and our Chief Executive Officer reviews the performance of all other participating employees who have satisfied the continuing employment conditions, and determines a discretionary cash amount earned by the participating employee, from a minimum of $0 to a maximum amount that is specified in each participating employee’s award agreement, or a fraction thereof for employees terminated during the performance period due to retirement at age 65, death or disability. Following the end of the 2016 to 2018 performance period, it was determined that the performance goal described above had not been fully achieved, but the Compensation Committee exercised its discretion to approve payment of the LTIP awards to acknowledge the contributions of the participants to our financial performance and to continue to provide competitive compensation. The amounts received by our named executive officers for the 2016 to 2018 performance period are shown in the “Bonus” column of the Summary Compensation Table.

Following this offering, we expect that our named executive officers will participate in the Omnibus Incentive Plan. As a result, the Long-Term Plan will be terminated upon the consummation of this offering.
As of the date of this offering, the 2017 to 2019 and the 2018 to 2020 performance periods will have been partially completed. We refer to these performance periods as the open performance periods. In contemplation of this offering, no awards were granted with respect to the 2019 to 2021 performance period. The open performance periods will be truncated as of the date of this offering, and the amount earned by each participant, including our named executive officers, will be equal to a pro rata portion (reflecting the portion of the performance periods that had elapsed prior to this offering) of the product of (1) the growth in our enterprise value from the first day of the applicable performance period through the end of the truncated performance period, based on our enterprise value following the consummation of this offering, multiplied by (2) the individual participation percentage assigned to the participant when the LTIP award was granted.

At an assumed initial public offering price of $20.00 per share (the midpoint of the range set forth on the cover of this prospectus), the aggregate amounts earned with respect to the open performance periods by Messrs. Kamphuis, Butz and Raber under the formula described above would be approximately $4,925,000, $2,294,000 and $2,294,000, respectively, and the aggregate amount earned by all participants, including Messrs. Kamphuis, Butz and Raber, for the open performance periods would be approximately $13,433,000.

Following the determination of and final payment of any amounts awarded by our Compensation Committee with respect to the open performance periods, the Long-Term Plan will terminate. No further awards will be granted under the Long-Term Plan.

Incentive Compensation Decisions Relating to Our Initial Public Offering

One-Time IPO Long-Term Incentive Award Grants. On March 14, 2019, our Compensation Committee approved one-time equity-based award grants to our executive officers, including our named executive officers, which are contingent upon the completion of this offering. Such grants are in recognition of the contributions of our executive officers to this offering. The equity-based awards will be granted under our Omnibus Incentive Plan, will have the target grant date fair values listed below and will be granted in the form of stock options, restricted stock or restricted stock units, as determined by our Compensation Committee, based on the initial public offering price:

<table>
<thead>
<tr>
<th>Executive Officer</th>
<th>Target Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert D. Kamphuis</td>
<td>$700,000</td>
</tr>
<tr>
<td>Todd M. Butz</td>
<td>$350,000</td>
</tr>
<tr>
<td>Ryan F. Raber</td>
<td>$350,000</td>
</tr>
<tr>
<td>Clifford O. Sanderson</td>
<td>$250,000</td>
</tr>
<tr>
<td>Eric J. Welak</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

Vesting or other terms and conditions for these awards have not yet been determined.

Other Incentive Compensation Decisions. Our Compensation Committee also approved a reduction in Mr. Kamphuis’ target annual cash bonus opportunity for 2019 from 300% of base salary to 150% of base salary, contingent on the closing of this offering and the adoption and approval by our shareholders of our Omnibus Incentive Plan. Our Compensation Committee approved this reduction to place greater emphasis on long-term incentive compensation following the initial public offering. To compensate Mr. Kamphuis for this change, our Compensation Committee approved a one-time equity-based award with a target grant date fair value of $1,000,000, to be made in the form of stock options, restricted stock or restricted stock units, as determined by our Compensation Committee, based on the initial public offering price. The award is contingent on the closing of this offering and the adoption and approval by our shareholders of our Omnibus Incentive Plan. Vesting or other terms and conditions for these awards have not yet been determined.
Outstanding Equity Awards as of December 31, 2018

Our named executive officers had no outstanding equity-based awards as of December 31, 2018.

Pension Benefits and Nonqualified Deferred Compensation; 401(k) Plan; ESOP

Mayville Engineering Company, Inc. 401(k) Plan

Our named executive officers are eligible to participate in the Mayville Engineering Company, Inc. 401(k) Plan, which we sometimes refer to as the 401(k) Plan, on the same basis as other employees who satisfy the 401(k) Plan’s eligibility requirements. Accordingly, our named executive officers, along with other 401(k) Plan participants, are eligible for “safe harbor” non-elective contributions of 3% per year of an employee’s annual salary, which historically has been contributed to the ESOP in order for the 401(k) Plan to maintain “safe harbor” status. Following this offering the contribution will either be made to the 401(k) Plan or to the 401(k) ESOP.

Our named executive officers are eligible to participate in the ESOP on the same basis as other employees who satisfy the ESOP’s eligibility requirements. Under the ESOP, named executive officers, along with other eligible employees, are eligible for the 401(k) safe harbor contributions described above and for discretionary contributions into an account under the ESOP in the employee’s name. See “ESOP—Distributions, Diversification and Transfers” for further details on the ESOP.

We do not provide any defined-benefit pension benefits.

Mayville Engineering Company Deferred Compensation Plan

Our named executive officers are eligible to participate in the Mayville Engineering Company Deferred Compensation Plan, which we sometimes refer to as the Deferred Compensation Plan, which permits eligible participants to make elective deferrals of up to 50% of the participant’s annual base salary and up to 100% of the participant’s annual short-term cash incentive compensation. Each year, we credit to the account of each participant an amount reflecting the amount, if any, of any reduced allocations, due solely to the participant’s elective deferrals under the Deferred Compensation Plan of our “safe harbor” contributions and discretionary employer contributions to the ESOP and employer non-elective contributions to the 401(k) Plan for the year.

Amounts deferred under the Deferred Compensation Plan are deemed invested in shares of our common stock and are credited with dividend equivalents while deferred. Deferred amounts credited to a participant’s account are generally distributed following the participant’s separation from service, in a lump sum or up to five annual installments, as elected by the participant. Upon a change in control (which does not include this offering), the Deferred Compensation Plan will terminate and all amounts deferred under the plan will be distributed, generally in a lump sum.

In connection with this offering, and since future equity incentive opportunities will be provided through the Omnibus Incentive Plan, the Deferred Compensation Plan will be amended to eliminate the deemed investment of Deferred Compensation Plan account balances in our common stock. Instead, a participant’s Deferred Compensation Plan account will be deemed to be invested in one or more alternate investment options, such as a mutual fund, for purposes of tracking the deemed investment gain or loss on the participant’s account. The conversion of a participant’s account from a deemed investment in our common stock to a cash-based investment will be effectuated at the price established by the underwriters for our sale of stock in this offering. Assuming an initial public offering price of $20.00 per share (the midpoint of the range set forth on the cover of this prospectus),
the accounts of Messrs. Kamphuis, Butz and Raber are expected to increase in value in connection with this offering by approximately $12,027,000, $738,000 and $665,000, respectively, and the aggregate value of the accounts of all of the participants in the Deferred Compensation Plan, including Messrs. Kamphuis, Butz and Raber, is expected to increase by approximately $15,437,000. The accounts of the participants, including the named executive officers, in the Deferred Compensation Plan reflect amounts contributed to the plan by the participants, as well as earnings on these voluntary deferred amounts as if they were invested in our common stock. The Deferred Compensation Plan is non-funded and unsecured in that it represents only a contractual promise by us to make benefit payments in the future and participants in the Deferred Compensation Plan have the status of general unsecured creditors of our Company. With these modifications, the Deferred Compensation Plan will continue to operate following this offering.

Other Elements of Compensation

Health/Welfare Plans. All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance; and
- life insurance.

We believe the benefits described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

Cost Guarantee. We maintain a cost guarantee arrangement with Mr. Kamphuis under which, in exchange for Mr. Kamphuis’ relocation to the Mayville area, we agreed to guarantee the return of the initial cost of his home in the event of his death, disability or termination of employment. In addition, if the value of the guarantee is in excess of the current fair market value at the time of the termination, then we will provide a make-whole payment to Mr. Kamphuis for any personal income tax liability he incurs as a result of the guarantee and any taxes due as a result of the make-whole payment. We entered into this arrangement with Mr. Kamphuis to encourage him to relocate to the Mayville area because we believe that it is valuable to us to have our President and Chief Executive Officer in close proximity to our headquarters.

Omnibus Incentive Plan

We did not maintain any equity incentive plan during 2018.

On , 2019, our board of directors and on , 2019, the ESOP, as our sole shareholder, adopted the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan. The following description of the material terms and conditions of the Omnibus Incentive Plan is qualified by reference to the full text of the Omnibus Incentive Plan.

Administration

The Omnibus Incentive Plan will be administered by our board of directors or our compensation committee, or any other committee or subcommittee or one or more of our officers to whom authority has been delegated, which we sometimes refer to collectively as the Administrator. The Administrator will have the authority to interpret the Omnibus Incentive Plan or award agreements entered into with respect to the plan; make, change, and rescind rules and regulations relating to the Omnibus Incentive Plan; make changes to, or reconcile any inconsistency in, the Omnibus Incentive Plan or any award or agreement covering an award; and take any other actions needed to administer the Omnibus Incentive Plan.
Eligibility; Participant Award Limits

The Administrator may designate any of the following as a participant under the Omnibus Incentive Plan: any officer or employee, or individuals engaged to become an officer or employee, of our Company or our affiliates; and consultants of our Company or our affiliates, and our directors, including our non-employee directors.

Subject to adjustment as described below, participants may not be granted awards that could result in such participant receiving more than:

- 400,000 stock options and stock appreciation rights (or 15,000 stock options and stock appreciation rights for a non-employee director) during any of our fiscal years;
- 400,000 shares of restricted stock and restricted stock units (or 15,000 shares of restricted stock and restricted stock units for a non-employee director) during any of our fiscal years;
- 800,000 shares under performance awards measured in relation to our shares for any two-year performance periods (or 30,000 shares for a non-employee director) and 1,200,000 shares under such awards for any three-year performance periods (or 45,000 shares for a non-employee director);
- $4,000,000 for cash-based incentive awards ($200,000 for a non-employee director) during any of our fiscal years;
- $8,000,000 for performance awards not measured in relation to a share with two-year performance periods (or $400,000 for a non-employee director) and $12,000,000 for similar awards for with three-year performance periods (or $600,000 for a non-employee director); and
- 400,000 shares of other stock-based awards or dividend equivalent units (or 15,000 shares for a non-employee director).

Types of Awards

The Omnibus Incentive Plan permits the Administrator to grant stock options, stock appreciation rights, performance shares, performance units, shares of common stock, restricted stock, restricted stock units, cash incentive awards, dividend equivalent units, or any other type of award permitted under the Omnibus Incentive Plan. If the Omnibus Incentive Plan is approved, then the Administrator may grant any type of award to any participant it selects, but only our employees or our subsidiaries’ employees may receive grants of incentive stock options within the meaning of Section 422 of the Code. Awards may be granted alone or in addition to, in tandem with, or (subject to the repricing prohibition described below) in substitution for any other award (or any other award granted under another plan of our Company or any affiliate, including the plan of an acquired entity).

Shares Reserved under the Omnibus Incentive Plan

The Omnibus Incentive Plan provides that 2,000,000 shares of our common stock are reserved for issuance under the Omnibus Incentive Plan, all of which may be issued pursuant to the exercise of incentive stock options. The number of shares reserved for issuance under the Omnibus Incentive Plan will be reduced on the date of the grant of any award by the maximum number of shares, if any, with respect to which such award is granted. However, an award that may be settled solely in cash will not deplete the Omnibus Incentive Plan’s share reserve at the time the award is granted. If (a) an award expires, is canceled, or terminates without issuance of shares or is settled in cash, (b) the Administrator determines that the shares granted under an award will not be issuable because the conditions for issuance will not be satisfied, (c) shares are forfeited under an award, (d) shares are issued under any award and we reacquire them pursuant to our reserved rights upon the issuance of the shares, (e) shares are tendered or withheld in payment of the exercise price of an option or as a result of the net settlement of outstanding stock appreciation rights or (f) shares are tendered or withheld to satisfy federal, state or local tax withholding obligations, then those shares are added back to the reserve and may again be used for new awards under the Omnibus Incentive Plan; provided, however, shares added back to the reserve pursuant to clauses (d), (e) or (f) may not be issued pursuant to incentive stock options.
Options

The Administrator may grant stock options and determine all terms and conditions of each stock option, which include the number of stock options granted, whether a stock option is to be an incentive stock option or non-qualified stock option, and the grant date for the stock option. However, the exercise price per share of common stock may never be less than the fair market value of a share of common stock on the date of grant and the expiration date may not be later than 10 years after the date of grant. Stock options will be exercisable and vest at such times and be subject to such restrictions and conditions as are determined by the Administrator, including with respect to the manner of payment of the exercise price of such stock options.

Stock Appreciation Rights

The Administrator may grant stock appreciation rights, which we sometimes refer to as SARs. A SAR is the right of a participant to receive cash in an amount, or common stock with a fair market value, equal to the appreciation of the fair market value of a share of common stock during a specified period of time. The Omnibus Incentive Plan provides that the Administrator will determine all terms and conditions of each SAR, including, among other things: (a) whether the SAR is granted independently of a stock option or relates to a stock option, (b) the grant price, which may never be less than the fair market value of our common stock as determined on the date of grant, (c) a term that must be no later than 10 years after the date of grant, and (d) whether the SAR will settle in cash, common stock or a combination of the two.

Performance and Stock Awards

The Administrator may grant awards of shares of common stock, restricted stock, restricted stock units, which we sometimes refer to as RSUs, performance shares, or performance units. Restricted stock means shares of common stock that are subject to a risk of forfeiture or restrictions on transfer, which may lapse upon the achievement or partial achievement of performance goals (as described below) or upon the completion of a period of service. An RSU grants the participant the right to receive cash or shares of common stock the value of which is equal to the fair market value of one share of common stock, to the extent performance goals are achieved or upon the completion of a period of service. Performance shares give the participant the right to receive shares of common stock to the extent performance goals are achieved. Performance units give the participant the right to receive cash or shares of common stock valued in relation to a unit that has a designated dollar value or the value of which is equal to the fair market value of one or more shares of common stock, to the extent performance goals are achieved.

The Administrator will determine all terms and conditions of the awards including (a) whether performance goals must be achieved for the participant to realize any portion of the benefit provided under the award, (b) the length of the vesting or performance period, subject to the minimum vesting period requirement (described below), and, if different, the date that payment of the benefit will be made, (c) with respect to performance units, whether to measure the value of each unit in relation to a designated dollar value or the fair market value of one or more shares of common stock, and (d) with respect to performance shares, performance units, and RSUs, whether the awards will settle in cash, in shares of common stock (including restricted stock), or in a combination of the two.

Cash Incentive Awards

The Administrator may grant cash incentive awards. An incentive award is the right to receive a cash payment to the extent one or more performance goals are achieved. The Administrator will determine all terms and conditions of a cash incentive award, including, but not limited to, the performance goals (as described above), the
performance period, the potential amount payable, and the timing of payment. While the Omnibus Incentive Plan permits cash incentive awards to be granted under the Omnibus Incentive Plan, we may also make cash incentive awards outside of the Omnibus Incentive Plan.

**Performance Goals**

For purposes of the Omnibus Incentive Plan, the Administrator may establish objective or subjective performance goals which may apply to any performance award. Such performance goals may include, but are not limited to, one or more of the following measures with respect to our Company or any one or more of our subsidiaries, affiliates, or other business units: net sales; cost of sales; gross income; gross revenue; revenue; operating income; earnings before taxes; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings before interest, taxes, depreciation, amortization and exception items; income from continuing operations; net income; earnings per share; diluted earnings per share; total shareholder return; fair market value of a share of common stock; cash flow; net cash provided by operating activities; net cash provided by operating activities less net cash used in investing activities; ratio of debt to debt plus equity; return on stockholder equity; return on invested capital; return on average total capital employed; return on net capital employed; return on assets; return on net assets employed before interest and taxes; manufacturing margin; and customer satisfaction. Performance goals may also relate to a participant’s individual performance. The Administrator reserves the right to adjust any performance goals or modify the manner of measuring or evaluating a performance goal.

**Dividend Equivalent Units**

The Administrator may grant dividend equivalent units. A dividend equivalent unit gives the participant the right to receive a payment, in cash or shares of common stock, equal to the cash dividends or other distributions that we pay with respect to a share of common stock. We determine all terms and conditions of a dividend equivalent unit award, except that dividend equivalent units may not be granted in connection with a stock option or SAR, and dividend equivalent unit awards that relate to performance shares or performance units may not provide for payment prior to vesting of such shares or units.

**Other Stock-Based Awards**

The Administrator may grant to any participant shares of unrestricted stock as a replacement for other compensation to which such participant is entitled, such as in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, or as a bonus.

**Transferability**

Awards are not transferable, including to any financial institution, other than by will or the laws of descent and distribution, unless the Administrator allows a participant to (a) designate in writing a beneficiary to exercise the award or receive payment under the award after the participant’s death, (b) transfer an award to a former spouse as required by a domestic relations order incident to a divorce, or (c) transfer an award without receiving any consideration.

**Adjustments**

If (a) we are involved in a merger or other transaction in which our shares of common stock are changed or exchanged; (b) we subdivide or combine shares of common stock or declare a dividend payable in shares of
common stock, other securities, or other property (other than stock purchase rights issued pursuant to a shareholder rights agreement); (c) we effect a cash dividend that exceeds 10% of the fair market value of a share of common stock or any other dividend or distribution in the form of cash or a repurchase of shares of common stock that our board of directors determines is special or extraordinary, or that is in connection with a recapitalization or reorganization; or (d) any other event occurs that in the Administrator’s judgment requires an adjustment to prevent dilution or enlargement of the benefits intended to be made available under the Omnibus Incentive Plan, then the Administrator will, in a manner it deems equitable, adjust any or all of (1) the number and type of shares subject to the Omnibus Incentive Plan and which may, after the event, be the subject of awards; (2) the number and type of shares of common stock subject to outstanding awards; (3) the grant, purchase, or exercise price with respect to any award; and (4) the performance goals of an award.

In any such case, the Administrator may also provide for a cash payment to the holder of an outstanding award in exchange for the cancellation of all or a portion of the award, subject to the terms of the Omnibus Incentive Plan.

The Administrator may, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, authorize the issuance or assumption of awards upon terms and conditions we deem appropriate without affecting the number of shares of common stock otherwise reserved or available under the Omnibus Incentive Plan.

Change of Control

Upon a change of control (as defined in the Omnibus Incentive Plan), the successor or surviving corporation may agree to assume some or all outstanding awards or replace them with the same type of award with similar terms and conditions, without the consent of any participant, subject to the following requirements:

- Each award that is assumed must be appropriately adjusted, immediately after such change of control, to apply to the number and class of securities that would have been issuable to a participant upon the consummation of such change of control had the award been exercised, vested, or earned immediately prior to such change of control, and other appropriate adjustment to the terms and conditions of the award may be made.
- If the securities to which the awards relate after the change of control are not listed and traded on a national securities exchange, then (a) each participant must be provided the option to elect to receive, in lieu of the issuance of such securities, cash in an amount equal to the fair value of the securities that would have otherwise been issued, and (b) no reduction may be taken to reflect a discount for lack of marketability, minority, or any similar consideration, for purposes of determining the fair value of such securities.
- If a participant is terminated from employment without cause, or due to death or disability, or the participant resigns employment for good reason (as defined in any award or other agreement between the participant and our Company or an affiliate) within two years following the change of control, then upon such termination, all of the participant’s awards in effect on the date of such termination will vest in full or be deemed earned in full.

If the purchaser, successor, or surviving entity does not assume the awards or issue replacement awards, then immediately prior to the change of control date, unless the Administrator otherwise determines:

- Each stock option or SAR then held by a participant will become immediately and fully vested, and all stock options and SARs will be cancelled on the change of control date in exchange for a cash payment equal to the excess of the change of control price of the shares of common stock over the purchase or grant price of such shares under the award.
- Unvested restricted stock and RSUs (that are not performance awards) will vest in full.
- All performance shares, performance units, and cash incentive awards for which the performance period has expired will be paid based on actual performance, and all such awards for which the performance period has not expired will be cancelled in exchange for a cash payment equal to the amount that would have been due under such awards, valued assuming achievement of target performance goals at the time of the change of control, prorated based on the number of full months elapsed in the performance period.
Term of Plan

Unless earlier terminated by our board of directors, the Omnibus Incentive Plan will remain in effect until the date all shares reserved for issuance have been issued, except that no incentive stock options may be issued if the term of the Omnibus Incentive Plan extends beyond 10 years from the effective date without shareholder approval of such extension.

Termination and Amendment

Our board of directors or the Administrator may amend, alter, suspend, discontinue or terminate the Omnibus Incentive Plan at any time, subject to the following limitations:

- Our board of directors must approve any amendment to the Omnibus Incentive Plan if we determine such approval is required by prior action of our board of directors, applicable corporate law, or any other applicable law;
- Shareholders must approve any amendment to the Omnibus Incentive Plan, which may include an amendment to materially increase the number of shares reserved under the Omnibus Incentive Plan, if we determine that such approval is required by Section 16 of the Exchange Act, the Code, the listing requirements of any principal securities exchange or market on which the shares are then traded, or any other applicable law; and
- Shareholders must approve any amendment to the Omnibus Incentive Plan that would diminish the protections afforded by the participant award limits or repricing and backdating prohibition.

Subject to the requirements of the Omnibus Incentive Plan, the Administrator may modify or amend any award or waive any restrictions or conditions applicable to any award or the exercise of the award, or amend, modify, or cancel any terms and conditions applicable to any award, in each case, by mutual agreement of the Administrator and the participant or any other person(s) that may have an interest in the award, so long as any such action does not increase the number of shares of common stock issuable under the Omnibus Incentive Plan. We need not obtain participant (or other interested party) consent for any such action (a) that is permitted pursuant to the adjustment provisions of the Omnibus Incentive Plan; (b) to the extent we deem the action necessary to comply with any applicable law or the listing requirements of any principal securities exchange or market on which our common stock is then traded; (c) to the extent we deem the action is necessary to preserve favorable accounting or tax treatment of any award for us; or (d) to the extent we determine that such action does not materially and adversely affect the value of an award or that such action is in the best interest of the affected participant or any other person(s) as may then have an interest in the award.

Repricing Prohibited

Except for the adjustments provided for in the Omnibus Incentive Plan, neither the Administrator nor any other person may amend the terms of outstanding stock options or SARs to reduce their exercise or grant price, cancel outstanding stock options or SARs in exchange for stock options or SARs with an exercise or grant price that is less than the exercise or grant price of the awards being cancelled, or cancel outstanding stock options or SARs with an exercise or grant price above the current fair market value of a share in exchange for cash or other securities. In addition, the Administrator may not grant a stock option or SAR with a grant date that is effective prior to the date the Administrator takes action to approve such award.
Director Compensation for 2018

The following table provides information regarding the compensation of our non-employee directors during 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees Earned or Paid in Cash ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen J. Carlson</td>
<td>27,750</td>
<td>27,750</td>
</tr>
<tr>
<td>Timothy L. Christen</td>
<td>35,750</td>
<td>35,750</td>
</tr>
<tr>
<td>Steven L. Fisher</td>
<td>60,250</td>
<td>60,250</td>
</tr>
<tr>
<td>Craig E. Johnson</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Patrick D. Michels</td>
<td>27,250</td>
<td>27,250</td>
</tr>
<tr>
<td>Jay O. Rothman</td>
<td>37,250</td>
<td>37,250</td>
</tr>
<tr>
<td>John A. St. Peter</td>
<td>43,250</td>
<td>43,250</td>
</tr>
</tbody>
</table>

During 2018, we compensated our non-employee directors as follows: $6,000 for each meeting of our board of directors attended, $1,000 for each meeting of our board committees attended and $750 for each telephonic meeting of our board committees joined. In 2019, our non-employee directors will receive $8,000 for each meeting of our board of directors attended, $2,000 for each meeting of our board committees attended and $1,000 for each telephonic meeting of our board committees joined. Following completion of this offering, our non-employee directors will also receive an annual equity grant with a target grant date value of $100,000. Our employee directors received no additional compensation for their service on our board of directors. We also reimburse all ordinary and necessary expenses incurred in the conduct of our business.
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions within the past three years to which we have been a party, in which the amount involved exceeds or will exceed $120,000 and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Jay O. Rothman, one of our directors, is a partner in the law firm of Foley & Lardner LLP, which provides legal services to us. For this legal work, we paid Foley & Lardner LLP approximately $135,000, $375,000 and $600,000 during the fiscal years ended December 31, 2016, 2017 and 2018, respectively.

Certain participants in the ESOP are entitled to diversification and distribution rights pursuant to the ESOP and applicable law. In order to fund the diversification and distribution elections of the eligible participants under the ESOP prior to the completion of this offering, we have repurchased shares of our common stock from the ESOP in the amounts of $13.6 million, $12.7 million and $11.8 million in 2016, 2017 and 2018, respectively. See “Principal Shareholders—ESOP.”

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates and related persons. The directed share program will not limit the ability of our directors, officers and their family members, or holders of more than 5% of our common stock, to purchase more than $120,000 in value of our common stock. We do not currently know the extent to which these related persons will participate in our directed share program, if at all, or to the extent they will purchase more than $120,000 in value of our common stock.

Review and Approval of Related Party Transactions

Prior to the completion of this offering, our board of directors will adopt a written policy regarding the review and approval of related party transactions. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions, which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. Upon the completion of this offering, our policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members.

Historically, our management and board of directors have reviewed and approved related party transactions. Our management and board of directors will continue to review and approve related party transactions until the adoption, prior to the completion of this offering, of the policy described above.

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PRINCIPAL SHAREHOLDERS

The following table sets forth information at April 29, 2019 with respect to the beneficial ownership of our common stock (i) immediately prior to this offering and (ii) as adjusted to reflect the sale of 6,250,000 shares of our common stock in this offering, in each case by:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

In the table below, the applicable percentage ownership relating to shares beneficially owned prior to this offering is based on 13,443,484 shares of our common stock outstanding at April 29, 2019. The applicable percentage ownership relating to shares beneficially owned after this offering is based on 19,693,484 shares of our common stock outstanding (or 20,630,984 shares of our common stock if the underwriters’ option to purchase additional shares is exercised in full). Beneficial ownership as reported in the table below has been determined in accordance with Rule 13d-3 under the Exchange Act. In computing the number of shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all shares of our common stock subject to options held by that person or entity that are currently exercisable or that will become exercisable within 60 days of April 29, 2019. The following table does not reflect any shares of our common stock that may be purchased pursuant to our directed shares program described under “Underwriting—Directed Share Program.” Unless otherwise indicated in the footnotes below, the address of each beneficial owner listed in the table below is c/o Mayville Engineering Company, Inc., 715 South Street, Mayville, Wisconsin 53050.
## Shares of Common Stock Beneficially Owned

<table>
<thead>
<tr>
<th>Name of beneficial owner</th>
<th>Shares of Common Stock Beneficially Owned before this offering</th>
<th>Shares of Common Stock Beneficially Owned after this offering assuming underwriters' option is not exercised</th>
<th>Shares of Common Stock Beneficially Owned after this offering assuming underwriters' option is exercised in full(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares</td>
<td>Percentage</td>
<td>Number of Shares</td>
</tr>
<tr>
<td><strong>Directors and Executive Officers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert D. Kamphuis(2)</td>
<td>79,719.33 *</td>
<td>79,719.33 *</td>
<td>79,719.33 *</td>
</tr>
<tr>
<td>Todd M. Butz(2)</td>
<td>36,967.07 *</td>
<td>36,967.07 *</td>
<td>36,967.07 *</td>
</tr>
<tr>
<td>Ryan F. Raber(2)</td>
<td>23,602.54 *</td>
<td>23,602.54 *</td>
<td>23,602.54 *</td>
</tr>
<tr>
<td>Allen J. Carlson</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>Timothy L. Christen</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>Steven L. Fisher</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>Craig E. Johnson</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>Patrick D. Michels</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>Jay O. Rothman</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>John A. St. Peter</td>
<td>0 *</td>
<td>0 *</td>
<td>0 *</td>
</tr>
<tr>
<td>All Directors and Executive Officers as a group (12 persons)(2)</td>
<td>206,272.57 1.5%</td>
<td>206,272.57 1.1%</td>
<td>206,272.57 1.0%</td>
</tr>
<tr>
<td><strong>Other Holders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESOP(3)</td>
<td>13,443,484 100%</td>
<td>13,443,484 68.26%</td>
<td>13,443,484 65.16%</td>
</tr>
</tbody>
</table>

* Represents beneficial ownership of less than 1%.

(1) The underwriters have the option to purchase up to an additional 937,500 shares of common stock from us at the initial public offering price, less underwriting discounts and commissions, within 30 days of the date of this prospectus.

(2) These shares are beneficially owned by such person through the ESOP.

(3) The trustee of the ESOP is GreatBanc Trust Company and its address is 801 Warrenville Road, Suite 500, Lisle, Illinois 60532.
ESOP

Voting

Prior to the completion of this offering, we, as the plan administrator of the ESOP, have the right to direct the ESOP Trustee on how to vote the shares of common stock held by the ESOP, except with respect to certain extraordinary corporate matters described below. The ESOP participants (or their beneficiaries) have the right to direct the ESOP Trustee on how to vote the shares of common stock allocated to such ESOP participant’s accounts under the ESOP with respect to any merger, consolidation, recapitalization, dissolution, sale of substantially all assets or such similar transaction.

In connection with this offering, we appointed an independent ESOP Trustee and will divide the existing ESOP into two separate employee stock ownership plans. The 401(k) ESOP will hold the approximately 2,719,000 shares of our common stock that have been contributed, in connection with our 401(k) plan, as “safe harbor contributions” under applicable Code provisions. The Traditional ESOP will hold the approximately 10,725,000 shares of our common stock that have no relationship to the Company’s 401(k) plan. Following the consummation of this offering, the 401(k) ESOP and Traditional ESOP participants (or their beneficiaries) will have the right to direct the independent ESOP Trustee on how to vote the shares of common stock allocated to such participant’s account under the 401(k) ESOP and the Traditional ESOP on all matters to be voted upon. The ESOP Trustee, in its independent fiduciary discretion, will vote any shares for which no voting directions are timely received by the ESOP Trustee from 401(k) ESOP or Traditional ESOP participants (or their beneficiaries). Additionally, the ESOP Trustee has fiduciary duties under ERISA which may cause the ESOP Trustee to override participants’ voting directions under certain circumstances.

Diversification, Distributions and Transfers

After 180 days following completion of this offering, approximately 4 million shares, or 20.5%, of the shares outstanding following the offering, will be eligible for sale pursuant to ESOP distribution and diversification described below. Our management and board of directors, when and if deemed appropriate, will consider capital allocation strategies that may include the authorization of a share repurchase plan, a portion of which may be allocated to repurchasing shares from ESOP participants. We cannot assure you that a share repurchase program will be approved or, if approved, whether any such repurchases will be made.

Traditional ESOP Diversification

Prior to completion of this offering, the ESOP is required to offer eligible participants the opportunity to diversify a portion of their ESOP account in accordance with the diversification rules under Code Section 401(a)(28). Under these rules, a participant who has attained age 55 and has completed at least 10 years of participation may annually elect, during the diversification period, to diversify up to a cumulative total of 25% of the participant’s account over the first five years of diversification eligibility (50% beginning in the sixth year of diversification eligibility) away from an employer stock investment.

Following the completion of this offering, the Traditional ESOP will continue to be subject to the Section 401(a)(28) diversification rules. The 2019 annual diversification period (based upon participant ESOP share balances as of December 31, 2018) is expected to commence on or about May 1 and will provide eligible participants with a period of time to make their diversification election (if diversification is desired) that is anticipated to run until at least the 90th day following completion of this offering. For any participant who elects to diversify, the Traditional ESOP will distribute to the electing participant the shares of our common stock that the participant has elected to diversify. Following distribution, the participant may retain those shares, sell those shares in the market from time to time at his or her discretion, subject to compliance with applicable securities laws, or roll over the distribution to another eligible retirement plan. Distribution of our common stock in satisfaction of participant diversification
elections will occur 90 days following the end of the diversification election period. Therefore, no shares distributed in connection with Traditonal ESOP diversification elections will be available for sale prior to 180 days following the date of this offering, but shares will be distributed to electing participants no later than December 31, 2019. Upon completion of this offering, approximately 558,000, or 2.8%, of our shares will be eligible for the 2019 diversification opportunity. There are approximately 150 Traditional ESOP participants that are eligible to diversify in the 2019 diversification period, who have an average balance of 0.019% of our shares after this offering, and none of whom hold more than 0.263% of our shares after this offering. Upon completion of the 2019 diversification period, eligible Traditional ESOP participants’ next opportunity to diversify will occur during the 2020 diversification election period, and annually thereafter.

Based on the number of eligible participants as of December 31, 2018, the expected number of shares subject to diversification under the Traditional ESOP in 2020 should be significantly less than in 2019, not taking into account any future amendments to the Traditional ESOP regarding the frequency of diversification opportunities, vesting or eligibility to diversify.

401(k) ESOP Diversification

Following the completion of this offering, the 401(k) ESOP will be subject to the diversification rules under Code Section 401(a)(35). As required by law, 401(k) ESOP participants who have at least three years of service will be able to elect to sell some or all the shares of our common stock held in their 401(k) ESOP accounts and invest such proceeds in the other investment options made available under the 401(k) ESOP. The initial participant diversification opportunity will take place 180 days after the date of this offering following which the trustee will sell shares on behalf of diversifying participants in an orderly fashion. Upon completion of this offering, approximately 2,661,000, or 13.5%, of our shares would be eligible for the initial diversification election under the 401(k) ESOP. There are approximately 2,200 401(k) ESOP participants that are eligible to diversify in the initial diversification opportunity, who have an average balance of 0.006% of our shares after this offering, and none of whom hold more than 0.085% of our shares after this offering. Following the initial participant diversification opportunity for the 401(k) ESOP, participants in the 401(k) ESOP are expected to be entitled to daily diversification going forward.

Distributions Following Termination of Employment or Death

Upon termination of employment or death, a 401(k) ESOP and a Traditional ESOP participant (or his or her beneficiaries) is entitled to receive distributions in equal annual installments over a period of five years of the shares of our common stock allocated to such participant’s account under the 401(k) ESOP and the Traditional ESOP. The distributions commence during the annual distribution period for the calendar year following the year in which occurs the participant’s termination of employment or death. The 2019 annual distribution period will occur in November or December 2019, but no earlier than 180 days following the date of this offering. Upon completion of this offering, approximately 827,000, or 4.2%, of our shares will be the subject of such a distribution. Prior to the completion of this offering, distributions were made entirely in cash based on a valuation report received from the ESOP’s independent third party valuation firm. Following consummation of this offering, the 401(k) ESOP or Traditional ESOP participant (or applicable beneficiary) will receive a distribution in shares of our common stock, which shares may be retained, sold into the market, from time to time at his or her discretion, subject to compliance with applicable securities laws, or rolled over to another eligible retirement plan. There are approximately 780 ESOP participants that will receive shares of our common stock in the 2019 distribution, who will receive, on average, 0.004% of our shares after this offering, and none of whom will receive in the 2019 distribution more than 0.119% of our shares after this offering.
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Based on the number of former employees as of December 31, 2018, the expected number of shares subject to distribution in 2020 to former employees will be approximately 20% less than in 2019, not taking into account any terminations in 2019 or any future amendment to the Traditional ESOP regarding the frequency of distributions to terminated participants.

Participants and Stock Ownership

There are approximately 2,700 participants in the ESOPs, who have an average balance of 0.027% of our shares after this offering, and none of whom hold more than 0.748% of our shares after this offering.
DESCRIPTION OF OUR CAPITAL STOCK

The following description of the material terms of our amended and restated articles of incorporation and our bylaws, each of which will become effective immediately prior to the completion of this offering, is a summary, does not purport to be complete and is qualified in its entirety by reference to our amended and restated articles of incorporation and bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part and are incorporated by reference into this prospectus. The description of our capital stock reflects changes to our capital structure that will occur immediately prior to the completion of this offering.

Upon completion of this offering, our authorized capital stock will consist of 75,000,000 shares of our common stock, no par value per share, and 5,000,000 shares of preferred stock, par value $0.01 per share. No shares of preferred stock will be issued or outstanding immediately after the completion of this offering. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

Corporate Governance

We are a corporation organized under the laws of the state of Wisconsin and are governed by the WBCL, our amended and restated articles of incorporation and our bylaws.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders. Accordingly, holders of a majority of the shares of our common stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of our common stock are entitled to receive proportionately any dividends if and when such dividends are declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock. Upon the liquidation, dissolution or winding up of the company, the holders of our common stock are entitled to receive ratably net assets available after the payment of all debts and other liabilities and subject to the prior rights of holders of any outstanding preferred stock. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our amended and restated articles of incorporation, which we sometimes refer to as the articles, the board of directors will be authorized to designate and issue up to 5,000,000 shares of preferred stock in one or more series without shareholder approval. Our board of directors will have discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of our common stock until the board of directors determines the specific rights of the holders of the preferred stock. However, these effects might include:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; and
- delaying or preventing a change in control of the company.
At present, there are no shares of preferred stock outstanding and we have no plans to issue any shares of preferred stock.

**Dividends and Other Distributions**

The holders of our common stock will be entitled to receive proportionately any cash or stock dividends if and when such dividends are declared by the board of directors, subject to any preferential dividend rights of outstanding preferred stock. In the event of the dissolution or liquidation of the company, after the full preferential rights, if any, on any outstanding preferred stock has been paid to or set aside for the holders of such preferred stock, the holders of our common stock will be entitled to receive proportionately all of our remaining assets.

The declaration and payment of any dividend will be subject to the discretion of our board of directors. The time and amount of any dividend will be dependent upon our financial condition, operations, cash requirements and availability, debt repayment obligations, capital expenditure needs, restrictions in our debt instruments, industry trends and any other factors our board of directors may consider relevant.

We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. See “Dividend Policy.”

**Number and Election of Directors**

Our board of directors consists of eight members. Our articles provide that the number of directors may be designated by an affirmative vote of shareholders holding at least 66 2/3% of the then outstanding shares, except that our board of directors can also designate the number of directors by resolution adopted by at least two-thirds of the directors then in office plus one director, without a vote of the shareholders. Our directors are divided into three classes, designated as Class I, Class II and Class III. The terms of the directors of each class will expire at the annual meetings of shareholders to be held in 2020 (Class III), 2021 (Class II) and 2022 (Class I). At each annual meeting of shareholders, one class of directors will be elected to succeed that class of directors whose terms are expiring to hold office until the third succeeding annual meeting, and until their successors are duly elected and qualified.

**Quorum/Voting**

At all meetings of our board of directors, a majority of the total number of directors constitutes a quorum. If there is a quorum, a vote of the majority of the directors present at the meeting is considered an act of our board of directors.

**Removal of Directors**

Our articles provide that any director may be removed from office, but only for cause by the affirmative vote of shareholders holding at least 66 2/3% of the then outstanding shares of stock entitled to vote in the election of directors. However, if at least two-thirds of the directors then in office plus one director recommend removal of a director, that director may be removed without cause by the affirmative vote of a majority of the outstanding shares. “Cause” is construed to exist only if the director whose removal is proposed has been convicted of a felony or has been adjudged to be liable for willful misconduct in the performance of his or her duties to us in a matter which has a material adverse effect on our business.
Vacancies on the Board of Directors

Any vacancy occurring in our board of directors may be filled by the affirmative vote of a majority of the directors then in office.

Voting by Shareholders

Each holder of our common stock is entitled to one vote per share for the election of directors and for all other corporate purposes.

Amendment of Articles

The WBCL allows us to amend our articles at any time to add or change a provision that is required or permitted to be included in the articles of incorporation or to delete a provision that is not required to be included in the articles of incorporation. Our board of directors can propose one or more amendments for submission to shareholders and may condition its submission of the proposed amendment on any basis if it provides certain notice and includes certain information regarding the proposed amendment in that notice. The provisions in our articles relating to (a) the structure of the board and (b) certain amendments to the bylaws may only be amended by the approval of 66 2/3% of the then outstanding shares entitled to vote.

Amendment of Bylaws

Our bylaws may be amended or repealed and new bylaws may be adopted by our shareholders at any annual or special meeting at which a quorum is present. The bylaws may also be amended or repealed and new bylaws may be adopted by our board of directors by affirmative vote of a majority of the number of directors present at any meeting at which a quorum is in attendance; provided, however, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that our board of directors may not amend, repeal or readopt that bylaw. Notwithstanding the foregoing, pursuant to our articles, the provisions of our bylaws relating to the general powers, number, classification, tenure and qualifications of the directors may be amended or repealed only by the affirmative vote of shareholders holding at least 66 2/3% of the then outstanding shares of all classes of our capital stock, voting together as a single class; provided, however, that our board of directors can amend or repeal such provisions by resolution adopted by at least two-thirds of the directors then in office plus one director, without a vote of the shareholders.

Anti-Takeover Effects of Various Provisions of Wisconsin Law, Our Amended and Restated Articles of Incorporation, Our Bylaws and Our Credit Agreements

Provisions of Wisconsin law have certain anti-takeover effects. Our amended and restated articles of incorporation and bylaws also contain provisions that may have similar effects.

Wisconsin Anti-Takeover Statutes

Sections 180.1140 to 180.1144 of the WBCL restrict a broad range of business combinations between a Wisconsin corporation and an “interested stockholder” for a period of three years unless specified conditions are met. The WBCL defines a “business combination” as including certain mergers or share exchanges, sales of assets, issuances of stock or rights to purchase stock and other related party transactions. An “interested stockholder” is a person who beneficially owns, directly or indirectly, 10% of the outstanding voting stock of a corporation or who is an affiliate or associate of the corporation and beneficially owned 10% of the voting stock within the last three years. During the initial three-year period after a person becomes an interested stockholder in
a Wisconsin corporation, with some exceptions, the WBCL prohibits a business combination with the interested stockholder unless the corporation’s board of directors approved the business combination or the acquisition of the stock by the interested stockholder prior to the acquisition date. Following this three-year period, the WBCL also prohibits a business combination with an interested stockholder unless:

- the board of directors approved the acquisition of the stock prior to the acquisition date;
- the business combination is approved by a majority of the outstanding voting stock not owned by the interested stockholder;
- the consideration to be received by shareholders meets certain requirements of the statute with respect to form and amount; or
- the business combination is of a type specifically excluded from the coverage of the statute.

Sections 180.1130 to 180.1133 of the WBCL govern certain mergers or share exchanges between public Wisconsin corporations and significant shareholders, and sales of all or substantially all of the assets of public Wisconsin corporations to significant shareholders. These transactions must be approved by 80% of all shareholders and two-thirds of shareholders other than the significant shareholder, unless the shareholders receive a statutory “fair price.” Section 180.1130 of the WBCL generally defines a “significant shareholder” as the beneficial owner of 10% or more of the voting power of the outstanding voting shares, or an affiliate of the corporation who beneficially owned 10% or more of the voting power of the then outstanding shares within the last two years.

Section 180.1150 of the WBCL provides that in particular circumstances the voting power of shares of a public Wisconsin corporation held by any person in excess of 20% of the voting power is limited to 10% of the voting power these excess shares would otherwise have. Full voting power may be restored if a majority of the voting power of shares represented at a meeting, including those held by the party seeking restoration, are voted in favor of the restoration. This voting restriction does not apply to shares acquired directly from the corporation.

Sections 180.1140 to 180.1144 and 180.1150 of the WBCL do not currently apply to the ESOP since they do not apply to the shares of our common stock currently held by our ESOP and our board of directors approved for purposes of these provisions any acquisition made by the ESOP after April 16, 2019.

Section 180.1134 of the WBCL requires shareholder approval for some transactions in the context of a tender offer or similar action for more than 5% of any class of a Wisconsin corporation’s stock. Shareholder approval is required for the acquisition of more than 5% of the corporation’s stock at a price above market value from any person who holds more than 3% of the voting shares and has held the shares for less than two years, unless the corporation makes an equal offer to acquire all shares. Shareholder approval is also required for the sale or option of assets that amount to at least 10% of the market value of the corporation, but this requirement does not apply if the corporation has at least three independent directors and a majority of the independent directors vote not to have this provision apply to the corporation.

Consideration of Constituencies

The WBCL allows directors and officers to consider constituencies other than shareholders, such as employees, suppliers, customers and the communities in which a corporation operates, in discharging their corporate duties.

In addition to the provisions described above, various provisions of our amended and restated articles and our bylaws, which are summarized in the following paragraphs, may be deemed to have anti-takeover effects.
Staggered Board of Directors

Our articles and bylaws provide that the board of directors is divided into three classes, with staggered terms of three years each. Each year the term of one class expires. The articles provide that any vacancies on the board of directors can be filled only by the affirmative vote of a majority of the directors in office. Any director so elected will serve until the next election of the class for which he or she is chosen and until his or her successor is duly elected and qualified.

No Cumulative Voting

The WBCL provides that shareholders do not have the right to cumulate votes in the election of directors unless the articles of incorporation provide otherwise. Our articles do not provide for cumulative voting.

Meeting Procedures; Advance Notice Requirements for Shareholder Proposals and Director Nominations; Procedures for Calling a Special Meeting

Our bylaws provide the board of directors with discretion in postponing shareholder meetings, including, within certain limits, special meetings of shareholders. Additionally, the Chairman of the Board, the Chief Executive Officer or the President or the board of directors (acting by resolution) can adjourn a shareholder meeting at any time before business is transacted at the meeting.

Our bylaws also provide that shareholders seeking to bring business before an annual meeting must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a shareholder’s notice must have been received on or before December 31 of the year immediately preceding the annual meeting; provided, however, that in the event that the date of the annual meeting is on or after May 1 in any year, notice by the shareholder to be timely must be received not later than the close of business on the day which is determined by adding to December 31 of the year immediately preceding such annual meeting the number of days starting with May 1 and ending on the date of the annual meeting in such year. The bylaws also specify requirements as to the form and content of a shareholder’s notice. These provisions may impede shareholders’ ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Our bylaws also establish a procedure which shareholders seeking to call a special meeting of shareholders must satisfy. This procedure involves notice to us, the receipt by us of written demands for a special meeting from holders of 10% or more of all the votes entitled to be cast on any issue proposed to be considered, a review of the validity of such demands by an independent inspector and the fixing of the record and meeting dates by the board of directors. In addition, shareholders demanding a special meeting must deliver a written agreement to pay the costs incurred by us in holding a special meeting, including the costs of preparing and mailing the notice of meeting and the proxy materials for the solicitation of proxies, in the event such shareholders are unsuccessful in their proxy solicitation.

Authorized But Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. We could use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions of other businesses or entities and issuances under employee benefit plans. Additionally, we could issue a series of preferred stock that could, depending on its terms, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors will make any determination to issue such shares based on its judgment as to the best interests of us and our shareholders. The
board of directors, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an
acquiror may be able to change the composition of the board of directors, including a tender offer or other transaction that some, or a
majority, of our shareholders might believe to be in their best interests or in which shareholders might receive a premium over the then-
current market price of the common stock.

Supermajority Provisions

Our articles contain provisions that require the approval of 66 2/3% of the outstanding shares entitled to vote in order to amend certain anti-
takeover provisions of the articles or bylaws. These provisions could have the effect of discouraging takeover attempts that some, or a
majority, of our shareholders might believe to be in their best interests or in which shareholders might receive a premium over the then-
current market price of our common stock.

Preemptive Rights

No holder of our common stock has any preemptive or subscription rights to acquire shares of our capital stock.

Credit Agreements

Our Credit Agreements contain a covenant that restricts our ability to permit any person or group other than the ESOP to own or control
more than 20% of our equity interests. In addition, the Credit Agreements restrict our ability to permit our board of directors to not be
composed of a majority of our continuing directors (i.e., our directors as of December 14, 2018 and any additional or replacement directors
that have been approved by at least 51% of the directors then in office).

Liability and Indemnification of Officers and Directors

Pursuant to the WBCL and our bylaws, our directors and officers are entitled to mandatory indemnification against certain liabilities and
expenses:

- to the extent such officers or directors are successful in the defense of a proceeding; and
- in proceedings in which the director or officer is not successful in defense thereof, unless it is determined that the director or officer breached
  or failed to perform his or her duties and such breach or failure constituted:
  - a willful failure to deal fairly with us or our shareholders in connection with a matter in which the director or officer had a material
    conflict of interest;
  - a violation of the criminal law unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no
    reasonable cause to believe his or her conduct was unlawful;
  - a transaction from which the director or officer derived an improper personal profit; or
  - willful misconduct.

It should be noted that the WBCL specifically states that it is the public policy of Wisconsin to require or permit indemnification in
connection with a proceeding involving securities regulation, as described therein, to the extent required or permitted as described above.
Additionally, under the WBCL, our directors are not subject to personal liability to us, our shareholders or any person asserting rights on
behalf thereof for certain breaches or failures to perform any duty resulting solely from their status as directors except in circumstances
paralleling those in the final four bullet points above.

These provisions may have the practical effect in certain cases of eliminating the ability of shareholders to collect monetary damages from
our directors and officers. We believe that these provisions are necessary to attract and
retain qualified persons to serve as our directors and officers. There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

**Transfer Agent and Registrar**

American Stock Transfer & Trust Company, LLC will be the transfer agent and registrar for our common stock.

**Listing**

We have applied to list our common stock on the NYSE under the symbol “MEC.”
SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock, including shares distributed from the ESOP or subject to diversification under the ESOP, in the public market after the completion of this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities at a time and price that we deem appropriate. See “Risk Factors—Risks Related to Our Common Stock and This Offering—Sales of outstanding shares of our common stock into the market in the future could cause the market price of our common stock to drop significantly, even if our business is doing well.”

Upon the completion of this offering, there will be outstanding a total of 19,693,484 shares of our common stock (or 20,630,984 shares if the underwriters’ option to purchase additional shares is exercised in full). All of the 6,250,000 shares sold in this offering will be freely tradable, except that any shares purchased by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the Rule 144 limitations described below and any shares purchased by our directors or officers pursuant to our directed share program shall be subject to the lock-up agreements described below. The remaining outstanding shares of our common stock will be deemed “restricted securities” as defined under Rule 144, but all of these shares are currently held in the ESOP. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 promulgated under the Securities Act, which rule is summarized below. In addition, certain of the beneficial holders of our common stock and the ESOP have entered into lock-up agreements with the underwriters under which they agreed, subject to specific exceptions, not to sell any shares of their common stock for at least 180 days following the date of this prospectus. As a result of these agreements, subject to the provisions of Rule 144, shares will be available for sale in the public market as follows:

- approximately 4 million shares will be eligible for sale pursuant to ESOP distribution and diversification after 180 days following completion of this offering (See “Principal Shareholders—ESOP” for a description of the diversification and distribution rights of the ESOP participants following this offering);
- additional shares will be eligible for sale at various times after the date hereof pursuant to Rule 144 and the terms of the 401(k) ESOP and Traditional ESOP; and
- shares subject to the lock-up agreements described below will be eligible for sale at various times beginning 180 days after the date hereof pursuant to Rule 144.

Our management and board of directors, when and if deemed appropriate, will consider capital allocation strategies that may include the authorization of a share repurchase plan, a portion of which may be allocated to repurchasing shares from ESOP participants. We cannot assure you that a share repurchase program will be approved or, if approved, whether any such repurchases will be made.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has
beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell, upon expiration of the lock-up agreements, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 196,935 shares immediately after the completion of this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

**ESOP**

Prior to this offering, all shares of our common stock are held in the ESOP. Following this offering, the shares subject to diversification rights under the ESOP and applicable law can be sold pursuant to a Form S-8, which we intend to file following completion of this offering, subject only to the volume limitations of Rule 144 and the terms of the ESOP. The other shares of our common stock held in the ESOP can be disposed of after this offering only pursuant to Rule 144 and the terms of the ESOP. See “Principal Shareholders—ESOP” for a description of the diversification and distribution rights of the ESOP participants following this offering.

**Lock-Up Agreements**

We, our executive officers, directors and the ESOP have agreed or will agree that, without the prior written consent of Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC, we and they will not, directly or indirectly, for a period of 180 days after the date of this prospectus, offer, pledge, sell, contract to sell or otherwise transfer or dispose of any shares of our common stock or any other securities convertible into or exercisable or exchangeable for shares of our common stock (subject to certain exceptions). Our directors and officers have further agreed that the foregoing provisions shall be equally applicable to any shares of common stock they may purchase in the offering. See “Underwriting.”
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax considerations related to the purchase, ownership and disposition of our common stock by a non-U.S. holder (as defined below) who holds our common stock as a “capital asset” (generally property held for investment). This summary is based on the provisions of the Code, U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal gift or estate tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as (without limitation):

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund);
- dealers in securities or foreign currencies;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or residents of the United States;
- real estate investment trusts or regulated investment companies; and
- persons that hold our common stock as part of a straddle, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL GIFT OR ESTATE TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a “non-U.S. holder” is a beneficial owner of our common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our common stock by such partnership.

**Distributions on our Common Stock**

If we make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder’s tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. See “—Gain on Disposition of our Common Stock.” Subject to the discussion below under “—Additional Withholding Requirements under FATCA,” dividends paid to a non-U.S. holder with respect to our common stock that are not effectively connected with the non-U.S. holder’s conduct of a trade or business within the United States generally will be subject to U.S. federal withholding tax at a rate of 30% unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to “United States persons” (as defined under the Code). Such effectively connected dividends will not be subject to the U.S. withholding tax described above if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a non-U.S. corporation, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on such effectively connected dividends (as adjusted for certain items).

A non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

**Gain on Disposition of our Common Stock**

Subject to the discussion below under “—Additional Withholding Requirements under FATCA,” a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the non-U.S. holder is an individual who is present in the U.S. for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
the gain is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or

our common stock constitutes a U.S. real property interest by reason of our status as a U.S. real property holding corporation, which we sometimes refer to as a USRPHC, for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above generally will be taxed on a net income basis at the rates and in the manner generally applicable to “United States persons” (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on such effectively connected gain (as adjusted for certain items).

With respect to the third bullet point above, we believe that we have not been, are not currently, and do not anticipate becoming in the future, a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. Because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we are or become a USRPHC, a non-U.S. holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of shares of our common stock by reason of our status as a USRPHC so long as (i) our common stock is regularly traded on an established securities market during the calendar year in which such sale, exchange or other taxable disposition of shares of our common stock occurs and (ii) such non-U.S. holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our common stock at any time during the relevant period. Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

Backup Withholding and Information Reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8.

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8 and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock effected outside the United States by a non-U.S. office of a non-U.S. broker. However, unless such broker has documentary evidence in its records that the holder is not a U.S. person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock effected outside the United States by such a broker if it has certain relationships within the United States.
Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability (if any) of a non-U.S. holder subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

**Additional Withholding Requirements under FATCA**

Sections 1471 through 1474 of the Code, and the Treasury regulations and administrative guidance issued thereunder, which we sometimes refer to as FATCA, impose a 30% withholding tax on any dividends paid on our common stock and on the gross proceeds from a disposition of our common stock, in each case if paid to a “foreign financial institution” or a “non-financial foreign entity” (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any “substantial United States owners” (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E); or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. The FATCA withholding tax will apply to all withholdable payments without regard to whether the beneficial owner of the payment would otherwise be entitled to an exemption from imposition of withholding tax pursuant to an applicable tax treaty with the United States or U.S. domestic law, though, under certain circumstances, a holder might be eligible for refunds or credits of such taxes.

The withholding under FATCA described above currently applies to dividends paid on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock on or after January 1, 2019, recently proposed Treasury regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury regulations until final Treasury regulations are issued.

INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL GIFT AND ESTATE TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.
UNDERWRITING

Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC are serving as representatives of the underwriters. We and the representatives, on behalf of the underwriters named below, have entered into an underwriting agreement with respect to the shares of our common stock being offered hereby. Subject to certain conditions set forth in the underwriting agreement, each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover of this prospectus, the number of shares of common stock set forth in the following table.

<table>
<thead>
<tr>
<th>Underwriters</th>
<th>Number of Shares</th>
</tr>
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<tbody>
<tr>
<td>Robert W. Baird &amp; Co. Incorporated</td>
<td></td>
</tr>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td></td>
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<tr>
<td>Jefferies LLC</td>
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<tr>
<td>UBS Securities LLC</td>
<td></td>
</tr>
<tr>
<td>William Blair &amp; Company, L.L.C.</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,250,000</td>
</tr>
</tbody>
</table>

The underwriters are severally committed to take and pay for all of the shares offered by us, if any are taken, other than the shares thereof covered by the option described below. The obligations of the underwriters under the underwriting agreement may be terminated upon the occurrence of certain stated events, including that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering may be terminated.

We have granted the underwriters an option to buy up to an additional 937,500 shares of our common stock. The underwriters have 30 days from the date hereof to exercise this option. If any shares of our common stock are purchased pursuant to this option, the underwriters will severally purchase such additional shares in approximately the same proportion as set forth in the table above. If any additional shares of our common stock are purchased, the underwriters will offer such additional shares on the same terms as those on which the shares are being offered.

The underwriters propose to offer the shares of our common stock directly to the public at the initial public offering price set forth on the cover of this prospectus and to certain dealers at that price less a concession not in excess of $ per share.

The following table sets forth the per share and total underwriting discounts and commissions to be paid to the underwriters by us, assuming both no exercise and full exercise of the underwriters’ option to purchase 937,500 additional shares of our common stock.

<table>
<thead>
<tr>
<th>Paid by Us</th>
<th>No Exercise</th>
<th>Full Exercise</th>
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<tbody>
<tr>
<td>Per Share</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

We estimate that the total expenses paid by us for this offering, including registration, filing, listing and printing fees and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately $2.7 million. We have agreed to reimburse the underwriters for certain expenses in connection with the qualification of this offering with the Financial Industry Regulatory Authority, Inc., which we sometimes refer to as FINRA in an amount not to exceed $35,000. Such reimbursement is deemed to be underwriting compensation by FINRA.
We, our directors, executive officers and the ESOP have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date hereof, may not, without the prior written consent of the representatives: (i) directly or indirectly offer, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend, or otherwise transfer or dispose of, or establish or increase any “put equivalent position” or liquidate or decrease any “call equivalent position” (each within the meaning of Section 16 of the Exchange Act) with respect to, any shares of our common stock, any options or warrants to purchase our common stock or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, our common stock, whether now owned or hereafter acquired, (ii) enter into any swap, forward contract, hedging transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such transaction described in (i) above or this clause (ii) is to be settled by delivery of our common stock or such other securities, in cash or otherwise, (iii) file or approve the filing of any registration statement with the SEC relating to the offering of any of our common stock or securities convertible into or exercisable or exchangeable for our common stock, or make any demand for or exercise any right with respect to the registration of any of our common stock or the filing of any registration statement with respect thereto or (iv) publicly disclose or announce an intention to effect any transaction specified in clause (i), (ii) or (iii) above. The foregoing restrictions do not apply to, among other transactions, the sales of our common stock to be sold by us in this offering.

Prior to this offering, there has been no public market for the shares of our common stock. The initial public offering price has been determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters have considered a number of factors, including:

- the information set forth in this prospectus and otherwise available to the representative of the underwriters;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- prevailing market conditions;
- our historical performance;
- estimates of our business potential and prospects for future earnings;
- consideration of the above factors in relation to market valuation and stages of developments of other companies comparable to ours; and
- other factors deemed relevant by the representative of the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares thereof will trade in the public market at or above the initial public offering price.

We have applied to have our shares of common stock listed on the NYSE under the symbol “MEC.”

We have agreed to indemnify the several underwriters and their controlling persons against certain liabilities, including liabilities under the Securities Act.

**Stabilization, Short Positions and Penalty Bids**

In connection with this offering, the underwriters may effect certain transactions in shares of our common stock in the open market in order to prevent or retard a decline in the market price of our common stock while this offering is in progress. These transactions may include short sales, purchases to cover positions created by short sales.
and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. “Covered” shorts are short positions in an amount not greater than the underwriters’ option described herein, and “naked” shorts are short positions in excess of that amount. In determining the source of shares to close out a “covered” short, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option. A “covered” short may be covered by either exercising the underwriters’ option or purchasing shares in the open market. A “naked” short is more likely to be created if underwriters are concerned that there may be downward pressure on the price of our common stock in the open market prior to the completion of this offering, and may only be closed out by purchasing shares in the open market. Stabilizing transactions consist of various bids for or purchases of our common stock made by the underwriters in the open market prior to the completion of this offering.

In addition, the underwriters may, pursuant to Regulation M of the Securities Act, also impose a penalty bid, which is when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representative of the underwriters has repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or slowing a decline in the market price of our common stock, and together with the imposition of a penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. If these activities are commenced by the underwriters, they may be discontinued at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

Electronic Distribution

In connection with this offering, certain of the underwriters may distribute prospectuses by electronic means, such as email. In addition, certain of the underwriters may facilitate Internet distribution for this offering to certain of their Internet subscription customers, and allocate a limited number of shares for sale to its online brokerage customers. A prospectus in electronic format is being made available on the website maintained by one or more of the bookrunners of this offering and may be made available on websites maintained by the other underwriters. Other than this prospectus in electronic format, the information on any underwriter’s website and any information contained in any other website maintained by an underwriter is not a part of this prospectus or the registration statement of which this prospectus is a part.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, investment research, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may provide from time to time in the future, various financial advisory and investment banking services for us, for which they have received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, certain of the underwriters and their respective affiliates may from time to time effect transactions for their own account or the account of their
customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities (including related derivative securities) and financial instruments (including bank loans), and may continue to do so in the future. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates and related persons. If these persons purchase reserved shares, it will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. Sales pursuant to the directed share program will be made by Robert W. Baird & Co. Incorporated, or the DSP Underwriter. We have agreed to indemnify the DSP Underwriter in connection with the directed share program, including for the failure of any participant to pay for its shares. Other than the underwriting discounts and commissions listed on the cover of this prospectus (which will be paid with respect to shares purchased by persons who are not directors, director nominees, officers, existing shareholders or their employees or affiliates of existing shareholders that are legal entities or their employees, but not with respect to other shares), the underwriters will not be entitled to any commissions with respect to shares of common stock sold pursuant to the directed share program. To the extent such shares are purchased by any of our existing directors or officers who have entered into lock-up agreements with the underwriters, such shares will be subject to the restrictions contained in such agreements.

Selling Restrictions

Notice to Canadian Residents

Resale Restrictions. The distribution of our common stock in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of our common stock in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers. By purchasing our common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase our common stock without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106—Prospectus Exemptions;
- the purchaser is a “permitted client” as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above under Resale Restrictions.
Conflicts of Interest. Canadian purchasers are hereby notified that each of the underwriters is relying on the exemption set out in Section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—Underwriting Conflicts from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights. All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment. Canadian purchasers of shares of our common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in such shares of common stock in their particular circumstances and about the eligibility of the shares of our common stock for investment by the purchaser under relevant Canadian legislation.

Notice to Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each of which we refer to as a Relevant Member State, an offer to the public of our common stock has not been made and may not be made in that Relevant Member State prior to the publication of a prospectus in relation to our common stock which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

a. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
b. to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or
c. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires our common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the underwriters and us that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.
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For the purposes of this provision, the expression “an offer to the public” in relation to our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common stock to be offered so as to enable an investor to decide to purchase our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In the case of our common stock being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that our common stock acquired by it in this offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of our common stock to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives of the underwriters has been obtained to each such proposed offer or resale. We, the underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Notwithstanding the above, a person who is not a qualified investor and who has notified the representatives of the underwriters of such fact in writing may, with the prior consent of the representatives of the underwriters, be permitted to acquire our common stock in this offering.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive) who (i) have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, which we sometimes refer to as the Order, and/or (ii) are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order, which we refer to collectively as the UK Relevant Persons. This document must not be acted on or relied on in the United Kingdom by persons who are not UK Relevant Persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, UK Relevant Persons.

Notice to Investors in Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in our common stock. The shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to this offering, nor us nor the shares have been or will be filed with or approved by any Swiss regulatory authority. The shares are not subject to the supervision by any Swiss regulatory authority (e.g., the Swiss Financial Markets Supervisory Authority FINMA) and investors in the shares will not benefit from protection or supervision by such authority.
Notice to Prospective Investors in Australia

This document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth), which we sometimes refer to as the Corporations Act;
- has not been, and will not be, lodged with the Australian Securities and Investments Commission, or ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.
LEGAL MATTERS

Foley & Lardner LLP, Milwaukee, Wisconsin, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our common stock being offered by this prospectus. Jay O. Rothman, a partner in Foley & Lardner LLP, is one of our directors. As of the date of this prospectus, Mr. Rothman did not own any shares of our common stock. Certain legal matters will be passed upon for the underwriters by Latham & Watkins LLP, Chicago, Illinois.

EXPERTS

The consolidated financial statements of Mayville Engineering Company, Inc. and subsidiaries, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Defiance Metal Products, Co., Inc. and subsidiaries as of and for the fiscal years ended September 30, 2018 and 2017 included in this prospectus have been so included in reliance upon the report of Baker Tilly Virchow Krause, LLP, an independent audit firm, upon the authority of said firm as experts in accounting and auditing.

CHANGE IN ACCOUNTANTS

On October 16, 2018, our board of directors approved the decision to change independent registered public accounting firms and we dismissed Schenck SC, which we sometimes refer to as Schenck, as our independent registered public accounting firm. On January 10, 2019, we retained Deloitte & Touche LLP, which we sometimes refer to as Deloitte, as our new independent registered public accounting firm to audit our consolidated financial statements as of and for the fiscal year ended December 31, 2018 and to reaudit our consolidated financial statements as of and for the fiscal year ended December 31, 2017, which had previously been audited by Schenck.

The report of Schenck on our consolidated financial statements as of and for the fiscal year ended December 31, 2017 did not contain any adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the two most recent fiscal years preceding our dismissal of Schenck and the subsequent interim period through October 16, 2018, we had no “disagreements” (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto) with Schenck on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Schenck, would have caused Schenck to make reference in connection with its report to the subject matter of the disagreement during its audit of our consolidated financial statements for the fiscal year ended December 31, 2017. During the two most recent fiscal years preceding our discharge of Schenck and the subsequent interim period through October 16, 2018, there were no “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K and the related instructions thereto).

During the two fiscal years ended December 31, 2017 and through the period ended October 16, 2018, we did not consult with Deloitte with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any other matter that was the subject of a disagreement or a reportable event (each as defined above).
Schenck was acquired by CliftonLarsonAllen LLP, or CLA, on January 1, 2019. We have provided CLA with a copy of the foregoing disclosure and requested that CLA furnish us with a letter addressed to the SEC stating whether or not CLA agrees with the above statements and, if not, stating the respects in which it does not agree. A copy of the letter, dated February 7, 2019, furnished by CLA in response to that request, is filed as Exhibit 16 to the registration statement of which this prospectus is a part.
WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act covering the securities offered by this prospectus. This prospectus, which constitutes a part of that registration statement, does not contain all of the information that you can find in the registration statement and the exhibits thereto. Certain items are omitted from this prospectus in accordance with the rules and regulations of the SEC. For further information about us and the shares of our common stock offered by this prospectus, reference is made to the registration statement and the exhibits thereto. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance, are qualified by reference to each such contract or document contained in or as an exhibit to the registration statement. Upon the completion of this offering, we will be required to file periodic reports, proxy statements and other information with the SEC. The SEC maintains an Internet site, www.sec.gov, that contains periodic reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The registration statement, including all exhibits thereto and amendments thereof, has been filed electronically with the SEC. We also maintain our website at www.mecinc.com, which contains copies of our filings with the SEC. However, the information contained on or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and potential investors should not rely on such information in deciding to purchase our common stock in this offering.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Mayville Engineering Company, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mayville Engineering Company, Inc. and Subsidiaries (the “Company”) as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income; redeemable common shares, treasury stock, and retained earnings; and cash flows, for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, WI
March 22, 2019

We have served as the Company’s auditor since 2018.
## MAYVILLE ENGINEERING COMPANY, INC. AND SUBSIDIARIES
### CONSOLIDATED BALANCE SHEETS
#### December 31, 2018 and 2017
(in thousands, except share data)

### ASSETS

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<thead>
<tr>
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<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,089</td>
<td>$ 76</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $801 and $308 as of December 31, 2018 and 2017</td>
<td>52,298</td>
<td>26,392</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>53,405</td>
<td>35,385</td>
</tr>
<tr>
<td>Tooling in progress</td>
<td>2,318</td>
<td>1,490</td>
</tr>
<tr>
<td>Prepaid income taxes</td>
<td>85</td>
<td>—</td>
</tr>
<tr>
<td>Prepaids and other current assets</td>
<td>1,564</td>
<td>830</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>112,759</strong></td>
<td><strong>64,173</strong></td>
</tr>
<tr>
<td><strong>Property, plant and equipment, net</strong></td>
<td><strong>123,883</strong></td>
<td><strong>90,816</strong></td>
</tr>
<tr>
<td><strong>Intangible assets, net</strong></td>
<td><strong>82,879</strong></td>
<td><strong>18,845</strong></td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td><strong>69,437</strong></td>
<td><strong>40,202</strong></td>
</tr>
<tr>
<td>Capital lease, net</td>
<td>1,953</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other long-term assets</strong></td>
<td>814</td>
<td>280</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$391,725</strong></td>
<td><strong>$214,316</strong></td>
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See accompanying notes to consolidated financial statements.
MAYVILLE ENGINEERING COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2018 and 2017
(in thousands, except share data)

LIABILITIES AND REDEEMABLE COMMON SHARES

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<th>2018</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$45,992</td>
<td>$19,494</td>
</tr>
<tr>
<td>Current portion of capital lease obligation</td>
<td>281</td>
<td>—</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>8,606</td>
<td>8,027</td>
</tr>
<tr>
<td>Accrued liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and payroll taxes</td>
<td>7,548</td>
<td>5,245</td>
</tr>
<tr>
<td>Accrued profit sharing and bonus</td>
<td>6,124</td>
<td>3,375</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>14,610</td>
<td>5,735</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>83,161</td>
<td>41,876</td>
</tr>
<tr>
<td>Bank revolving credit notes</td>
<td>59,629</td>
<td>30,338</td>
</tr>
<tr>
<td>Capital lease obligation, less current maturities</td>
<td>1,697</td>
<td>—</td>
</tr>
<tr>
<td>Other long-term debt, less current maturities</td>
<td>111,675</td>
<td>37,231</td>
</tr>
<tr>
<td>Deferred compensation and long-term incentive, less current portion</td>
<td>13,351</td>
<td>11,634</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>19,123</td>
<td>—</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>100</td>
<td>350</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>288,736</td>
<td>121,429</td>
</tr>
<tr>
<td>Commitments and contingencies (Note 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary equity—Redeemable common shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redeemable common shares, no par value, stated at redemption value of outstanding shares,</td>
<td>133,806</td>
<td>125,042</td>
</tr>
<tr>
<td>45,000 shares authorized, 28,946 shares issued at December 31, 2018 and 2017, 10,075 and 10,748 shares outstanding at December 31, 2018 and 2017, respectively</td>
<td>133,806</td>
<td>125,042</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>26,842</td>
<td>17,671</td>
</tr>
<tr>
<td>Treasury stock at cost, 18,871 and 18,198 shares at December 31, 2018 and 2017, respectively</td>
<td>(57,659)</td>
<td>(49,826)</td>
</tr>
<tr>
<td>Total liabilities and redeemable common shares</td>
<td>$391,725</td>
<td>$214,316</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### MAYVILLE ENGINEERING COMPANY, INC. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31, 2018 and 2017

(in thousands, except share and per share data)

The pro forma amounts reflect income tax adjustments as if the Company was a taxable entity as of the beginning of the year using a 26% effective rate.

See accompanying notes to consolidated financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$354,526</td>
<td>$313,331</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>303,948</td>
<td>278,594</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>4,096</td>
<td>3,756</td>
</tr>
<tr>
<td>Profit sharing, bonuses and deferred compensation</td>
<td>8,058</td>
<td>5,397</td>
</tr>
<tr>
<td>Employee Stock Ownership Plan expense</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Other selling, general and administrative expenses</td>
<td>12,255</td>
<td>12,158</td>
</tr>
<tr>
<td>Income from operations</td>
<td>22,169</td>
<td>9,426</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,879)</td>
<td>(4,180)</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>(814)</td>
<td>—</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>17,476</td>
<td>5,246</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(459)</td>
<td>—</td>
</tr>
<tr>
<td>Net income and comprehensive income</td>
<td>$17,935</td>
<td>$5,246</td>
</tr>
</tbody>
</table>

**Earnings per share—basic and diluted**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income available to shareholders</td>
<td>$17,935</td>
<td>$5,246</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$1,722.53</td>
<td>$469.90</td>
</tr>
<tr>
<td>Weighted average shares outstanding</td>
<td>10,412</td>
<td>11,164</td>
</tr>
</tbody>
</table>

**Tax-adjusted pro forma information (unaudited)**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income available to shareholders</td>
<td>$17,935</td>
<td></td>
</tr>
<tr>
<td>Pro forma provision for income taxes</td>
<td>$4,663</td>
<td></td>
</tr>
<tr>
<td>Pro forma net income</td>
<td>$13,272</td>
<td></td>
</tr>
<tr>
<td>Pro forma earnings per share</td>
<td>$1,274.67</td>
<td></td>
</tr>
<tr>
<td>Weighted average shares outstanding</td>
<td>10,412</td>
<td></td>
</tr>
</tbody>
</table>
MAYVILLE ENGINEERING COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF REDEEMABLE COMMON SHARES, TREASURY STOCK
AND RETAINED EARNINGS
Years Ended December 31, 2018 and 2017
(in thousands, except share data)

<table>
<thead>
<tr>
<th></th>
<th>Redeemable Common Shares</th>
<th>Treasury Stock</th>
<th>Retained Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, January 1, 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$121,462</td>
<td>$(41,113)</td>
<td>$16,005</td>
</tr>
<tr>
<td>Change in redemption value of outstanding redeemable common shares, net</td>
<td>3,580</td>
<td></td>
<td>(3,580)</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td></td>
<td>(8,713)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance, December 31, 2017</strong></td>
<td>125,042</td>
<td>(49,826)</td>
<td>17,671</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in redemption value of outstanding redeemable common shares, net</td>
<td>8,764</td>
<td></td>
<td>(8,764)</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td></td>
<td>(7,833)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance, December 31, 2018</strong></td>
<td>$133,806</td>
<td>(57,659)</td>
<td>$26,842</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$17,935</td>
<td>$5,246</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,372</td>
<td>16,975</td>
</tr>
<tr>
<td>Amortization</td>
<td>4,096</td>
<td>3,756</td>
</tr>
<tr>
<td>Costs recognized on step-up of acquired inventory</td>
<td>583</td>
<td>—</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>814</td>
<td>—</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>(48)</td>
<td>—</td>
</tr>
<tr>
<td>Non-cash adjustments</td>
<td>197</td>
<td>—</td>
</tr>
<tr>
<td>Gain on sale of property, plant and equipment</td>
<td>(177)</td>
<td>(23)</td>
</tr>
<tr>
<td>Deferred compensation and long-term incentive</td>
<td>4,466</td>
<td>1,000</td>
</tr>
<tr>
<td>Change in operating assets and liabilities net of effects of acquisition:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,042</td>
<td>2,570</td>
</tr>
<tr>
<td>Inventories</td>
<td>(6,873)</td>
<td>(2,480)</td>
</tr>
<tr>
<td>Tooling in progress</td>
<td>489</td>
<td>(481)</td>
</tr>
<tr>
<td>Prepaids and other current assets</td>
<td>(4,425)</td>
<td>(106)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>834</td>
<td>2,083</td>
</tr>
<tr>
<td>Accrued liabilities, excluding long-term incentive</td>
<td>1,410</td>
<td>2,261</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>36,715</td>
<td>30,801</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(17,879)</td>
<td>(11,259)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>Payment for acquisition, net of cash acquired</td>
<td>(114,700)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(132,569)</td>
<td>(11,235)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from bank revolving credit notes</td>
<td>257,428</td>
<td>132,473</td>
</tr>
<tr>
<td>Payments on bank revolving credit notes</td>
<td>(228,137)</td>
<td>(133,882)</td>
</tr>
<tr>
<td>Repayments of other long-term debt</td>
<td>(87,389)</td>
<td>(9,099)</td>
</tr>
<tr>
<td>Proceeds from issuance of other long-term debt</td>
<td>167,094</td>
<td>—</td>
</tr>
<tr>
<td>Deferred financing costs</td>
<td>(2,173)</td>
<td>(412)</td>
</tr>
<tr>
<td>Payments on capital leases</td>
<td>(123)</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>(7,833)</td>
<td>(8,713)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>98,867</td>
<td>(19,833)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>3,013</td>
<td>(67)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, beginning of year</strong></td>
<td>76</td>
<td>143</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of year</strong></td>
<td>$3,089</td>
<td>$76</td>
</tr>
<tr>
<td><strong>Supplemental disclosure of cash flow information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>$4,117</td>
<td>$4,305</td>
</tr>
<tr>
<td>In conjunction with the acquisition, assets acquired and liabilities assumed were as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of assets acquired, net of cash acquired</td>
<td>$167,781</td>
<td>—</td>
</tr>
<tr>
<td>Liabilities assumed</td>
<td>(53,081)</td>
<td>—</td>
</tr>
<tr>
<td>Cash paid for acquisition, net of cash acquired</td>
<td>$114,700</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
Principal business activity

Mayville Engineering Company, Inc. (collectively with its subsidiaries, Center Manufacturing Holdings, Inc. and Defiance Metal Products Co., Inc. (DMP), is referred to as the ‘Company’ is primarily a contract manufacturer that serves the heavy and medium duty commercial vehicle, construction, powersports, agriculture, military and other end markets. The Company provides a broad range of prototyping and tooling, production fabrication, coating, assembly and aftermarket components. Founded in 1945 and headquartered in Mayville, WI, the Company is a supplier of highly engineered components to original equipment manufacturers (OEM) customers with leading positions in their respective markets. The Company operates 21 facilities located in Arkansas, Michigan, Mississippi, Ohio, Pennsylvania, South Carolina, Virginia, and Wisconsin. The vast majority of the Company’s sales are to OEM’s located throughout the United States.

In December 1985, the Company formed the Mayville Engineering Company, Inc. Employee Stock Ownership Plan (ESOP). The ESOP is a tax qualified retirement plan and is designed to invest primarily in the Company’s common stock which is held in a Trust. Since January 2003, the ESOP has owned 100% of the Company’s outstanding shares of common stock which have been fully allocated to active or retired eligible employees.

Basis of presentation and consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). They include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly-liquid investments purchased with original maturities of 90 days or less to be cash and cash equivalents.

Concentration of credit risk

Financial instruments that potentially subject the Company to credit risk consist principally of bank balances above the Federal Deposit Insurance Corporation (FDIC) insurability limits of $250 per official custodian. The Company has not experienced any losses on these accounts and management believes the Company is not exposed to any significant credit risk on cash.
Fair value provides information on what the Company may realize if certain assets were sold or might pay to transfer certain liabilities based upon an exit price. Financial assets and liabilities that are measured and reported at fair value are classified into a three-level hierarchy that prioritizes the inputs used in the valuation process. A financial instrument’s categorization within the valuation hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The hierarchy is based on the observability and objectivity of the pricing inputs, as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices in active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities or (iii) information derived from or corroborated by observable market data.
- Level 3—Prices or valuation techniques that require significant unobservable data inputs. These inputs would normally be the Company’s own data and judgments about assumptions that market participants would use in pricing the asset or liability.

The following table lists the Company’s financial assets and liabilities accounted for at fair value by the fair value hierarchy:

<table>
<thead>
<tr>
<th></th>
<th>Balance at December 31, 2018</th>
<th>Fair Value Measurements at Reporting Date Using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(Level 1)</td>
<td>$(Level 2)</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>$13,351</td>
<td>—</td>
</tr>
<tr>
<td>Contingent consideration payable</td>
<td>6,054</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$19,405</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Balance at December 31, 2017</th>
<th>Fair Value Measurements at Reporting Date Using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(Level 1)</td>
<td>$(Level 2)</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>$11,428</td>
<td>—</td>
</tr>
</tbody>
</table>

Fair value measurements for the Company’s cash and cash equivalents are classified based upon Level 1 measurements because such measurements are based upon quoted market prices in active markets for identical assets.

Accounts receivable, accounts payable, long-term debt and accrued liabilities are recorded in the financial statements at cost and approximate fair value.

Deferred compensation liabilities are recorded at amounts due to participants at the time of deferral. Deferrals are deemed to have been invested in the Company stock at a price equal to the share value on the deferral date. Subsequent fair value adjustments are made to the participants’ accounts for the change in the value of the Company’s stock on an annual basis. Considered Level 3 on the fair value hierarchy, the Company computes the fair value of its stock through the utilization of an independent third party valuation specialist. The change in fair value is recorded in Deferred Compensation and Long-Term Incentive Liabilities on the balance sheet and Deferred Compensation expense on the income statement.

The Company acquired DMP for $114,700, net of cash received, subject to an adjustment based on a net working capital true-up. The Company will also pay DMP’s previous shareholders an additional $7,500 if DMP generates...
$19,748 of EBITDA over the twelve-month period ending September 30, 2019. In addition the Company will pay one dollar for each additional dollar of EBITDA in excess of $19,748 generated over this period; however, in no event shall the total payment exceed $10,000. Considered level 3 on the fair value hierarchy, the Company estimated and recorded the present value of the contingent consideration payable as of the acquisition date. The Company remeasures this liability through the conclusion of the earnout period, September 30, 2019, with the change in value resulting in a gain or loss reflected in Other income on the Consolidated Statements of Comprehensive Income. As of December 31, 2018, contingent consideration payable was revalued to $6,054 and is recorded in other current liabilities on the consolidated balance sheet. The change of $21 was recorded as a gain within the Consolidated Statement of Comprehensive Income.

The Company does not have any financial assets or liabilities at the Level 2 fair value hierarchy.

The Company’s non-financial assets such as intangible assets and property, plant and equipment are measured at fair value when there is an indication of impairment and recorded at fair value only when an impairment charge is recognized.

Accounts receivable

Accounts receivable are generally uncollateralized customer obligations due under normal trade terms requiring payment within 30 to 60 days from the invoice date. Management periodically reviews past due balances and established an allowance for doubtful accounts of approximately $801 and $308 as of December 31, 2018 and 2017, respectively, for probable uncollectible amounts based on its assessment of the current status of individual accounts. The estimated valuation allowance results in a charge to earnings and the accounts are written-off through a charge to the valuation allowance and a credit to accounts receivable after the Company has used all reasonable collection efforts.

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method (FIFO), and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Work-in-process and finished goods are valued at production cost consisting of material, labor and overhead. The Company maintains a reserve for obsolete and slow moving inventory which is based upon the aging of current inventory as well as assumptions on future demand and market conditions.

Tooling in progress

The Company has agreements with its customers to provide production tooling which will be used to produce specific parts for its customers. The costs to design, engineer, and manufacture the tooling are charged to tooling in progress as incurred and upon completion are sold to customers. The Company may also provide production tooling that is not sold to customers but is capitalized in property, plant and equipment. To the extent that estimated costs exceed expected reimbursement from the customer, the Company recognizes a loss. Tooling in progress was $2,318 and $1,490 as of December 31, 2018 and 2017, respectively.

Property, plant and equipment

Property, plant and equipment are stated at cost. Expenditures for additions and improvements are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed as incurred. Properties sold, or otherwise disposed of, are removed from the property accounts, with
gains or losses on disposal credited or charged to the results of operations. Depreciation is provided over the estimated useful lives of the respective assets, using the straight-line depreciation method for financial reporting purposes and begins when the asset is placed into service. Depreciation expense for the years ended December 31, 2018 and 2017 was $16,372 and $16,975, respectively, and is included in cost of sales on the consolidated statements of comprehensive income.

Business combinations

The Company accounts for all business combinations in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, Business Combinations. In connection with a business combination, the acquiring company must allocate the cost of the acquisition to assets acquired and liabilities assumed based on fair values as of the acquisition date. Any excess or shortage of amounts assigned to assets and liabilities over or under the purchase price is recorded as a gain on bargain purchase or goodwill. Transaction costs associated with acquisitions are expensed as incurred within selling, general and administrative expenses.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the Company’s net assets acquired in a business combination. In accordance with GAAP, goodwill will not be amortized, but rather will be tested at least annually for impairment. On an annual basis, the Company evaluates goodwill for impairment by comparing the goodwill carrying amount to the implied fair value of goodwill. To the extent that the carrying value of the net assets of a reporting unit is greater than the estimated fair value, the Company may be required to record impairment charges. The Company completes its annual impairment assessment during the fourth quarter of each year.

Impairment testing for goodwill is performed at the reporting unit level using a two-step test. The Company determines the fair value of its reporting units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. The income approach is dependent on several key management assumptions, including estimates of future sales, gross margins, operating costs, interest expense, income tax rates, capital expenditures, changes in working capital requirements, and the weighted average cost of capital or the discount rate. Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the reporting unit. Expected cash flows used under the income approach are developed in conjunction with the Company’s budgeting and forecasting process. Under the market approach, the Company estimates fair value of the reporting units using EBITDA multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective reporting units.

Management has determined that the fair value of its two reporting units exceeded their respective carrying value, and therefore, there was no impairment loss recognized for the years ended December 31, 2018 and 2017. Further, no impairment losses have been recorded in any period since the business acquisition dates.

Impairment of long-lived assets

When events or conditions warrant, the Company evaluates the recoverability of long-lived assets and considers whether these assets are impaired. The Company assesses the recoverability of these assets based on several factors, including management’s intention with respect to these assets and their projected undiscounted cash flows. If projected undiscounted cash flows are less than the carrying amount of the respective assets, the
Company adjusts the carrying amounts of such assets to their estimated fair value. To the extent that the carrying value of the net assets of a reportable unit is greater than the estimated fair value, the Company may be required to record impairment charges. No impairment losses have been recorded in any period since the business acquisition dates.

**Deferred financing costs**

Loan issuance costs and discounts are capitalized upon the issuance of long-term debt and amortized over the life of the related debt and are presented as a reduction of the associated long-term debt on the consolidated balance sheets. Loan issuance costs associated with revolving debt arrangements are presented as a component of other assets. Loan issuance costs incurred in connection with revolving debt arrangements are amortized using the straight-line method over the life of the credit agreement. Loan issuance costs and discounts incurred in connection with term debt are amortized using the effective interest method. Amortization of deferred loan issuance costs and discounts are included in interest expense. During 2018 and 2017, the Company recorded $2,173 and $412, respectively of deferred financing costs associated with its long-term debt and line of credit arrangements. Amortization expense associated with the deferred debt issuance costs and discounts in 2018 and 2017 was approximately $198 and $249. Accumulated amortization was approximately $114 and $619 as of December 31, 2018 and 2017, respectively. Amendments made to existing debt in 2018 resulted in the write-off of $814 of unamortized costs associated with the debt that was replaced.

**Revenue recognition**

The Company recognizes revenue for sales when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivables are reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable. Sales are supported by documentation such as supply agreements and purchase orders which specify certain terms and conditions including product specifications, quantities, fixed prices, delivery dates and payment terms. Revenues related to services are recognized in the period services are performed.

For many customers, the Company designs, engineers and builds production tooling, which is purchased by the customer. Revenue is recognized when the tooling is completed, the customer signs off the product through the Product Part Approval Process (PPAP) and the tool is placed into service. At that time, the cost to build the tooling is released from the balance sheet and included in cost of goods sold.

The Company offers certain customers discounts for early payments. These discounts are recorded against net sales in the consolidated statement of comprehensive income and accounts receivable in the consolidated balance sheet. The Company does not offer any other customer incentives, rebates or allowances.

**Shipping and handling**

The Company expenses shipping and handling costs as incurred. These costs are generally comprised of salaries and wages, shipping supplies and warehouse costs. These costs are included in cost of sales on the consolidated statements of comprehensive income. The Company does not charge customers nor recognize revenue for shipping and handling. The Company’s OEM customers arrange and pay the freight for delivery.

**Advertising**

The Company expenses the costs of advertising when incurred. Advertising expense was approximately $116 and $157 for the years ended December 31, 2018 and 2017, respectively. Advertising costs are charged to selling, general and administrative expenses.
The Company and its stockholders have elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code and certain state statutes. Under these provisions, substantially all taxes are passed to the stockholders and the Company does not pay federal and state corporate income taxes on its taxable income and is not allowed a deduction for losses. All the outstanding shares of common stock are held by an ESOP (Note 6), which is a non-taxable qualified retirement plan and any income allocated to the ESOP is not subject to income taxes until the income is distributed to the participants. The Company files income tax returns with the U.S. and state governments. With few exceptions, the Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2015.

Uncertain tax positions are recorded in accordance with ASC 740, *Income Taxes*, on the basis of a two-step process whereby (1) it is determined whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. As of December 31, 2018 and 2017 there were no amounts recorded relating to uncertain tax positions. Potential interest and penalties related to uncertain tax positions are recorded as income tax expense. There was no interest or penalties for the years ended December 31, 2018 and 2017.

Defiance Metal Products Co. Inc., a consolidated subsidiary, is treated as a “C” Corporation for income tax purposes. Deferred income taxes are recorded to reflect temporary differences between the tax bases of assets and liabilities and their financial reporting amounts. The differences relate primarily to property and equipment, amortizable intangibles and net operating losses.

**Earnings per share**

The Company computes basic earnings per share by dividing net earnings available to common shareholders by the actual weighted average number of common shares outstanding for the reporting period. The Company does not have any potentially dilutive convertible securities. As a result, basic and diluted earnings per share for the Company are the same.

**Treasury stock**

Treasury stock purchases are accounted for under the cost method whereby the entire cost of the acquired stock is recorded as treasury stock. Subsequent reissuance of shares to the ESOP are recorded as a reduction to treasury stock and as ESOP expense in the consolidated statement of comprehensive income.

**Recent accounting pronouncements**

In May 2014, the FASB issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue. This guidance replaces most existing revenue recognition guidance. It provides principles for recognizing revenue for the transfer of promised goods or services to customers with the consideration to which the entity expects to be entitled in exchange for those goods or services. As amended, this new revenue guidance will be effective for public companies for annual reporting periods beginning after December 15, 2017, including interim periods within those fiscal years. For as long as the Company remains an Emerging Growth Company (EGC), the new guidance is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted for annual periods beginning after December 15,
The Company has elected to adopt the standard using a modified retrospective approach and has determined that the standard is not expected to have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, creating Topic 842, which requires lessees to record the assets and liabilities arising from all leases in the statement of financial position. Under ASU 2016-02, lessees will recognize a liability for lease payments and a right-of-use asset. When measuring assets and liabilities, a lessee should include amounts related to option terms, such as the option of extending or terminating the lease or purchasing the underlying asset, that are reasonably certain to be exercised. For leases with a term of 12 months or less, lessees are permitted to make an accounting policy election to not recognize lease assets and liabilities. This guidance retains the distinction between finance leases and operating leases and the classification criteria remains similar. For financing leases, a lessee will recognize the interest on a lease liability separate from amortization of the right-of-use asset. In addition, repayments of principal will be presented within financing activities, and interest payments will be presented within operating activities in the statement of cash flows. For operating leases, a lessee will recognize a single lease cost on a straight-line basis and classify all cash payments within operating activities in the statement of cash flows. For public companies, this guidance will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For as long as the Company remains an EGC, the new guidance is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is evaluating the potential impact of this guidance on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including presentation of cash flows relating to contingent consideration payments, proceeds from the settlement of insurance claims, and debt prepayment or debt extinguishment costs, among other matters. For public companies, this guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For as long as the Company remains an EGC, the new guidance is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If adopted in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Adoption of this guidance is required to be applied using a retrospective transition method to each period presented, unless impracticable to do so. The Company early adopted this standard and it did not have a material impact on the Company’s consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, Clarifying the Definition of a Business, which narrows the application of when an integrated set of assets and activities is considered a business and provides a framework to assist entities in evaluating whether both an input and a substantive process are present to be considered a business. It is expected that the new guidance will reduce the number of transactions that would need to be further evaluated and accounted for as a business. For public companies, this guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those fiscal years. For as long as the Company remains an EGC, the new guidance is effective for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. The Company is evaluating the potential impact of adopting this guidance on the consolidated financial statements.

In January 2017, the FASB issued ASU, 2017-04, Simplifying the Test for Goodwill Impairment, which simplifies the subsequent measurement of goodwill by removing the requirement to perform a hypothetical purchase price allocation to compute the implied fair value of goodwill to measure impairment. Instead, any goodwill impairment
will equal the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Further, the guidance eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. For public companies, this guidance is effective for annual or any interim goodwill impairment test in annual reporting periods beginning after December 15, 2020. For as long as the Company remains an EGC, the new guidance is effective for any annual or interim goodwill impairment test in annual reporting periods beginning after December 15, 2021. The adoption of this guidance is not expected to have a material impact on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13) to improve the effectiveness of fair value measurement disclosures. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement* based on the concepts in FASB Concept Statement, including the consideration of costs and benefits. The amendments in this Update are effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption of this guidance is permitted for removed or modified disclosures upon issuance of this Update while a delayed adoption of the additional disclosures is allowed until the effective date. The Company is evaluating the impact of this standard on its financial statements.

**Note 2—Acquisition**

**2018 Acquisition**

On December 14, 2018, the Company acquired DMP, a full-service metal fabricator and contract manufacturer with two facilities in Defiance, OH, one in Heber Springs, AR, and one in Bedford, PA.

The Company acquired DMP for $114,700, net of cash received, subject to an adjustment based on a net working capital true-up. The Company will also pay DMP’s previous shareholders an additional $7,500 if DMP generates $19,748 of earnings before interest expense, income taxes, depreciation and amortization (EBITDA) over the twelve-month period ending September 30, 2019. In addition the Company will pay one dollar for each additional dollar of EBITDA in excess of $19,748 generated over this period; however, in no event shall the total payment exceed $10,000.

The aggregate purchase price has been allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values at the acquisition date. The estimate of the excess purchase price over the preliminary estimated fair value of net tangible assets acquired was allocated to identifiable intangible assets and goodwill. The Company engaged an independent third party to assist with the identification and valuation of these intangible assets. Management makes significant estimates and assumptions when determining the fair value of assets acquired and liabilities assumed. These estimates include, but are not limited to, discount rates, projected future net sales, projected future expected cash flows, useful lives, attrition rates, royalty rates and growth rates. These measures are based on significant Level 3 inputs not observable in the market.
The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed:

<table>
<thead>
<tr>
<th>Preliminary Opening Balance Sheet Allocation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash consideration</strong></td>
<td>$114,700</td>
</tr>
<tr>
<td><strong>Contingent consideration</strong></td>
<td>6,075</td>
</tr>
<tr>
<td><strong>Total purchase price</strong></td>
<td>$120,775</td>
</tr>
<tr>
<td><strong>Accounts receivable, net</strong></td>
<td>$26,900</td>
</tr>
<tr>
<td><strong>Tooling in progress</strong></td>
<td>1,318</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>11,729</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>30,053</td>
</tr>
<tr>
<td><strong>Other assets, net of cash</strong></td>
<td>416</td>
</tr>
<tr>
<td><strong>Total assets acquired</strong></td>
<td>167,781</td>
</tr>
<tr>
<td><strong>Deferred income taxes</strong></td>
<td>19,123</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>27,883</td>
</tr>
<tr>
<td><strong>Net assets acquired</strong></td>
<td>$120,775</td>
</tr>
<tr>
<td><strong>Cash paid, net of cash acquired</strong></td>
<td>$114,700</td>
</tr>
</tbody>
</table>

In connection with the DMP acquisition, inventory was valued at its estimated fair value which is defined as expected sales price less costs to sell. This valuation resulted in an inventory fair value step-up of $978. This amount is amortized based on inventory turns with the amortization expense reflected in Cost of sales in the Consolidated Statements of Comprehensive Income. For the period ended December 31, 2018, the Company amortized $583 of this amount which is reflected as cost of sales.

The Company also recorded $14,780 of trade name intangible assets with an estimated useful life of 10 years, $44,550 of customer relationship intangible assets with an estimate useful life of 12 years, and $8,800 of non-compete agreements with an estimated useful life of 5 years. The purchase price allocated to these assets was based on management’s forecasted cash inflows and outflows and using a relief from royalty method for tradenames, excess earnings method for customer relationships, and the income approach for non-compete agreements. Amortization expense related to these intangible assets is reflected in amortization of intangible expenses on the Consolidated Statements of Comprehensive Income.

The Company estimated and recorded the present value of the contingent consideration payable to be $6,075 as of the acquisition date. The Company remeasures this liability through the conclusion of the earnout period, September 30, 2019, with the change in value resulting in a gain or loss reflected in other income on the Consolidated Statements of Comprehensive Income. As of December 31, 2018, contingent consideration payable was revalued to $6,054. The change of $21 was recorded as a gain within the Company’s Consolidated Statement of Comprehensive Income.
DMP accounted for $4,841 and ($351) of the Company’s net sales and net income, respectively, for the period ended December 31, 2018. The Company incurred $474 of acquisition costs during 2018 which are recorded in Other selling, general and administrative expenses on the Consolidated Statement of Comprehensive Income.

The purchase price of DMP exceeded the preliminary estimated fair value of identifiable net assets and accordingly, the difference was allocated to goodwill. The goodwill related to the DMP acquisition is not tax deductible.

The Company believes that the information gathered to date provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, however, the purchase price allocations are preliminary. The Company is in the process of finalizing the net working capital true-up in conjunction with the fair value estimates for assets acquired, liabilities assumed, identifiable intangible assets, and the income tax position.

The Company has recorded preliminary estimates for certain of the items noted above and will record adjustments, if any, to the preliminary amounts upon finalization of the respective valuation. Such changes are not expected to be significant. The Company expects to complete the purchase price allocation as soon as practicable but no later than one year from the applicable acquisition date.

**Pro Forma Financial Information (Unaudited):** In accordance with ASC 805, the following unaudited pro forma combined results of operations have been prepared and presented to give effect to the DMP acquisition had it occurred on January 1, 2017, the beginning of the comparable period, applying certain assumptions and proforma adjustments. These proforma adjustments primarily relate to the depreciation expense on stepped-up fixed assets, amortization of identifiable intangible assets, costs of goods sold expense on the sale of stepped inventory, interest expense related to additional debt needed to fund the acquisition, and the tax impact of these adjustments. The unaudited pro forma consolidate results are provided for illustrative purposes only and are not indicative of the Company’s actual consolidated results of operations or consolidated financial position.

The unaudited pro forma results of operations do not reflect any operating efficiencies or potential cost savings which may result from the acquisition.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2018</th>
<th>Year Ended December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$523,721</td>
<td>$452,670</td>
</tr>
<tr>
<td>Net income</td>
<td>18,065</td>
<td>1,314</td>
</tr>
</tbody>
</table>

**Note 3—Goodwill and Intangible Assets**

The following table sets forth the changes in the carrying amount of goodwill for the years ended December 31, 2018 and 2017. The carrying value of goodwill was increased by $29,235 in 2018 related to the acquisition of DMP.

<table>
<thead>
<tr>
<th></th>
<th>Balance as of January 1, 2017</th>
<th>$40,202</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additions</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2017</td>
<td>Acquisition</td>
<td>40,202</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29,235</td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td></td>
<td>$69,437</td>
</tr>
</tbody>
</table>
The following is a listing of the intangible assets, the useful lives in years (amortization period) and accumulated amortization as of December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th>Amortizable intangible assets:</th>
<th>Useful Lives in Years</th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gross</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Customer relationships and contracts</td>
<td>9-12</td>
<td>$78,340</td>
<td>$22,709</td>
</tr>
<tr>
<td>Trade name</td>
<td>10</td>
<td>14,780</td>
<td>73</td>
</tr>
<tr>
<td>Non-complete agreements</td>
<td>5</td>
<td>8,800</td>
<td>87</td>
</tr>
<tr>
<td>Patents</td>
<td>19</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>101,944</td>
<td>22,876</td>
</tr>
<tr>
<td>Non-amortizable brand name</td>
<td>3,811</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$105,755</td>
<td>$22,876</td>
</tr>
</tbody>
</table>

Non-amortizable brand name is tested at least annually for impairment. Amortization expense for the intangible assets totaled $4,096 and $3,756 for the years ended December 31, 2018 and 2017, respectively. Based on management’s evaluation, there was no impairment loss recognized for the years ended December 31, 2018 and 2017.

The Company expenses when incurred all costs necessary to maintain, renew or extend the term of intangible assets in selling, general and administrative expenses.

Estimated future amortization of the intangible assets is as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Year ending December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$10,706</td>
</tr>
<tr>
<td>2020</td>
<td>10,706</td>
</tr>
<tr>
<td>2021</td>
<td>10,705</td>
</tr>
<tr>
<td>2022</td>
<td>6,952</td>
</tr>
<tr>
<td>2023</td>
<td>6,865</td>
</tr>
<tr>
<td>Thereafter</td>
<td>33,134</td>
</tr>
<tr>
<td></td>
<td>$79,068</td>
</tr>
</tbody>
</table>
Inventories as of December 31, 2018 and 2017 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods and purchased parts</td>
<td>$32,589</td>
<td>$26,744</td>
</tr>
<tr>
<td>Raw materials</td>
<td>12,329</td>
<td>3,276</td>
</tr>
<tr>
<td>Work-in-process</td>
<td>8,487</td>
<td>5,365</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$53,405</strong></td>
<td><strong>$35,385</strong></td>
</tr>
</tbody>
</table>

Property, plant and equipment as of December 31, 2018 and 2017 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Indefinite</td>
<td>$1,264</td>
</tr>
<tr>
<td>Land improvements</td>
<td>15-39</td>
<td>3,169</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>15-39</td>
<td>55,269</td>
</tr>
<tr>
<td>Machinery, equipment and tooling</td>
<td>3-7</td>
<td>182,045</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5</td>
<td>3,613</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>3-7</td>
<td>14,253</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>N/A</td>
<td>6,786</td>
</tr>
<tr>
<td></td>
<td><strong>Total property, plan and equipment, gross</strong></td>
<td><strong>266,399</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Less accumulated depreciation</strong></td>
<td><strong>142,516</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total property, plan and equipment, net</strong></td>
<td><strong>$123,883</strong></td>
</tr>
</tbody>
</table>

* Leasehold improvements are depreciated over the shorter of useful life or the lease term

Bank revolving credit notes

During 2017, the Company had a credit agreement with four participating banks. The agreement was amended and modified during 2017 and 2018 to adjust maximum borrowings under the agreement. In May of 2018, the Company entered into a new revolving credit facility for a total borrowing up to $60,000. In conjunction with this new facility, the Company capitalized $410 of loan issuance costs. The Company performed an analysis of its unamortized debt acquisition costs, and upon completion of this analysis, the Company recorded a non-cash charge of $487 on the extinguishment of the old credit facility. In December 2018, the agreement was further amended to increase the total maximum borrowing to $90,000. Fees of $629 were incurred and capitalized in respect to this amendment.

Interest is payable monthly at the adjusted London Interbank Offer Rate (LIBOR) plus an applicable margin based on the current funded indebtedness to adjusted EBITDA ratio. The interest rate at December 31, 2018 and 2017 was 4.69% and 5.88%, respectively. Additionally, the agreement has a fee on the average daily unused portion of the aggregate unused revolving commitments. The fee was .2% and .15% as of December 31, 2018 and 2017, respectively. The amended agreement expires on December 14, 2023. The agreement is secured by all of the general business assets of the Company. The Company was in compliance with all financial covenants of the credit agreement as of December 31, 2018 and 2017. The amount borrowed on the revolving credit notes as of December 31, 2018 and 2017 was $59,629 and $30,338, respectively.
Note 7—Other long-term debt

As of December 31, 2017, the Company had $43,134 of fixed term borrowings and $2,204 of long-term government loans (the Neillsville loan matures on January 1, 2020 and the Smyth county loan matures on January 31, 2019). In May of 2018, the Company entered into a new borrowing agreement of $43,100 and extinguished the existing fixed term borrowings of $41,322 along with recording a non-cash charge to write off the related remaining issuance costs of $70. In conjunction with this new borrowing agreement, the Company capitalized $295 of loan issuance costs. In December of 2018, the Company entered into a new credit facility and extinguished the May 2018 fixed rate borrowings and recorded a non-cash charge to write off $257 of loan issue costs. The December 2018 facility includes the 2018 financing package with borrowings of $95,000 and a maturity date of December 14, 2023, and the strategic capital loan with borrowings of $25,000 and a maturity date of June 14, 2024. The Company capitalized $839 of loan fees with the December 2018 facility.

The government loan balances include forgiveness clauses based upon capital spending and headcount increases at the noted manufacturing locations. During the year ended December 31, 2018, forgiveness of debt in the amount of $729 was authorized by the lending government entities. Due to the nature of the requirements to obtain the forgiveness, the forgiveness was recorded within cost of sales during 2018.

Other long-term debt as of December 31, 2018 and 2017 consisted of the following:

<table>
<thead>
<tr>
<th>Note to Financial Statements</th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term A loans</td>
<td>N/A</td>
<td>3.63%</td>
</tr>
<tr>
<td>Real estate term loans</td>
<td>N/A</td>
<td>3.63%</td>
</tr>
<tr>
<td>Equipment draw loans</td>
<td>N/A</td>
<td>3.63%</td>
</tr>
<tr>
<td>Term A loan—2018 financing package</td>
<td>4.69%</td>
<td>N/A</td>
</tr>
<tr>
<td>Real estate term loan—2018 financing package</td>
<td>4.69%</td>
<td>N/A</td>
</tr>
<tr>
<td>Strategic capital loan</td>
<td>11.78%</td>
<td>N/A</td>
</tr>
<tr>
<td>Tri-County Regional Economic Development Corporation (Wautoma)</td>
<td>N/A</td>
<td>1.00%</td>
</tr>
<tr>
<td>Wisconsin Economic Development Corporation (Neillsville)</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Smyth County, Virginia</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total principal outstanding</td>
<td>121,106</td>
<td>45,338</td>
</tr>
<tr>
<td>Less unamortized debt issuance costs</td>
<td>825</td>
<td>80</td>
</tr>
<tr>
<td>Less current maturities</td>
<td>8,606</td>
<td>8,027</td>
</tr>
<tr>
<td>Long-term debt, less current maturities, net</td>
<td>$111,675</td>
<td>$37,231</td>
</tr>
</tbody>
</table>

Scheduled principal payments of debt subsequent to December 31, 2018 are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$ 8,606</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>8,606</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>8,200</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>8,200</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td>8,200</td>
</tr>
<tr>
<td>Thereafter</td>
<td></td>
<td>87,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$121,106</td>
</tr>
</tbody>
</table>
Financing arrangements require the Company to maintain certain covenants and financial ratios. The credit agreements contain various financial covenants, including a fixed charge coverage ratio and funded indebtedness to EBITDA ratio. The Company was in compliance with the financial covenants contained in the credit agreements as of December 31, 2018.

Interest expense on the revolving credit notes, bank lines of credit and the term notes amounted to $3,681 and $3,931 for the years ended December 31, 2018 and 2017, respectively. Interest expense relating to the amortization of debt issuance costs amounted to $198 and $249 for the years ended December 31, 2018 and 2017, respectively.

Note 8—Capital lease obligation

Capital leases consist of equipment with a capitalized cost of $2,051 and accumulated depreciation of $98 at December 31, 2018. Depreciation of $98 was recognized on the capital lease assets during the year ended December 31, 2018. No capital leases existed in 2017. Future minimum lease payments required under the lease is as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>2019</td>
<td>354</td>
</tr>
<tr>
<td>2020</td>
<td>335</td>
</tr>
<tr>
<td>2021</td>
<td>335</td>
</tr>
<tr>
<td>2022</td>
<td>335</td>
</tr>
<tr>
<td>2023</td>
<td>335</td>
</tr>
<tr>
<td>Thereafter</td>
<td>531</td>
</tr>
<tr>
<td></td>
<td>2,225</td>
</tr>
</tbody>
</table>

Less payment amount allocated to interest 247

Present value of capital lease obligation $1,978

Current portion of capital lease obligation 281

Long-term portion of capital lease obligation 1,697

$1,978

Note 9—Employee stock ownership plan

Under the ESOP, the Company makes annual contributions to the Trust for the benefit of eligible employees in the form of cash or treasury shares of the Company. The annual contribution is discretionary except that it must be at least 3% of the compensation for all safe harbor participants for the plan year. For each of the years ended December 31, 2018 and 2017, the Company’s ESOP expense amounted to $4,000, respectively. At various times following death, disability, retirement or termination of employment, an ESOP participant is entitled to receive their ESOP account balance in accordance with various distribution methods as permitted under the polices adopted by the ESOP. Historically, all distributions have been paid to participants in cash.

At various times following death, disability, retirement or termination of employment, an ESOP participant is entitled to receive their ESOP account balance in accordance with various distribution methods as permitted under the polices adopted by the ESOP. Historically, all distributions have been paid to participants in cash.
During the years ended December 31, 2018 and 2017, the ESOP used the Company’s cash contributions to acquire shares allocated to withdrawing participants and the number of shares acquired is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shares acquired from</td>
<td>1,017.088</td>
<td>1,211.951</td>
</tr>
<tr>
<td>withdrawing participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less treasury stock acquired by the</td>
<td>(673.268)</td>
<td>(830.636)</td>
</tr>
<tr>
<td>Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares acquired within the</td>
<td>343.820</td>
<td>381.316</td>
</tr>
<tr>
<td>ESOP through distributions and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>diversifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated fair value per share</td>
<td>$11,634</td>
<td>$10,490</td>
</tr>
<tr>
<td>Cash contribution for share purchase</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These shares purchased within the ESOP were redistributed each year to the current participants based on the allocation of the Company’s overall contribution.

As of December 31, 2018 and 2017, the ESOP shares consisted of 10,075 and 10,748 in allocated shares, respectively. The Company is obligated to repurchase shares in the Trust that are not distributed to ESOP participants as determined by the ESOP trustees, and thus the shares are mandatorily redeemable. Based on the mandatory redemption of these shares, they represent temporary equity on the consolidated balance sheets. The total estimated fair value of all allocated shares subject to this repurchase obligation approximated $133,806 and $125,042 as of December 31, 2018 and 2017, respectively. The estimated fair value is based on the most recent available appraisals of the common stock which was $13,281 and $11,634 per share as of December 31, 2018 and 2017, respectively.

**Note 10—Retirement plans**

The Company established the Mayville Engineering Company, Inc. 401(k) Plan (Plan) covering substantially all employees meeting certain eligibility requirements. The Plan is a defined contribution plan and is intended for eligible employees to defer tax-free contributions to save for retirement. Employees may contribute up to 50% of their eligible compensation to the Plan, subject to the limits of Section 401(k) of the Internal Revenue Code.

The Plan also provides for employer discretionary profit sharing contributions and the Board of Directors authorized discretionary profit sharing contributions of $696 and $671 for the years ended December 31, 2018 and 2017 that are funded in the subsequent years.

**Note 11—Concentration of major customers**

The following customers accounted for 10% or greater of the Company’s recorded net sales and net trade receivables:

<table>
<thead>
<tr>
<th>Customers</th>
<th>Revenue</th>
<th></th>
<th>Accounts Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year Ended</td>
<td>Year Ended</td>
<td>As of December 31,</td>
</tr>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>22.6%</td>
<td>20.2%</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>B</td>
<td>19.3%</td>
<td>19.8%</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>C</td>
<td>17.4%</td>
<td>14.7%</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>D</td>
<td>&lt;10%</td>
<td>&lt;10%</td>
<td>12.6%</td>
</tr>
</tbody>
</table>
Note 12—Operating leases

The Company leases certain facilities and equipment under various operating leases expiring at various dates through 2028. The following is a schedule by year of approximate future minimum payments required under those leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2018:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Total minimum lease payments required</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$3,275</td>
</tr>
<tr>
<td>2020</td>
<td>2,759</td>
</tr>
<tr>
<td>2021</td>
<td>2,102</td>
</tr>
<tr>
<td>2022</td>
<td>1,211</td>
</tr>
<tr>
<td>2023</td>
<td>1,193</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2,683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,223</strong></td>
</tr>
</tbody>
</table>

The Company also leases equipment under month-to-month operating leases. Total rent expense for all operating leases amounted to $2,052 and $1,856 for the years ended December 31, 2018 and 2017, respectively, and is included in Cost of sales on the Consolidated Statements of Comprehensive Income.

Note 13—Income taxes

DMP, which the Company acquired on December 14, 2018, is treated as a “C” corporation for income tax purposes. The components of the income tax provision (benefit) are as follows for the year ended December 31, 2018:

<table>
<thead>
<tr>
<th>Current</th>
<th>Deferred</th>
<th>Total income tax provision (benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(459)</td>
<td>$(459)</td>
</tr>
</tbody>
</table>

The sources of deferred tax assets and liabilities and the tax effect of each as of December 31, 2018 are as follows:

<table>
<thead>
<tr>
<th>Deferred tax assets (liabilities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for doubtful accounts</td>
</tr>
<tr>
<td>Reserve for obsolete and slow moving inventory</td>
</tr>
<tr>
<td>Inventory purchase accounting step up</td>
</tr>
<tr>
<td>Depreciable assets</td>
</tr>
<tr>
<td>Amortizable assets</td>
</tr>
<tr>
<td>Prepaid and other current assets</td>
</tr>
<tr>
<td>Accrued liabilities</td>
</tr>
<tr>
<td>Net operating losses</td>
</tr>
<tr>
<td>Interest expense limitation</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Net deferred tax asset (liability)</strong></td>
</tr>
</tbody>
</table>
Note 14 — Contingencies

From time to time, the Company may be involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. Although the results of litigation and claims cannot be predicted with certainty, in management’s opinion, either the likelihood of loss is remote or any reasonably possible loss associated with the resolution of such proceedings is not expected to have a material adverse impact on the consolidated financial statements.

Note 15 — Deferred compensation plan

The Mayville Engineering Deferred Compensation Plan is available for certain employees designated to be eligible to participate by the Company and approved by the Board of Directors. Eligible employees may elect to defer a portion of his or her compensation for any plan year and the deferral cannot exceed 50% of the participant’s base salary and may include the participant’s annual short-term cash incentive up to 100%. The participant’s election must be made prior to the first day of the plan year.

An Employer contribution will be made for each participant to reflect the amount of any reduced allocations to the ESOP and / or 401(k) employer contributions due solely to the participant’s deferral amounts, as applicable. In addition, a discretionary amount may be awarded to a participant by the Company.

All deferrals are deemed to have been invested in the Company stock at a price equal to the share value on the date of deferral and the value of the account will increase or decrease with the change in the value of the stock. Individual accounts are maintained for each participant. Each participant’s account is credited with the participant’s deferred compensation, the Company’s contributions, and investment income or loss, reduced for charges, if any. The deferred compensation plan provides benefits payable upon separation of service or death. Payments are to be made 30 days after date of separation from service, either in a lump-sum payment or up to five annual installments as elected by the participant when the participant first elects to defer compensation.

The deferred compensation plan is non-funded and all future contributions are unsecured in that the employees have the status of a general unsecured creditor of the Company and the agreements constitute a promise by the Company to make benefit payments in the future. During the years ended December 31, 2018 and 2017, eligible employees elected to defer compensation of $856 and $292, respectively. As of December 31, 2018 and 2017, the total amount accrued for all benefit years under this plan was $13,351 and $11,428, respectively, which is included within the deferred compensation and long-term incentive on the consolidated balance sheets. These amounts include the initial deferral of compensation as adjusted for subsequent changes in the share value of the Company stock. Total expense for the deferred compensation plan for years ended December 31, 2018 and 2017 amounted to $1,647 and $1,133 and is included in profit sharing, bonuses and deferred compensation on the consolidated statements of comprehensive income.

Note 16 — Long-term incentive plan

The Company’s Long-Term Incentive Plan is available for any employee who has been designated by the Compensation Committee of the Board of Directors. Annually, the plan provides for long-term cash incentive awards to eligible participants based on the Company’s performance over a three-year performance period.

The long-term incentive plan is non-funded and each participant in the plan is considered a general unsecured creditor of the Company and each agreement constitutes a promise by the Company to make benefit payments if the future conditions are met, or if the discretion is exercised in favor of a benefit payment.
The qualifying conditions for each award granted prior to December 31, 2015 under the plan include a minimum increase in the aggregate fair value of the Company of 24% during the three-year performance period and the eligible participants must be employed by the Company on the date of the cash payment or have retired after attaining age 65, died or become disabled during the period from the beginning of the performance period to the date of payment. As of January 1, 2016, all new awards granted under the plan include a minimum increase in the aggregate fair value of the Company of 12% during the three-year performance period. If the qualifying conditions are not attained, discretionary payments may be made, up to a maximum amount specified in each award agreement. Discretionary payments are determined by the Compensation Committee of the Board of Directors (for payment to the Chief Executive Officer of the Company) and by the CEO (for payments to other participants in the plan).

If a participant is not employed throughout the performance period due to retirement, death or disability, their maximum benefit will be prorated based on the number of days employed by the Company during the performance periods.

Based on the requirements of this plan, no awards were paid during the years ended December 31, 2018 and 2017. As of December 31, 2018 and 2017, the total amount accrued for all grant years under this plan was $1,846 and $134, respectively which is included within deferred compensation and long-term incentive on the consolidated balance sheets. Total expense for the long-term incentive plan for years ended December 31, 2018 and 2017 amounted to $1,712 and $134, respectively and is included in profit sharing, bonuses and deferred compensation on the consolidated statements of comprehensive income.

**Note 17 — Self-Funded Insurance**

The Company is self-funded for the medical benefits provided to its employees and their dependents. Healthcare costs are expensed as incurred and are based upon actual claims paid, reinsurance premiums, administration fees, and estimated unpaid claims. The Company purchases reinsurance to limit the annual risk associated with their multiple medical plans. Under one plan, the Company purchases reinsurance to limit the annual risk per participant to $225 with no aggregate stop loss. Under another plan, the Company purchases reinsurance to limit the annual risk per participant to $200 and to limit the annual aggregate risk related to this contract which was approximately $17,726 and $16,176 for the years ended December 31, 2018 and 2017. An estimated accrued liability of approximately $1,729 and $1,652 was recorded as of December 31, 2018 and 2017, respectively, for estimated unpaid claims and is included within other current liabilities on the consolidated balance sheets.

**Note 18 — Segments and entity wide information**

The Company applies the provisions of ASC Topic 280, Segment Reporting. ASC 280, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products, major customers and the geographies in which the entity holds material assets and reports revenue. An operating segment is defined as a component that engages in business activities whose operating results are reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. Based on the provisions of ASC 280, the Company has determined that it has one operating segment.
The Company does not earn revenues or have long-lived assets located in foreign countries. In accordance with the enterprise-wide disclosure requirements of ASC 280, the Company’s net sales from external customers by main product lines are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoor sports</td>
<td>$ 6,862</td>
<td>$ 7,896</td>
</tr>
<tr>
<td>Fabrication</td>
<td>147,100</td>
<td>129,387</td>
</tr>
<tr>
<td>Performance structures</td>
<td>84,232</td>
<td>87,742</td>
</tr>
<tr>
<td>Tube</td>
<td>80,715</td>
<td>65,440</td>
</tr>
<tr>
<td>Tanks</td>
<td>39,641</td>
<td>27,359</td>
</tr>
<tr>
<td><strong>Total, gross</strong></td>
<td>358,550</td>
<td>317,824</td>
</tr>
<tr>
<td>Intercompany sale eliminations</td>
<td>(4,024)</td>
<td>(4,493)</td>
</tr>
<tr>
<td><strong>Total, net sales</strong></td>
<td>$354,526</td>
<td>$313,331</td>
</tr>
</tbody>
</table>

Note 19 — Valuation and qualifying accounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance at beginning of period</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance at end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended December 31, 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>$308</td>
<td>$541</td>
<td>$48</td>
<td>$801</td>
</tr>
<tr>
<td>Year ended December 31, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>$308</td>
<td>$ —</td>
<td>$ —</td>
<td>$308</td>
</tr>
</tbody>
</table>

Note 20 — Subsequent events

The Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through March 22, 2019, the date on which the consolidated financial statements were available to be issued.
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DEFIANCE METAL PRODUCTS CO., INC. AND SUBSIDIARIES
TABLE OF CONTENTS TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended September 30, 2018 and 2017

Report of Independent Audit Firm

Consolidated Financial Statements
- Consolidated Balance Sheets
- Consolidated Statements of Operations
- Consolidated Statements of Stockholder's Equity
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements

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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Defiance Metal Products Co., Inc. and Subsidiaries
Defiance, Ohio

We have audited the accompanying consolidated financial statements of Defiance Metal Products Co., Inc. and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, stockholder’s equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Defiance Metal Products Co., Inc. and Subsidiaries as of September 30, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly Voichaw Krause, LLP

Pittsburgh, Pennsylvania
November 21, 2018

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## DEFIANCE METAL PRODUCTS CO., INC. AND SUBSIDIARIES
### CONSOLIDATED BALANCE SHEETS
As of September 30, 2018 and 2017

See accompanying notes to consolidated financial statements.
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$159,513,820</td>
<td>$131,099,353</td>
</tr>
<tr>
<td>Tooling</td>
<td>3,793,235</td>
<td>2,788,292</td>
</tr>
<tr>
<td><strong>Total Net Sales</strong></td>
<td>163,307,055</td>
<td>133,887,645</td>
</tr>
<tr>
<td><strong>COST OF SALES</strong></td>
<td>143,858,523</td>
<td>116,103,599</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>19,448,532</td>
<td>17,784,046</td>
</tr>
<tr>
<td><strong>GENERAL AND ADMINISTRATIVE EXPENSES (SEE NOTE 9)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(196,235)</td>
<td>5,410,459</td>
</tr>
<tr>
<td><strong>NON-OPERATING EXPENSE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(2,972,116)</td>
<td>(3,659,653)</td>
</tr>
<tr>
<td>Other expense</td>
<td>(152,172)</td>
<td>(41,788)</td>
</tr>
<tr>
<td><strong>Total Non-operating Expense</strong></td>
<td>(3,124,288)</td>
<td>(3,701,441)</td>
</tr>
<tr>
<td>Income (Loss) Before Income Tax Expense (Benefit)</td>
<td>(3,320,523)</td>
<td>1,709,018</td>
</tr>
<tr>
<td><strong>INCOME TAX EXPENSE (BENEFIT)</strong></td>
<td>(2,719,590)</td>
<td>286,146</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td>(600,933)</td>
<td>1,422,872</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### DEFIANCE METAL PRODUCTS CO., INC. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF STOCKHOLDER’S EQUITY
### For the Years Ended September 30, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Retained Deficit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCES, September 30, 2016</strong></td>
<td>$21,476,242</td>
<td>$(10,440,071)</td>
<td>$11,036,171</td>
</tr>
<tr>
<td>Net income</td>
<td>0</td>
<td>1,422,872</td>
<td>1,422,872</td>
</tr>
<tr>
<td><strong>BALANCES, September 30, 2017</strong></td>
<td>21,476,242</td>
<td>(9,017,199)</td>
<td>12,459,043</td>
</tr>
<tr>
<td>Net loss</td>
<td>0</td>
<td>(600,933)</td>
<td>(600,933)</td>
</tr>
<tr>
<td><strong>BALANCES, September 30, 2018</strong></td>
<td>$21,476,242</td>
<td>$(9,618,132)</td>
<td>$11,858,110</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
## DEFIANCE METAL PRODUCTS CO., INC. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF CASH FLOWS
#### For the Years Ended September 30, 2018 and 2017

See accompanying notes to consolidated financial statements.

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss) income</td>
<td>$(600,933)</td>
<td>$1,422,872</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile net (loss) income to net cash flows provided by</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,738,592</td>
<td>4,758,031</td>
</tr>
<tr>
<td>Loss (gain) on disposal of property and equipment</td>
<td>75,015</td>
<td>(725)</td>
</tr>
<tr>
<td>Provision for doubtful accounts, net of recoveries</td>
<td>370,000</td>
<td>39,454</td>
</tr>
<tr>
<td>Provision for LIFO reserve, net of recoveries</td>
<td>(562,257)</td>
<td>(255,260)</td>
</tr>
<tr>
<td>Amortization of deferred financing costs</td>
<td>303,526</td>
<td>479,310</td>
</tr>
<tr>
<td>Paid-in-kind interest</td>
<td>—</td>
<td>410,250</td>
</tr>
<tr>
<td>Deferred tax benefit</td>
<td>(3,798,581)</td>
<td>(1,029,768)</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities which provided (used) cash:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(9,507,044)</td>
<td>(5,669,492)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(2,904,227)</td>
<td>(1,193,489)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(19,347)</td>
<td>623,582</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>7,927,668</td>
<td>3,552,995</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>7,314,526</td>
<td>1,991,680</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>3,336,938</td>
<td>5,129,440</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>(3,910,475)</td>
<td>(1,236,761)</td>
</tr>
<tr>
<td>Proceeds from disposition of property and equipment</td>
<td>99,230</td>
<td>35,241</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td>(3,811,245)</td>
<td>(1,201,520)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in bank overdraft</td>
<td>422,939</td>
<td>1,873,263</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>—</td>
<td>7,711,773</td>
</tr>
<tr>
<td>Payments on long-term debt</td>
<td>(3,896,231)</td>
<td>(12,494,236)</td>
</tr>
<tr>
<td>Payment of deferred financing costs</td>
<td>—</td>
<td>(221,533)</td>
</tr>
<tr>
<td>Proceeds from line of credit</td>
<td>167,190,224</td>
<td>133,110,083</td>
</tr>
<tr>
<td>Payments on line of credit</td>
<td>(163,351,933)</td>
<td>(134,026,471)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used in) Financing Activities</strong></td>
<td>364,999</td>
<td>(4,047,121)</td>
</tr>
<tr>
<td><strong>Net Change in Cash and Cash Equivalents</strong></td>
<td>(109,308)</td>
<td>(119,201)</td>
</tr>
</tbody>
</table>

### CASH AND CASH EQUIVALENTS—Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH AND CASH EQUIVALENTS—Beginning of Year</td>
<td>1,408,103</td>
<td>1,527,304</td>
</tr>
</tbody>
</table>

### CASH AND CASH EQUIVALENTS—END OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH AND CASH EQUIVALENTS—END OF YEAR</td>
<td>$1,298,795</td>
<td>$1,408,103</td>
</tr>
</tbody>
</table>

### Supplemental cash flow disclosures

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$2,953,656</td>
<td>$4,029,316</td>
</tr>
<tr>
<td>Cash paid for income taxes</td>
<td>685,075</td>
<td>1,403,000</td>
</tr>
</tbody>
</table>
Nature of Operations

Defiance Metal Products Co., Inc. and Subsidiaries (the “Company”) manufactures stamped and fabricated metal products in various markets including the trucking industry in the United States.

Effective September 21, 2006, DMP Acquisition LLC purchased all of the outstanding shares of Defiance Metal Products Co. and certain assets from Kinsbury Kourt LTD. and Zachrich Family Acquisition Partnership. DMP Acquisition LLC then contributed the assets acquired to Defiance Metal Products Co., Inc.

Liquidity

The Company had a working capital deficit of approximately $34.8 million at September 30, 2018. Working capital is defined as current assets less current liabilities. Management believes the Company will be able to refinance its current obligations on a long-term basis necessary to fund the Company’s operations and debt service requirements through November 2019.

Principles of Consolidation

The consolidated financial statements include the accounts of Defiance Metal Products Co., Inc. and both of its wholly owned subsidiaries: Defiance Metal Products of Arkansas, Inc. and Defiance Metal Products of Pennsylvania, Inc. All material intercompany accounts and transactions have been eliminated in consolidation.

Trade Accounts Receivable

Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts on accounts receivable balances was $155,208 and $198,440 as of September 30, 2018 and 2017, respectively.

Inventory

Substantially all inventory is valued at the lower of cost or net realizable value, using the last in, first out (“LIFO”) method. If the first in, first out (“FIFO”) method of inventory valuation had been used, such inventory would have been higher by approximately $1,508,000 and $946,000 at September 30, 2018 and 2017, respectively. The Company periodically evaluates inventory for obsolescence, excess quantities, slow moving goods, and other impairments of value and establishes allowances for any identified impairments. Inventory is shown net of a reserve for excess and obsolescence of $346,160 and $220,169 at September 30, 2018 and 2017, respectively. Charges for freight costs are included in cost of sales.

Property and Equipment

Property and equipment are recorded at cost. Both straight line and accelerated methods are used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Intangible Assets and Other Long-Lived Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using accelerated and cash flow methods over the estimated useful lives of the assets. The Company reviews amortizable intangible
assets and other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Indicators the Company considers include adverse changes in the business climate that could affect the value of long-lived assets, downward revisions in revenue outlook, decreases or slower than expected growth in sales of products, and relative weakness in customer channels.

A long-lived asset or asset group that is held for use is required to be grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. All assets or asset groups that do not have separately identifiable cash flows are combined into one asset group.

The Company evaluates the recoverability of the asset group using an undiscounted cash flow approach. Estimates of future cash flows incorporate the Company’s forecasts and expectations of future use of long-lived assets, and these factors are impacted by market conditions. The Company determines the remaining useful life of an asset group based on the remaining useful life of the primary asset of the group, where the primary asset is defined as the asset with the greatest cash flow generating ability.

If the undiscounted cash flows, including residual value, exceed the carrying value of the asset group, the Company concludes no impairment of long-lived assets exists. If the carrying value of the asset group exceeds the undiscounted cash flows, including residual value, then the Company measures the impairment charge for the excess of the carrying value over the fair value of the asset group using the income approach as described below for goodwill.

**Goodwill**

The recorded amounts of goodwill from prior business combinations are based on management’s best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment. Refer to Note 4.

**Fair Value of Financial Instruments**

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, an interest rate swap, and long-term debt. The carrying amount of all significant financial instruments approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates with the exception of the $10,912,000 subordinated debt whose fair value is approximately $14,785,000 calculated assuming a 6.00 percent interest rate. The fair value of the interest rate swap generally reflects the estimated amount the Company would receive or pay to terminate the contract at the reporting date. Cash and cash equivalents, accounts receivable and accounts payable are classified as Level 1 fair value inputs as further described in Note 7. Long-term debt is classified as a Level 2 fair value input. Refer to Note 7 for further discussion regarding the fair value of the interest rate swap.

**Deposits Held in Financial Institutions**

From time to time, the Company may have deposits on hand in financial institutions that exceed the insurance provided by the guarantee agency.

**Revenue Recognition**

Revenue is recognized by the Company upon shipment to customers when the customer takes ownership and assumes the risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement
exists, and the sale price is fixed and determinable. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company’s final test procedures and the customer’s acceptance.

*Credit Risk, Major Customers, and Suppliers*

Sales are predominately to companies in the commercial vehicle industry. The Company extends trade credit to its customers on terms that are generally practiced in the industry. Four major customers accounted for approximately 76 percent of accounts receivable and three major customers accounted for approximately 67 percent of accounts receivable as of September 30, 2018 and 2017, respectively. Three major customers accounted for approximately 72 and 73 percent of sales for the years ended September 30, 2018 and 2017, respectively.

*Income Taxes*

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

*Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Recently Issued Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09 (“ASU 2014-09”), Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. ASU 2014-09 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Company’s year ending September 30, 2020. ASU 2014-09 permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Company has not yet determined which application method it will use or the potential effects of the new standard on its consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory (“ASU 2015-11”). ASU 2015-11 requires that an entity measure inventory at the lower of cost and net realizable value. This ASU does not apply to inventory measured using last-in, first-out. ASU 2015-11 was effective for annual reporting periods beginning after December 15, 2016 and was therefore implemented by management during the Company’s year ended September 30, 2018. The new standard did not have a significant impact on its consolidated financial position, results of operations, or cash flows.
In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"), which requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The ASU simplifies the current guidance in Accounting Standards Codification Topic 740, Income Taxes, which requires entities to separately present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet. ASU 2015-17 is effective for fiscal years beginning after December 15, 2017, and was early adopted by the Company during the year ended September 30, 2018. The Company has elected to retrospectively apply the adoption of this guidance, which has resulted in a reclassification within the consolidated balance sheet of deferred tax amounts at September 30, 2017. This reclassification has resulted in a decrease to deferred tax assets and an increase to deferred tax liability of approximately $842,000 as compared to amounts previously reported.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements upon the adoption of this guidance.

Recently Issued Accounting Pronouncements (cont.)

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350). Under this guidance, an entity is required to eliminate step 2 from the goodwill impairment test. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. This guidance is effective for annual reporting periods beginning after December 15, 2021, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact of ASU 2017-04 on its consolidated financial statements upon the adoption of this guidance.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including November 21, 2018, which is the date the consolidated financial statements were available to be issued.

NOTE 2—Inventory

Inventory consists of the following at September 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>$4,145,416</td>
<td>$2,862,241</td>
</tr>
<tr>
<td>Work in process</td>
<td>4,230,612</td>
<td>2,663,006</td>
</tr>
<tr>
<td>Finished goods</td>
<td>4,406,319</td>
<td>3,228,359</td>
</tr>
<tr>
<td>Subtotal</td>
<td>12,782,347</td>
<td>8,753,606</td>
</tr>
<tr>
<td>LIFO reserve</td>
<td>(1,508,323)</td>
<td>(946,066)</td>
</tr>
<tr>
<td>Net Inventory</td>
<td>$11,274,024</td>
<td>$7,807,540</td>
</tr>
</tbody>
</table>

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Property and equipment are summarized as follows at September 30:

<table>
<thead>
<tr>
<th>Depreciable Lives</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,018,468</td>
<td>$1,018,468</td>
</tr>
<tr>
<td>Land improvements</td>
<td>25,330</td>
<td>25,330</td>
</tr>
<tr>
<td>Buildings</td>
<td>4-40</td>
<td>9,463,086</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3-12</td>
<td>36,070,045</td>
</tr>
<tr>
<td>Production tools and dies</td>
<td>3-5</td>
<td>664,390</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>5</td>
<td>178,130</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>4-12</td>
<td>139,297</td>
</tr>
<tr>
<td>Computer equipment and software</td>
<td>3-10</td>
<td>4,794,955</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5-20</td>
<td>309,666</td>
</tr>
<tr>
<td>Construction in progress</td>
<td></td>
<td>1,285,984</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td><strong>53,949,351</strong></td>
<td><strong>50,452,735</strong></td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>38,639,660</td>
<td>35,882,483</td>
</tr>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td><strong>$15,309,691</strong></td>
<td><strong>$14,570,252</strong></td>
</tr>
</tbody>
</table>

Depreciation expense was $2,996,791 and $3,016,230 for the years ended September 30, 2018 and 2017, respectively.

Amortizable intangible assets relate to an acquisition in 2010 and the acquisition of the Company in 2006. Intangible assets of the Company are summarized as follows for the years ended September 30:

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortized intangible assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top three customer relationships</td>
<td>$27,245,864</td>
<td>$11,002,579</td>
</tr>
<tr>
<td>2010 acquisition customer relationships</td>
<td>8,940,000</td>
<td>7,761,205</td>
</tr>
<tr>
<td>Remaining customer relationships</td>
<td>3,560,780</td>
<td>3,560,780</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$39,746,644</strong></td>
<td><strong>$22,324,564</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortized intangible assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top three customer relationships</td>
<td>$27,245,864</td>
<td>$10,159,961</td>
</tr>
<tr>
<td>2010 acquisition customer relationships</td>
<td>8,940,000</td>
<td>6,862,022</td>
</tr>
<tr>
<td>Remaining customer relationships</td>
<td>3,560,780</td>
<td>3,560,780</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$39,746,644</strong></td>
<td><strong>$20,582,763</strong></td>
</tr>
</tbody>
</table>

Amortization expense for intangible assets totaled $1,741,801 for the years ended September 30, 2018 and 2017. The estimated useful lives for the intangibles are 35 years, 10 years, and 7 years for the top three, 2010 acquisition, and remaining customer relationships, respectively.
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Estimated amortization expense for the years ending September 30 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,763,290</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1,052,312</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>805,249</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>793,170</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>781,273</td>
<td></td>
</tr>
<tr>
<td>2024 and thereafter</td>
<td>12,226,786</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$17,422,080</td>
<td></td>
</tr>
</tbody>
</table>

Goodwill is tested for impairment by the Company annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test shall consist of a comparison of the fair value of goodwill with the carrying amount of the reporting unit to which it is assigned. If the carrying amount of goodwill exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. The Company has determined it has one reporting unit and determined the fair value of its one reporting unit through a combination of the market and income approach. No impairment loss was computed based on the annual goodwill impairment test performed as of September 30, 2018 and 2017.

NOTE 5—Accrued Liabilities

The following is a detail of other accrued liabilities at September 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$337,161</td>
<td>$318,701</td>
</tr>
<tr>
<td>Utilities</td>
<td>275,506</td>
<td>213,727</td>
</tr>
<tr>
<td>Management incentive program</td>
<td>246,237</td>
<td>414,447</td>
</tr>
<tr>
<td>Income taxes</td>
<td>209,034</td>
<td>56,212</td>
</tr>
<tr>
<td>Other</td>
<td>166,019</td>
<td>343,711</td>
</tr>
<tr>
<td><strong>Total Other Accrued Liabilities</strong></td>
<td><strong>$1,233,957</strong></td>
<td><strong>$1,346,798</strong></td>
</tr>
</tbody>
</table>

NOTE 6—Line of Credit

In May 2016, the Company refinanced its debt and entered into a three year revolving credit facility in the maximum principal amount of $30,000,000 expiring in March 2019. Borrowings are limited to formulas based on eligible accounts receivable and FIFO inventories. Interest is payable monthly at 3.5 to 4.25 percent above LIBOR or 1.5 to 2.5 percent above prime (subject to adjustment based on the senior credit leverage performance). The effective rate at September 30, 2018 and 2017 was 5.77 and 6.75, respectively. The line of credit is collateralized by substantially all assets of the Company. Under the agreement with the bank, the Company is subject to certain financial loan covenants, including a minimum fixed charge ratio, which is also discussed in Note 7. At September 30, 2018 the Company was in compliance with the financial loan covenants.
Long-term debt at September 30 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan with various financial institutions, due March 31, 2019</td>
<td>$14,466,667</td>
<td>$16,525,001</td>
</tr>
<tr>
<td>with monthly payments of $158,333, plus interest at 4.25 percent above LIBOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(subject to adjustment based on</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the senior credit leverage performance, effective rate of 6.13 percent and 5.49 percent at September 30, 2018 and 2017, respectively), collateralized by substantially all assets of the Company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subordinated term loan with a financial institution due June 30, 2019. Monthly interest only payments at 10 percent above LIBOR plus 0.25 percent or 2 percent above prime (effective rate of 12.63 percent and 11.74 percent at September 30, 2018 and 2017, respectively), collateralized by substantially all assets of the Company. On June 30, 2017, a prepayment of $10,000,000 was made by the Company against the outstanding principal balance of the subordinated term loan. No prepayment penalties were incurred in connection with this prepayment; however, unamortized deferred financing costs associated with the prepaid subordinated term loan balance in the amount of approximately $148,000 were written-off as a result of the prepayment in 2017. The write-off of these deferred financing costs are included within 'General and Administrative' expenses within the Company's consolidated statements of operations.</td>
<td>7,991,595</td>
<td>9,658,066</td>
</tr>
<tr>
<td>Subordinated term loan with a related party payable 42 months (November 2019) following the date of issuance and carrying an interest rate of 13 percent (or a paid-in-kind interest rate of 16.5 percent in the event the deferred portion of interest on the subordinated term loan above remains unpaid or if the Company is not in compliance with any financial covenant related to the line of credit or term loans described above).</td>
<td>2,646,156</td>
<td>2,514,054</td>
</tr>
<tr>
<td>Total</td>
<td>25,104,418</td>
<td>28,697,121</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(22,458,262)</td>
<td>(1,900,000)</td>
</tr>
<tr>
<td>Long-term Debt—Net of Current Portion</td>
<td>$2,646,156</td>
<td>$26,797,121</td>
</tr>
</tbody>
</table>

Certain long-term debt above have corresponding deferred financing costs that are presented as a direct deduction from the carrying amount of the debt. These costs are amortized over the term of the debt. Amortization expense related to deferred financing costs, including the aforementioned write-off of certain deferred financing costs during 2017, was $303,526 and $479,310 for the years ended September 30, 2018 and 2017, respectively. The remaining balance of these costs at September 30, 2018 of $274,354 will be charged to expense through 2019.

The balance of the above debt matures as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$22,628,772</td>
</tr>
<tr>
<td>2020</td>
<td>2,750,000</td>
</tr>
<tr>
<td>Total</td>
<td>25,378,772</td>
</tr>
<tr>
<td>Less: Unamortized deferred financing costs</td>
<td>274,354</td>
</tr>
<tr>
<td>Total</td>
<td>$25,104,418</td>
</tr>
</tbody>
</table>
Under the agreements with the financial institutions, the Company is subject to various financial loan covenants, including a minimum fixed charge ratio. At September 30, 2018 the Company was in compliance with the financial loan covenants.

The Company held one interest rate swap agreement maturing in 2019. The agreement effectively fixes the Company’s borrowing rate at approximately 5 percent. The Company entered into the agreement in order to convert the variable rate of the term loans to a fixed rate. The Company has not designated the interest rate swap agreement as a hedging instrument under the accounting standard for derivatives and hedging. The notional value of the swap at September 30, 2018 and 2017 was $9,000,000. The fair value of the interest rate swap on September 30, 2018 and 2017 was approximately $69,000 (asset) and $65,000 (liability), respectively. This interest rate swap is recognized in the accompanying consolidated balance sheets at fair value. Changes in the fair value of the interest rate swap are recognized in other expense and were not significant in 2018 and 2017.

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management’s own estimate using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances whereby inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Company measures the interest rate swap at fair value on a recurring basis. The fair value of the interest rate swap is based primarily on Level 2 inputs as described above.

NOTE 8—Common Stock

Common stock consists of 5,000 authorized shares of no par value common stock. As of September 30, 2018 and 2017, there were 3,199 shares issued and outstanding.

NOTE 9—Ownership Incentive Plan

The Company has an ownership incentive plan (the “Plan”) which provides incentive compensation to certain key employees of the Company. Under the terms of the Plan, the Company may issue up to 420,000 Class B units of ownership in the Company’s parent, DMP Acquisition LLC. As of September 30, 2018 and 2017, 408,000 Class B units were outstanding under the Plan. The Class B units generally become vested 20 percent upon grant and 20 percent per year thereafter over a period of 4 years; however, upon a change of control event as defined by the
Plan, the Class B units become fully vested. During 2018 and 2017, 4,250 and 10,000 Class B units, respectively, became vested for a total of 385,000 vested Class B units as of September 30, 2018. Unvested Class B units become forfeited upon termination of employment. The Class B units are generally not transferable and may require cash settlement. As such, the Class B units are reported as a liability in the accompanying consolidated balance sheets.

At September 30, 2018 and 2017, the fair value of these outstanding units was approximately $9,041,000 and $1,203,000, respectively, principally based upon an estimated enterprise valuation of the Company as of September 30, 2018 and 2017 utilizing a combination of a market and income approach. Techniques used to value the liability included inputs that are observable and are based on estimates and assumptions utilizing the best information available under the circumstance; including consideration of multiple valuation methodologies, most notably the present value of discounted cash flows using an assumed growth rate and cost of capital based upon, among other things, market multiples and management’s projections of future growth.

Compensation expense was approximately $7,838,000 ($5,937,000 net of tax) and $1,079,000 ($665,000 net of tax) for the years ended September 30, 2018 and 2017, respectively, based upon the stated vesting period. The fair value of the units will be adjusted annually and recognized ratably as compensation expense through January 2020. Future compensation expense associated with unvested units is approximately $403,000 as of September 30, 2018.

The Company is obligated under operating leases primarily for buildings, vehicles, and equipment, expiring at various dates through 2020. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $2,132,907 and $2,568,92 for the years ended September 30, 2018 and 2017, respectively.

Future minimum annual commitments under these operating leases are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,849,321</td>
</tr>
<tr>
<td>2020</td>
<td>1,050,199</td>
</tr>
<tr>
<td>2021</td>
<td>278,722</td>
</tr>
<tr>
<td>Total</td>
<td>$3,178,242</td>
</tr>
</tbody>
</table>

NOTE 11—Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The Company matches 50 percent of employee contributions up to 5 percent of compensation. The Company may contribute additional amounts to the plan. Contributions to the plan totaled $722,537 and $359,590 for the years ended September 30, 2018 and 2017, respectively.

NOTE 12—Self-insurance

The Company has a self-insured medical plan covering all of its eligible employees. The Company’s individual excess risk benefit level per employee for the year ended September 30, 2018 was $225,000. Losses in excess of these limitations are covered by reinsurance. Amounts expensed by the Company under the plan were $5,387,075 and $5,115,165 for the years ended September 30, 2018 and 2017, respectively. The Company has recorded an accrual of $312,268 and $237,336 at September 30, 2018 and 2017, respectively, for estimated claims incurred but not reported.
NOTE 13—Income Taxes

The components of the income tax provision included in the consolidated statements of operations for the years ended September 30 are all attributable to continuing operations and are detailed as follows:

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income tax expense (benefit)</td>
<td>$1,078,991</td>
</tr>
<tr>
<td>Deferred income tax benefit</td>
<td>(3,798,581)</td>
</tr>
<tr>
<td>Total Income Tax Expense (Benefit)</td>
<td>$(2,719,590)</td>
</tr>
</tbody>
</table>

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes for the years ended September 30 are as follows:

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax expense (benefit), computed at applicable tax rate</td>
<td>$(809,054)</td>
</tr>
<tr>
<td>Impact of state income taxes</td>
<td>233,790</td>
</tr>
<tr>
<td>Effect of permanent differences</td>
<td>(86,958)</td>
</tr>
<tr>
<td>Effect of R&amp;D credit and Sec. 199 deduction</td>
<td>(73,045)</td>
</tr>
<tr>
<td>Increase in valuation allowance</td>
<td>(504,728)</td>
</tr>
<tr>
<td>Effect of change in tax rate due to Tax Cuts and Jobs Act</td>
<td>(1,392,838)</td>
</tr>
<tr>
<td>Adjustments of prior year rate differential estimates and other</td>
<td>(86,757)</td>
</tr>
<tr>
<td>Total Income Tax Expense (Benefit)</td>
<td>$(2,719,590)</td>
</tr>
</tbody>
</table>

The details of the net deferred tax liability at September 30 are as follows:

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total deferred tax liabilities</td>
<td>$(4,978,444)</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>4,082,730</td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(1,130,212)</td>
</tr>
<tr>
<td>Net Deferred Tax Liability</td>
<td>$(2,025,926)</td>
</tr>
</tbody>
</table>

Deferred tax liabilities result principally from accelerated methods of depreciation and amortization. Deferred tax assets result from recognition of expenses for financial reporting purposes that are not deductible for tax purposes until paid, capital loss carryforwards of approximately $3,529,000 available to reduce future capital gains expiring in 2019, and certain state net operating losses of approximately $5,986,000 which will continue to expire in 2019. Due to uncertainty as to the realization of the capital loss carryforwards and certain state net operating loss carryforwards, a valuation allowance has been recorded against the related deferred tax asset. During 2018, the valuation allowance was decreased by approximately $505,000 due to certain state net operating loss carryforwards which expired during 2018, as well as the change in tax rate resulting from the Tax Cuts and Jobs Act enacted during 2018. As of September 30, 2018 and 2017, the Company had no unrecognized tax benefits.

The Tax Cuts and Jobs Act impacts the federal tax rates used in calculating deferred taxes. The corporate tax rate is reduced from 35 percent to a flat 21 percent for tax years beginning after December 31, 2017. Accordingly, the temporary differences recorded as deferred tax assets and liabilities as of December 31, 2017 were calculated using the reduced corporate rate of 21 percent.
There were no penalties or interest recognized or accrued at year end. The Company files income tax returns in the U.S. federal and various state jurisdictions.

The representative of the majority of the stockholders of DMP Acquisition LLC provides management support services. The fees associated with the management support services for the years ended September 30, 2018 and 2017 were approximately $350,000 and $248,000, respectively.

NOTE 15—Commitments and Contingencies

The Company is subject to various litigation, claims, and proceedings which have been or may be instituted or asserted from time to time in the ordinary course of business. Management does not believe that the outcome of any pending or threatened matters will have a material adverse effect, individually or in the aggregate, on the financial position, results of operations or cash flows of the Company.
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MAYVILLE ENGINEERING COMPANY, INC.
TABLE OF CONTENTS TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
As of and for the Year Ended December 31, 2018

Unaudited Pro Forma Combined Financial Information
   Unaudited Pro Forma Condensed Combined Statement of Comprehensive Income F-49
   Notes to Unaudited Pro Forma Combined Financial Information F-49

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following pro forma financial statements, and related information, has been prepared and is being disclosed in accordance with Article 11 of regulation S-X. The specifics of this Regulation require that we utilize DMP’s audited financial statements as of, and for the year ended, September 30, 2018 when preparing pro forma financials. As a result, these pro forma financial statements will differ than those prepared and disclosed in accordance with ASC 805 within note 2 in the notes to the consolidated financial statements as of, and for the years ended December 31, 2018 and 2017.

Unaudited Pro Forma Financial Information

On December 14, 2018, the Company acquired DMP, a full-service metal fabricator and contract manufacturer with facilities in Defiance, OH, Heber Springs, AR and Bedford, PA.

The unaudited pro forma condensed combined statement of comprehensive income information set forth below gives effect to the DMP acquisition as if it had occurred as of January 1, 2018, and has been prepared to reflect adjustments to the Company’s historical financial information that are (1) directly attributable to the DMP acquisition, (2) factually supportable and (3) expected to have a continuing impact on the Company’s results. The unaudited pro forma condensed combined statement of comprehensive income information includes various estimates which are subject to material change and may not be indicative of what may be expected to occur in the future. The unaudited pro forma condensed combined statement of comprehensive income information does not include non-recurring items, including, but not limited to, acquisition-related legal and advisory fees.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. Such information is not necessarily indicative of the operating results or financial position that actually would have been achieved if the acquisition had been consummated on the dates indicated or that the combined company may achieve in future periods. Further, the unaudited pro forma condensed combined financial information does not reflect any operating efficiencies or cost savings that the Company may achieve.

Acquisitions are accounted for using the acquisition method of accounting under the provisions of Accounting Standards Codification Topic 805 (ASC 805) “Business Combinations”. In accordance with ASC 805, we use our best estimates and assumptions to accurately assign fair value to the tangible assets acquired, identifiable intangible assets and liabilities assumed, and the related income tax impacts as of the acquisition date. The estimate of the excess purchase price over the fair value of net tangible assets acquired was allocated to identifiable intangible assets and goodwill.

The fair values assigned to DMP’s tangible and identifiable intangible assets acquired and liabilities assumed are based on the Company’s estimates and assumptions. The estimated fair values of these assets acquired, and liabilities assumed are considered preliminary and are based on the information that was available as of the date of the acquisition.

The unaudited pro forma condensed combined financial information is based upon, and should be read in conjunction with:

- The accompanying notes to the unaudited combined pro forma financial statements;
- The Company’s audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2018, included elsewhere in this prospectus; and
- DMP’s audited financial statements and accompanying notes as of and for the year ended September 30, 2018, included elsewhere in this prospectus;
Table of Contents

Accounting Periods Presented

The unaudited pro forma condensed combined statement of comprehensive income for the year ended December 31, 2018 combine financial information of MEC and DMP as if the acquisition had been completed on January 1, 2018, the beginning of the period presented.

DMP’s pre-acquisition historical fiscal year ended on September 30 and, for purposes of the unaudited pro forma condensed combined financial information, its historical results have been aligned to conform to the Company’s December 31 fiscal year end. As a result, the unaudited pro forma condensed combined statement of comprehensive income for the year ended December 31, 2018, combines the Company’s historical results for the year ended December 31, 2018 excluding DMP’s results for the period December 14 through 31, 2018 (DMP Partial Period), and DMP’s historical results for the year ended September 30, 2018. Pro Forma Combined gross profits and income from operations increase by $2.3 million and $2.2 million, respectively, if DMP’s results for the twelve-month period ended December 31, 2018 are used in the pro forma combined financial information. The primary reasons for the increase is attributed to volume increases and a change to customer contracting that passes on the change in steel prices to the customer. Using DMP’s results for the twelve-month period ended December 31, 2018 has virtually no impact on Pro Forma Combined other selling, general and administrative expenses.

The Company’s consolidated balance sheet as of December 31, 2018 includes DMP, which was acquired on December 14, 2018.
Note A—Description of Transaction

On December 14, 2018 the Company acquired DMP, a full-service metal fabricator and contract manufacturer with facilities in Defiance, OH, Heber Springs, AR and Bedford, PA. The Company acquired DMP for $114,700, net of cash received. The Company will also pay DMP’s previous shareholders an additional $7,500 if DMP generates $19,748 of EBITDA over the twelve-month period ending September 30, 2019. In addition, the Company will pay one dollar for each additional dollar of EBITDA in excess of $19,748 generated over this period; however, in no event shall the total payment exceed $10,000.
Note B—Estimated Acquisition Consideration and Related Allocation

The aggregate purchase price of $114,700, net of cash, was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The estimate of the excess purchase price over the fair value of net tangible assets acquired was allocated to identifiable intangible assets and goodwill. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed:

In connection with the DMP acquisition, the Company recorded an inventory fair value adjustment of $978 and estimated and recorded the present value of the contingent consideration payable to be $6,075. The Company also recorded $68,130 of identifiable intangible assets.

The preliminary estimated fair values and useful lives of these are as follows:

Please reference Note 2 of the Company’s Consolidated Financial Statements as of, and for the period ended December 31, 2018 for specifics on this transaction.
Note C—Reclassification Adjustments

To reflect reclassification adjustments made to align DMP’s historical financial statement presentation to that of MEC’s:

(a) To reclassify $1,742 from Other selling, general and administrative expenses to Amortization of intangibles on DMP’s historical financials.
(b) To reclassify $8,121 from Other selling, general and administrative expenses to Profit sharing, bonuses and deferred compensation on DMP’s historical financials.
(c) To reclassify $9,863 from Other selling, general and administrative expenses to the line items described in notes (a) and (b) above.

Note D—DMP Partial Period Adjustments

MEC’s historical Consolidated Statement of Comprehensive Income includes DMP activity from the acquisition date of December 14 through December 31, 2018. This activity is reversed because the Company is including a full year of DMP’s historical results for the period ended September 30, 2018.

Note E—Unaudited Pro Forma Financial Statement Adjustments

To reflect pro forma financial statement presentation adjustments:

(d) To record $978 to Cost of sales for the amortization of the fair value inventory step-up.
(e) To record $5,705 to Amortization of intangibles for the differential between a full year of amortization related to identifiable intangible assets of $7,447 specific to the DMP acquisition and $1,742, the amount recorded in DMP’s historical financials.
(f) To adjust Interest expense by $1,492. This adjustment was based on the assumption that annual interest expense of $8,900 which was determined based on projected interest expense during the first twelve months of ownership.

Please note that a pro forma adjustment to income tax expense for MEC is not included because MEC is an S Corporation, under the provisions of the Internal Revenue Code and certain state statutes. Under these provisions, substantially all taxes are passed to the stockholders and the Company does not pay federal and state corporate income taxes on its taxable income and is not allowed a deduction for losses. If MEC had been a tax paying entity, assuming a blended net state and federal income tax rate of 26%, the pro forma adjustment would have been approximately $4,500, to present income tax expense for MEC.
Common Stock

6,250,000 Shares

Mayville Engineering Company, Inc.

PROSPECTUS

Baird
UBS Investment Bank

Citigroup

Jefferies
William Blair

Through and including , 2019 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

, 2019
PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions in connection with this offering. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee.

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>$18,294</td>
</tr>
<tr>
<td>FINRA filing fee</td>
<td>23,141</td>
</tr>
<tr>
<td>Stock exchange listing fee</td>
<td>150,000</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>750,000</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>900,000</td>
</tr>
<tr>
<td>Printing expenses</td>
<td>200,000</td>
</tr>
<tr>
<td>Transfer agent and registrar fees and expenses</td>
<td>12,000</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>646,565</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,700,000</strong></td>
</tr>
</tbody>
</table>

* To be filed by amendment.


Pursuant to the Wisconsin Business Corporation Law and our bylaws, our directors and officers are entitled to mandatory indemnification from us against certain liabilities (which may include liabilities under the Securities Act of 1933) and expenses (i) to the extent such officers or directors are successful in the defense of a proceeding and (ii) in proceedings in which the officer or director is not successful in defense thereof, unless (in the latter case only) it is determined that the director or officer breached or failed to perform his or her duties to us and such breach or failure constituted: (a) a willful failure to deal fairly with us or our shareholders in connection with a matter in which the director or officer had a material conflict of interest, (b) a violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful, (c) a transaction from which the director or officer derived an improper personal profit or (d) willful misconduct. It should also be noted that the Wisconsin Business Corporation Law specifically states that it is the policy of Wisconsin to require or permit indemnification in connection with a proceeding involving securities regulation to the extent required or permitted as described above. Additionally, under the Wisconsin Business Corporation Law, our directors are not subject to personal liability to us, our shareholders or any person asserting rights on behalf of us or our shareholders for certain breaches or failures to perform any duty resulting solely from their status as directors or officers except in circumstances paralleling those in subparagraphs (a) through (d) outlined above.

Expenses for the defense of any action for which indemnification may be available are required to be advanced by us under certain circumstances.

The indemnification provided by the Wisconsin Business Corporation Law and our bylaws is not exclusive of any other rights to which a director or officer may be entitled. The general effect of the foregoing provisions may be to reduce the circumstances under which an officer or director may be required to bear the economic burden of the foregoing liabilities and expenses.
The underwriting agreement for this offering will provide that the underwriters indemnify us against certain civil liabilities that may be incurred in connection with this offering, including certain liabilities under the Securities Act of 1933.

We also maintain director and officer liability insurance against certain claims and liabilities which may be made against our former, current or future directors or officers.

**Item 15. Recent Sales of Unregistered Securities.**

Within the past three years, we have not granted or issued any securities that were not registered under the Securities Act of 1933, as amended.

**Item 16. Exhibits and Financial Statement Schedules.**

(A) Exhibits. See the Exhibit Index immediately preceding the signature page hereto, which is incorporated by reference as if fully set forth herein.

(B) Financial Statement Schedules.

All schedules are omitted because the required information is (i) not applicable, (ii) not present in amounts sufficient to require submission of the schedule and/or (iii) included in the financial statements and accompanying notes thereto included in the prospectus filed as part of this Registration Statement.

**Item 17. Undertakings.**

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act may be permitted to directors and officers of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director or officer of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director or officer in connection with the securities being registered hereunder, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424 (b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
## EXHIBIT INDEX

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Form of Underwriting Agreement.</td>
</tr>
<tr>
<td>2+*</td>
<td>Stock Purchase Agreement, dated December 14, 2018, by and between DMP Acquisition LLC and Mayville Engineering Company, Inc.</td>
</tr>
<tr>
<td>3.1</td>
<td>Amended and Restated Articles of Incorporation of Mayville Engineering Company, Inc., to be in effect upon the completion of this offering.</td>
</tr>
<tr>
<td>3.2*</td>
<td>Bylaws of Mayville Engineering Company, Inc., to be in effect upon the completion of this offering.</td>
</tr>
<tr>
<td>5**</td>
<td>Opinion of Foley &amp; Lardner LLP as to the legality of the securities being registered.</td>
</tr>
<tr>
<td>10.2†*</td>
<td>Mayville Engineering Company, Inc. Long-Term Incentive Plan.</td>
</tr>
<tr>
<td>10.4*</td>
<td>Credit Agreement, dated as of December 14, 2018, by and among Mayville Engineering Company, Inc., the lenders from time to time party thereto, Wells Fargo Bank, National Association, as Administrative Agent for the Lenders, and Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Bookrunner.</td>
</tr>
<tr>
<td>10.5*</td>
<td>Senior Subordinated Credit Agreement, dated as of December 14, 2018, by and among Mayville Engineering Company, Inc., the lenders from time to time party thereto, and Wells Fargo Strategic Capital Inc., as Administrative Agent for the Lenders.</td>
</tr>
<tr>
<td>10.6†*</td>
<td>Form of Severance Agreement between Mayville Engineering Company, Inc. and each of Robert D. Kamphuis and Todd M. Butz.</td>
</tr>
<tr>
<td>10.7†*</td>
<td>Memorandum of Agreement between Mayville Engineering Company, Inc. and Robert D. Kamphuis.</td>
</tr>
<tr>
<td>10.8†</td>
<td>Form of Stock Option Award Agreement under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan.</td>
</tr>
<tr>
<td>10.9†</td>
<td>Form of Restricted Stock Unit Award Agreement (Non-Employee Director) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan.</td>
</tr>
<tr>
<td>10.10†</td>
<td>Form of Restricted Stock Unit Award Agreement (Employee) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan.</td>
</tr>
<tr>
<td>10.11†</td>
<td>Form of Restricted Stock Award Agreement (Non-Employee Director) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan.</td>
</tr>
<tr>
<td>10.12†</td>
<td>Form of Restricted Stock Award Agreement (Employee) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan.</td>
</tr>
<tr>
<td>16*</td>
<td>Letter of CliftonLarsonAllen LLP.</td>
</tr>
<tr>
<td>21*</td>
<td>List of Subsidiaries of Mayville Engineering Company, Inc.</td>
</tr>
<tr>
<td>23.1</td>
<td>Consent of Deloitte &amp; Touche LLP.</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Baker Tilly Virchow Krause, LLP.</td>
</tr>
<tr>
<td>Exhibit Number</td>
<td>Description</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>23.3**</td>
<td>Consent of Foley &amp; Lardner LLP (included in Exhibit 5).</td>
</tr>
<tr>
<td>24*</td>
<td>Power of Attorney (included on signature page).</td>
</tr>
</tbody>
</table>

* Previously filed.

** To be filed by amendment.

+ The disclosure schedules and similar attachments to this agreement are not being filed herewith. We agree to furnish supplementally a copy of any such schedules or attachments to the Securities and Exchange Commission upon request.

† Management contract, compensatory plan or arrangement.
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Mayville, Wisconsin, on April 29, 2019.

MAYVILLE ENGINEERING COMPANY, INC.

By: /s/ Robert D. Kamphuis
Robert D. Kamphuis
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Robert D. Kamphuis</td>
<td>Chairman, President, Chief Executive Officer (Principal Executive Officer) and Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Robert D. Kamphuis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Todd M. Butz</td>
<td>Chief Financial Officer (Principal Financial and Accounting Officer)</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Todd M. Butz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Allen J. Carlson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Timothy L. Christen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Steven L. Fisher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Craig E. Johnson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Patrick D. Michels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>April 29, 2019</td>
</tr>
<tr>
<td>Jay O. Rothman</td>
<td></td>
<td></td>
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<td>Director</td>
<td>April 29, 2019</td>
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<td>John A. St. Peter</td>
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| *By: /s/ Robert D. Kamphuis| Robert D. Kamphuis
Attorney-in-Fact               |            |

Section 2: EX-1 (EX-1)
Ladies and Gentlemen:

Mayville Engineering Company, Inc., a Wisconsin corporation (the “Company”), proposes to issue and sell to the several underwriters named in Schedule I hereto (the “Underwriters”), for whom Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC, as representatives (the “Representatives”), subject to the terms and conditions set forth herein, an aggregate of [•] shares (the “Firm Shares”) of the Company’s common stock, no par value per share (the “Common Stock”).

The Company also proposes to issue and sell to the Underwriters, subject to the terms and conditions set forth herein, up to an aggregate of [•] additional shares of Common Stock (the “Additional Shares”), if and to the extent that the Representatives shall have determined to exercise, on behalf of the Underwriters, the right to purchase such Additional Shares granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are collectively referred to herein as the “Shares.”

Robert W. Baird & Co. Incorporated (the “Directed Share Underwriter”) agrees that up to [•] shares of the Firm Shares to be purchased by it (the “Directed Shares”) shall be reserved for sale to certain eligible directors, officers and employees of the Company and to other parties related to the Company (collectively, the “Participants”) as set forth in the Prospectus (as defined below) under the caption “Underwriting” (the “Directed Share Program”), subject to the terms and conditions set forth herein, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and all other applicable laws, rules and regulations. To the extent that Directed Shares are not orally confirmed for purchase by the Participants by the end of the first business day after the date hereof, such Directed Shares may be offered to the public by the Directed Share Underwriter as part of the public offering contemplated hereby.
In accordance with the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the “Securities Act”), the Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) a registration statement on Form S-1 (Registration No. 333-230840), including a prospectus, relating to the public offering and sale of the Shares (the “Offering”). The registration statement, as amended at the time it became effective, including the exhibits and documents filed as part thereof and the information contained in the prospectus filed as part thereof pursuant to Rule 424 under the Securities Act or otherwise deemed to be part thereof pursuant to Rule 430A, 430B or 430C under the Securities Act (the “Rule 430 Information”), is referred to herein as the “Registration Statement.” If the Company files an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (a “Rule 462 Registration Statement”), then any reference herein to the Registration Statement shall be deemed to include such Rule 462 Registration Statement. The Company has also filed with, or transmitted for filing to, or shall promptly after the date hereof file with or transmit for filing to, the Commission pursuant to Rule 424(b) under the Securities Act a final prospectus (in the form first used to confirm sales of the Shares or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) that meets the requirements of Section 10(a) of the Securities Act (the “Prospectus”). The term “Preliminary Prospectus,” at any specified time, means any preliminary prospectus included in the Registration Statement (and any amendments thereto) prior to its effectiveness, filed with the Commission pursuant to Rule 424(a) under the Securities Act, and the prospectus included in the Registration Statement at the time of its effectiveness that omits the Rule 430 Information. The term Preliminary Prospectus without reference to a specified time means the Preliminary Prospectus included in the Registration Statement or deemed a part thereof pursuant to Rule 430A under the Securities Act immediately prior to the Time of Sale (as defined below). The Prospectus shall be deemed to include the “electronic Prospectus” provided for use in connection with the Shares as contemplated by Section 5(b) hereof.

For purposes of this Underwriting Agreement (this “Agreement”): “free writing prospectus” has the meaning set forth in Rule 405 under the Securities Act; “issuer free writing prospectus” has the meaning set forth in Rule 433 under the Securities Act; “Permitted Free Writing Prospectus” means each free writing prospectus, if any, identified in Schedule II hereto; “Time of Sale Prospectus” means the Preliminary Prospectus, together with each Permitted Free Writing Prospectus, if any, and the other information conveyed to purchasers of the Shares at or prior to the Time of Sale, if any, as identified in Schedule II hereto; “Time of Sale” means [ ] a.m. / p.m., Central Time, on the date hereof; “road show” has the meaning set forth in Rule 433(h)(4) under the Securities Act; “bona fide electronic road show” has the meaning set forth in Rule 433(h)(5) under the Securities Act; “Testing-the-Waters Communication” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act; and “Permitted Testing-the-Waters Communication” means any written Testing-the-Waters Communication specifically authorized and approved by the Company to be made by the Representatives.

1. Representations and Warranties of the Company. The Company represents and warrants to and agrees with each of the Underwriters on the date hereof, at the Time of Sale, at the Closing Date (as defined in Section 3 hereof) and at each Option Closing Date (as defined in Section 2 hereof), if any, that:
(a) The Registration Statement has become effective under the Securities Act. No stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Preliminary Prospectus or the Prospectus is in effect, and no proceedings for such purpose are pending before or, to the Company’s knowledge, threatened by the Commission. The Company has complied with each request (if any) from the Commission for additional information.

(b) The Preliminary Prospectus filed as part of the Registration Statement or pursuant to Rule 424 under the Securities Act, when so filed, complied in all material respects with the Securities Act (including, without limitation, Rules 424, 430A and 430C thereunder, as applicable).

(c) (i) The Registration Statement, or any amendment or supplement thereto, when it became effective, at the time of the execution hereof and at the Closing Date and any Option Closing Date did not contain and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) the Registration Statement complies and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act; (iii) at no time during the period that begins on the date of the Preliminary Prospectus and ends immediately prior to the execution hereof did the Preliminary Prospectus contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Preliminary Prospectus furnished to the Underwriters for delivery to prospective investors complied in all material respects with the Securities Act (including, without limitation, the requirements of Section 10 thereof); (v) the Time of Sale Prospectus does not, and at the Time of Sale, at the Closing Date and at each Option Closing Date, if any, as then amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (vi) no Permitted Free Writing Prospectus conflicts with the information contained in the Registration Statement, the Preliminary Prospectus, the Time of Sale Prospectus or the Prospectus and was accompanied or preceded by the then-most recent Preliminary Prospectus, to the extent required by Rule 433 under the Securities Act; (vii) each road show, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (viii) each Written Testing-the-Waters Communication, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (ix) the Prospectus, at the date it is filed with the Commission pursuant to Rule 424(b) under the Securities Act, at the Closing Date and at each Option Closing Date, if any, will comply in all material respects with the Securities Act (including, without limitation, Section 10(a) thereof) and the rules and regulations thereunder and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties set forth in this Section 1(c) do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus, the Preliminary Prospectus, any Permitted Free Writing Prospectus, any road show, any Written Testing-the-Waters Communication or the Prospectus, or any amendments or supplements (including prospectus wrappers) to any of the foregoing, based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives.
expressly for use therein, it being agreed that the only such information furnished through the Representatives expressly for use therein are the statements contained in the fifth and twelfth through fifteenth paragraphs and the first sentence of the sixteenth paragraph under the caption “Underwriting” in the Time of Sale Prospectus and the Prospectus (collectively, the “Underwriter Information”).

(d) Prior to the execution hereof, the Company has not, directly or indirectly, offered or sold any Shares by means of any “prospectus” (within the meaning of the Securities Act) or used any prospectus in connection with the offer or sale of the Shares, in each case other than the then-most recent Preliminary Prospectus, the Permitted Free Writing Prospectuses and/or any Permitted Testing-the-Waters Communication. The Company has not, directly or indirectly, prepared, made, used, authorized, approved or referred to, and will not prepare, make, use, authorize, approve or refer to, any free writing prospectuses without the prior written consent of the Representatives, other than the Permitted Free Writing Prospectuses, any Permitted Testing-the-Waters Communication and any road shows furnished or presented to the Representatives before first use. Each Permitted Free Writing Prospectus has been prepared, used or referred to in compliance with Rule 433 under the Securities Act. Assuming that each Permitted Free Writing Prospectus is so sent or given after the Registration Statement was filed with the Commission (and after such Permitted Free Writing Prospectus was, if required pursuant to Rule 433(d) under the Securities Act, filed with the Commission), the sending or giving, by any Underwriter, of any Permitted Free Writing Prospectus will satisfy the provisions of Rule 433 under the Securities Act. Each Permitted Free Writing Prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, or that was prepared by or on behalf of or used or referred to by the Company, complies or will comply in all material respects with the requirements of the Securities Act. In the case of any bona fide electronic road show by the Company, the Company has complied with the requirements of Rule 433(d)(8)(ii) under the Securities Act.

(e) At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the Securities Act) of the Shares and at the date hereof, the Company was not and is not an “ineligible issuer,” as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer. From the time of the initial confidential submission of the Registration Statement (or, if earlier, the first date on which the Company engaged in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “Emerging Growth Company”).

(f) The Company has not (i) alone engaged in any Testing-the-Waters Communication or (ii) authorized anyone other than the Representatives to engage in any Testing-the-Waters Communication. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communication. No Written Testing-the-Waters Communication, if any, as of the date hereof, conflicts with the information contained in the Registration Statement, the Preliminary Prospectus and the Prospectus.
(g) The Shares are approved for listing on the New York Stock Exchange (the “Exchange”), subject only to official notice of issuance. To the Company’s knowledge, there are no affiliations or associations between any member of FINRA, on the one hand, and the Company, any of its subsidiaries or any of its or their respective officers, directors or 5% or greater security holders, or any beneficial owner of its or their unregistered equity securities that were acquired at any time on or after the 180th day immediately preceding the date on which the Registration Statement was initially filed with the Commission, on the other hand, except as disclosed in the Registration Statement (excluding the exhibits thereto), the Time of Sale Prospectus and the Prospectus.

(h) The Company has been duly incorporated, is validly existing as a corporation under the laws of the state of Wisconsin, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not (i) have a material adverse effect on the assets, business, condition (financial or otherwise), management, results of operations, earnings or prospects of the Company and its subsidiaries, taken as a whole, or (ii) prevent or materially interfere with the consummation of the transactions contemplated hereby (the occurrence of any such effect, prevention or interference described in the foregoing clauses (i) and (ii), a “Material Adverse Effect”).

(i) Each subsidiary of the Company has been duly organized, is validly existing as an entity in good standing (or its equivalent) under the laws of its jurisdiction of formation, has the power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as disclosed in the Time of Sale Prospectus and the Prospectus, all of the issued equity securities of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, security interests, equities or claims. Other than the subsidiaries of the Company listed in Exhibit 21 to the Registration Statement, the Company, directly or indirectly, owns no capital stock or other equity, ownership or proprietary interest in any corporation, partnership, association, trust or other entity.

(j) This Agreement has been duly authorized, executed and delivered by the Company.

(k) The authorized, issued and outstanding capitalization of the Company is as set forth under the caption “Capitalization” in the Registration Statement, the Time of Sale Prospectus and the Prospectus, subject, in each case, to the issuance of shares of Common Stock upon exercise of stock options, warrants and other securities disclosed as outstanding in the Registration Statement, the Time of Sale Prospectus and the Prospectus, as the case may be, and the grant of options or other securities under existing equity-based compensation plans described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The authorized capital stock of the Company conforms and will conform as to legal matters to the description thereof contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus, and such description conforms in all material respects to the rights set forth in the instruments defining the same. Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) no
shares of Common Stock are reserved for any purpose, (ii) there are no outstanding securities convertible into or exchangeable for shares of Common Stock, (iii) there are no outstanding options, rights (preemptive or otherwise) or warrants to purchase or to subscribe for shares of Common Stock or any other securities of the Company and (iv) the Company has not granted to any person or entity any stock option or other equity-based award of or to purchase shares of Common Stock or any other securities of the Company pursuant to an equity-based compensation plan or otherwise.

(l) The shares of Common Stock outstanding prior to the issuance of the Shares to be sold by the Company in the Offering have been duly authorized, are validly issued, fully paid and non-assessable, have been issued in compliance with applicable securities laws and were not issued in violation of any preemptive or similar rights.

(m) The Shares have been duly authorized and, when issued (in the case of the Shares to be issued and sold by the Company) and delivered against payment therefor in accordance with the terms hereof, will be validly issued, fully paid and non-assessable, and the issuance of the Shares will not be subject to or in violation of any preemptive or similar rights. Upon payment of the purchase price and issuance (in the case of the Shares to be issued and sold by the Company) and delivery of the Shares in accordance herewith, the Underwriters will receive good, valid and marketable title to the Shares, free and clear of all liens, charges, security interests, encumbrances or claims. The certificates, if any, to be used to evidence the Shares will be in substantially the form filed as an exhibit to the Registration Statement and will, at the Closing Date and at each Option Closing Date, if any, be in proper form and comply in all material respects with all applicable legal requirements, the requirements of the Company’s articles of incorporation and bylaws and the requirements of the Exchange.

(n) Neither the execution and delivery by the Company of, nor the performance by the Company of its obligations under, this Agreement will conflict with, contravene, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any assets of the Company or any of its subsidiaries pursuant to, or constitute a default or a Debt Repayment Triggering Event (as defined below) under: (i) any statute, law, rule, regulation, judgment, order or decree of any federal, state, local, municipal, foreign or other administrative, regulatory, governmental or quasigovernmental authority (each, a “Governmental Authority”); (ii) the articles or certificate of incorporation or bylaws (or charter and other organizational documents) of the Company or any of its subsidiaries; or (iii) any contract, agreement, obligation, covenant or instrument to which the Company, any of its subsidiaries or any of its or their respective assets is subject or bound, except, with respect to clauses (i) and (iii) above, as would not reasonably be expected to have a Material Adverse Effect or except as disclosed in the Time of Sale Prospectus and the Prospectus. A “Debt Repayment Triggering Event” means any event or condition that gives, or with the giving of notice, lapse of time or both would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(o) No approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or of or with any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the Exchange), or approval of the Company’s security holders, is required in connection with the issuance or sale of the Shares or the consummation of the transactions contemplated
hereby, other than (i) the registration of the Shares under the Securities Act, which has been effected (or, with respect to any Rule 462 Registration Statement, will be effected in accordance with Rule 462(b) under the Securities Act), (ii) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Underwriters, (iii) such approvals as have been obtained in connection with the listing of the Shares on the Exchange or (iv) the approval by FINRA of the underwriting terms and arrangements.

(p) There are no actions, suits, claims, investigations, inquiries or proceedings (collectively, “Actions”) pending or, to the Company’s knowledge, threatened to which the Company, any of its subsidiaries or any of its or their respective directors or officers is or would be a party or of which any of its or their respective properties is or would be subject at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or before or by any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the Exchange), other than such Actions that are accurately described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or such Actions that, if resolved adversely to the Company or any of its subsidiaries, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There are no Actions that are required to be described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and are not so described. There are no statutes or regulations that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus that are not so described.

(q) The Company and its subsidiaries are not and, immediately after giving effect to the Offering and the application of the proceeds thereof as described under the caption “Use of Proceeds” in the Prospectus, will not be required to register as an “investment company” (as defined in the Investment Company Act of 1940, as amended).

(r) The Company’s securities are not rated by any “nationally recognized statistical rating organization” (as defined in Rule 436(g)(2) under the Securities Act).

(s) Deloitte and Touche LLP, which has certified certain financial statements and supporting schedules of the Company, and Baker Tilly Virchow Krause, LLP, which has certified certain financial statements and supporting schedules of Defiance Metal Products Co., Inc. (“DMP”), each included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, are independent registered public accounting firms as required by the Securities Act and the applicable rules and regulations adopted by the Commission thereunder.

(t) The financial statements, together with the notes thereto, of the Company and its consolidated subsidiaries, and of DMP and its consolidated subsidiaries, included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, present fairly the financial position of the Company and DMP, respectively, and each of their consolidated subsidiaries at the dates indicated and the results of operations, cash flows and changes in stockholders’ equity of the Company and DMP, respectively, and each of their consolidated subsidiaries for the periods specified and have been prepared in compliance with the applicable requirements of the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the “Exchange Act”), and in conformity with U.S. generally accepted accounting principles (“GAAP”) applied on a consistent basis during the periods involved. All pro forma financial statements or data included in the Registration Statement, the Time of Sale
Prospectus and the Prospectus comply with the requirements of the Securities Act and the Exchange Act, the assumptions used in the preparation of such pro forma financial statements and data are reasonable, the pro forma adjustments used therein are appropriate to give effect to the transactions or circumstances described therein and the pro forma adjustments have been properly applied to the historical amounts in the compilation of such pro forma financial statements and data. The other financial and statistical data contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus are accurately and fairly presented and prepared on a basis consistent with the financial statements and books and records of the Company and DMP, respectively, and each of their subsidiaries to which such data relate. There are no financial statements (historical or pro forma) that are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus that are not included as required. The Company and its subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations or “variable interest entities”), that are not described in the Time of Sale Prospectus and the Prospectus. All disclosures contained in the Time of Sale Prospectus and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission) comply with Regulation G under the Exchange Act and Item 10 of Regulation S-K under the Securities Act, to the extent applicable.

(u) All statistical or market-related data included in the Registration Statement, the Time of Sale Prospectus and the Prospectus are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources to the extent required. Each “forward-looking statement” (within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus has been made with a reasonable basis and in good faith.

(v) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus: (i)(A) neither the Company nor any of its subsidiaries is in violation of, or has any liability under, any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, other requirement or rule of law (including common law), or decision or order of any domestic or foreign governmental agency, governmental body or court, relating to pollution, to the use, handling, transportation, treatment, storage, discharge, disposal or release of Hazardous Substances (as defined below), to the protection or restoration of the environment or natural resources, to health and safety, including as such relates to exposure to Hazardous Substances, and to natural resource damages (collectively, “Environmental Laws”) that would, individually or in the aggregate, have a Material Adverse Effect, (B) to the Company’s knowledge, neither the Company nor any of its subsidiaries own, occupy, operate or use any real property contaminated with Hazardous Substances in amounts or concentrations which constitute a violation of applicable Environmental Laws, (C) neither the Company nor any of its subsidiaries is conducting or funding any investigation, remediation, remedial action or monitoring pursuant to Environmental Laws of actual or suspected Hazardous Substances in the environment, (D) to the Company’s knowledge, neither the Company nor any of its subsidiaries is liable or allegedly liable pursuant to Environmental Laws for any release or threatened release of Hazardous Substances in violation of applicable Environmental Laws, including at any off-site treatment, storage or disposal site, (E) neither the Company nor any of its subsidiaries is subject to any pending, or to the Company’s knowledge threatened, claim by any governmental agency or governmental body or person arising under Environmental Laws or relating to Hazardous Substances and (F) the Company and its subsidiaries have received and are in compliance with all, and have no liability under any, permits, licenses, authorizations, identification
numbers or other approvals required under applicable Environmental Laws to conduct their business, except in each case of (A) through (F) above, as would not or could not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect; (ii) to the knowledge of the Company and its subsidiaries, there are no facts or circumstances that would reasonably be expected to result in a violation of, liability under, or claim pursuant to any Environmental Law that would result in a Material Adverse Effect; and (iii) in the ordinary course of its business, the Company and its subsidiaries periodically evaluate the effect, including associated costs and liabilities, of Environmental Laws on the business, properties, results of operations and financial condition of the Company, and, on the basis of such evaluation, the Company and its subsidiaries have reasonably concluded that such Environmental Laws will not, individually or in the aggregate, result in a Material Adverse Effect. The term “Hazardous Substances” means (i) petroleum and petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and mold and (ii) any other chemical, material or substance defined or regulated as toxic or hazardous or as a pollutant, contaminant or waste under Environmental Laws.

(w) Except as disclosed in the Time of Sale Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company or any of its subsidiaries, on the one hand, and any person, on the other hand, granting such person the right to require the Company to (i) file a registration statement under the Securities Act with respect to any securities of the Company or (ii) include any securities of the Company with the Shares registered pursuant to the Registration Statement.

(x) In all material respects, there are no contracts or documents which are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or to be filed as exhibits thereto which have not been so described and filed as required.

(y) Except as disclosed in the Time of Sale Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid and enforceable claim against the Company or any Underwriter for a brokerage commission, finder’s fee or other like payment in connection with the Offering.

(z) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus: (i) there has not occurred any Material Adverse Effect or any development involving a prospective Material Adverse Effect; (ii) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (iii) the Company and its subsidiaries have not sustained any material loss or material business interruption with its or their respective businesses from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; (iv) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (v) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries; except in each case as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.
(aa) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case that is material to the business of the Company and its subsidiaries, in each case free and clear of all defects, liens, charges, security interests, encumbrances or claims, in each case except as described in the Time of Sale Prospectus and the Prospectus or except as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries. Any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus and the Prospectus or as would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(bb) Each of the Company and its subsidiaries owns or possesses, or can acquire on reasonable terms, all inventions, patent applications, patents, trademarks (both registered and unregistered), trade names, service names, copyrights, trade secrets, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and other proprietary information described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by it or that is otherwise necessary for the conduct of, or material to, its respective businesses (collectively, the “Intellectual Property”), except as would not reasonably be expected to result in a Material Adverse Effect. The Company has not received any written notice and is otherwise unaware of any action, suit, proceeding or claim to the contrary or any challenge by any other person to the rights of the Company or any of its subsidiaries with respect to the Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interests of the Company or any of its subsidiaries, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim. Neither the Company nor any of its subsidiaries has infringed or is infringing the intellectual property of a third party except any such infringement that does not or could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any of its subsidiaries has received written notice of a claim by a third party to the contrary.

(cc) No material strike, work stoppage, slowdown or other labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus and the Prospectus, or, to the Company’s knowledge, is imminent. The Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that could have a Material Adverse Effect.

(dd) Neither the Company nor any of its subsidiaries is in violation of any provision of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder (collectively, “ERISA”), except for such violations as would not have a Material Adverse Effect. Each “employee benefit plan” (as defined under ERISA) for which the Company, its subsidiaries or its or their respective ERISA Affiliates (as defined below) would have any liability (each, a “Plan”) has been maintained in compliance with its terms and with the requirements of all applicable statutes, rules and regulations, including ERISA and the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (collectively, the “Code”), except for such non-compliance as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. “ERISA Affiliate” means, with respect to the Company or any of its subsidiaries, any member of any group of organizations described in Section 414(b), (c), (m) or (o) of the Code of which the Company or such subsidiary is a
member. No Plan is, and none of the Company, its subsidiaries or any of its or their respective ERISA Affiliates has within the past six years sponsored, maintained, participated in, contributed to or had any obligation (contingent or otherwise) with respect to any (i) “multiemployer plan” (within the meaning of Section 3(37) of ERISA), (ii) pension plan subject to Title IV or Part 3 of Title I of ERISA or Section 412 of the Code, (iii) “multiple employer plan” (within the meaning of Section 413(c) of the Code) or (D) multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA). None of the Company, its subsidiaries or any of its or their respective ERISA Affiliates has incurred or reasonably expects to incur any obligation (contingent or otherwise) with respect to any (i) “multiemployer plan” (within the meaning of Section 3(37) of ERISA), (ii) pension plan subject to Title IV or Part 3 of Title I of ERISA or Section 412 of the Code, (iii) “multiple employer plan” (within the meaning of Section 413(c) of the Code) or (D) multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA). None of the Company, its subsidiaries or any of its or their respective ERISA Affiliates has incurred or reasonably expects to incur any material liability under Section 412, 4971, 4975 or 4980B of the Code. No prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred, excluding transactions effected pursuant to a statutory or administrative exemption. Each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification, except where such loss of qualification as would not or could not reasonably be expected to result in a material liability to the Company or any of its ERISA Affiliates. There is no pending audit or investigation by the U.S. Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency or any foreign regulatory agency with respect to any Plan that could reasonably be expected to result in material liability to the Company or any of its subsidiaries.

(ee) The Company and each of its subsidiaries are insured against such losses and risks and in such amounts as are adequate in the businesses in which they are engaged. Neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(ff) The Company and its subsidiaries possess, and are operating in material compliance with, all certificates, approvals, clearances, registrations, exemptions, licenses, authorizations and permits (each, a “Permit”) of the appropriate Governmental Authorities necessary to conduct their respective businesses, and neither the Company nor any of its subsidiaries has received any written notice of proceedings relating to the revocation or modification of any such Permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(gg) Except as described in the Time of Sale Prospectus and the Prospectus, no subsidiary of the Company is subject to any material direct or indirect prohibition on the payment of dividends to the Company, on making any other distribution on such subsidiary’s capital stock, on repaying the Company for any loans or advances to such subsidiary from the Company or on transferring any of such subsidiary’s property or assets to the Company or to any other subsidiary of the Company.

(hh) The Company has taken all necessary actions to ensure that, upon and at all times after the effectiveness of the Registration Statement, so long as the Company has a class of securities registered under Section 12 of the Exchange Act, the Company and its officers and directors, in their capacities as such, will, solely to the extent applicable to the Company and the officers and directors of the Company, be in compliance in all material respects with the applicable provisions of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder. The Company has not, directly or indirectly, extended credit, arranged to extend credit or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company or any of its subsidiaries, or to or for any family member or affiliate of any of the foregoing.
(ii) The Company maintains a system of “internal control over financial reporting” (as defined in Rules 13a-15(f) under the Exchange Act) that complies with the applicable requirements of the Exchange Act and has been designed by the Company’s principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, without limitation, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management’s general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Time of Sale Prospectus and the Prospectus, the Company’s internal control over financial reporting is effective in performing the functions for which it was established, and the Company is not aware of any material weaknesses in its internal control over financial reporting. Except as disclosed in the Time of Sale Prospectus and the Prospectus, since the date of the latest audited financial statements in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there has been no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

(jj) The Company maintains “disclosure controls and procedures” (as defined in Rules 13a-15(e) under the Exchange Act) that comply with the applicable requirements of the Exchange Act and have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company’s principal executive officer and principal financial officer by others within those entities. Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company’s disclosure controls and procedures are effective in performing the functions for which they were established.

(kk) Neither the Company nor any of its subsidiaries has sent or received any communication regarding the termination of, or the intention not to renew, any of the contracts or agreements referred to or described in the Time of Sale Prospectus or the Prospectus, or referred to, described in or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company or any of its subsidiaries or, to the Company’s knowledge, any other party to any such contract or agreement.

(ll) There are no business relationships or related-party transactions involving the Company, any of its subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus which have not been described as required.

(mm) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company has no material lending or other relationship with any Underwriter (or any affiliate thereof) and does not intend to use any of the proceeds from the Offering to repay any outstanding debt to any Underwriter (or any affiliate thereof).
All federal, state, local and foreign tax returns required to be filed by the Company and its subsidiaries have been timely filed, and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto due or claimed to be due from such entities, have been timely paid, other than those being contested in good faith and for which adequate reserves have been provided or which if not paid would not, individually or in the aggregate, result in a Material Adverse Effect. Except as disclosed in the Time of Sale Prospectus and the Prospectus or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there is no tax deficiency that has been, or could reasonably be expected to be, asserted against the Company, any of its subsidiaries or any of its or their respective properties or assets.

Neither the Company nor any of its subsidiaries nor any of their respective directors, officers or employees nor, to the Company’s knowledge, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries, is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any provision of the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA.

The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the “Money Laundering Laws”); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

Neither the Company nor any of its subsidiaries nor any of their respective directors, officers or employees nor, to the Company’s knowledge, any agent, affiliate or person associated with or acting on behalf of the Company or any of its subsidiaries, is currently the subject or the target of any U.S. sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of State, the European Union, Her Majesty’s Treasury, the United Nations Security Council or any other relevant sanctions authority (collectively, “Sanctions”) or is located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, Libya, North Korea, Syria and Crimea). The Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, to fund or facilitate any activities of or business with any person, or in any country or territory, that at such time is the subject or the target of Sanctions or in any other manner
that will result in a violation by any person (including any person participating in the transactions contemplated hereby, whether as an underwriter, advisor, investor or otherwise) of Sanctions. The Company and its subsidiaries are not knowingly engaged in, and for the past five years have not knowingly engaged in, any dealings or transactions with any person, or in any country or territory, that at such time is or was the subject or the target of Sanctions.

(rr) Except as described in the Time of Sale Prospectus and the Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or Regulation S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(ss) Neither the Company nor any of its subsidiaries nor any of their respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or which has constituted or might reasonably be expected, to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(tt) (i) To the knowledge of the Company, there has been no security breach or incident, unauthorized access or disclosure, or other compromise of or relating to the Company or its subsidiaries information technology and computer systems, networks, hardware, software, data and databases (including the data and information of their respective customers, employees, suppliers, vendors and any third party data maintained, processed or stored by the Company and its subsidiaries, and any such data processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, “IT Systems and Data”); (ii) neither the Company nor its subsidiaries have been notified of, and have no knowledge of any event or condition that would result in, any security breach or incident, unauthorized access or disclosure or other compromise to their IT Systems and Data; and (iii) the Company and its subsidiaries have implemented appropriate controls, policies, procedures and technological safeguards to maintain and protect the integrity, continuous operation, redundancy and security of their IT Systems and Data reasonably consistent with industry standards and practices, or as required by applicable regulatory standards. The Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification.

(uu) Except as otherwise would not reasonably be expected to have a Material Adverse Effect, the buildings, structures and equipment owned by the Company and its subsidiaries are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use, ordinary wear and tear excepted), are adequate and suitable for their present uses and, in the case of buildings and other structures, are structurally sound.

(vv) (i) The Registration Statement, the Time of Sale Prospectus and the Prospectus comply, and any amendments or supplements (including wrappers) thereto will comply with any applicable laws or regulations of foreign jurisdictions in which the Time of Sale Prospectus or the Prospectus, as amended or supplemented, if applicable, are distributed in connection with the
Directed Share Program, and (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary in connection with the offering of the Directed Shares in any jurisdiction where the Directed Shares are being offered. The Company has not obtained, or caused the Directed Share Underwriter to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (x) a customer or supplier of the Company to alter its level or type of business with the Company, or (y) a trade journalist or publication to write or publish favorable information about the Company or its products.

2. Agreements to Sell and Purchase. The Company hereby agrees to issue and sell [*] Firm Shares to the several Underwriters at a price of $[*] per share (the "Purchase Price"), and each Underwriter, upon the basis of the representations and warranties and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Company, at the Purchase Price, the number of Firm Shares set forth opposite the name of such Underwriter set forth in Schedule I hereto.

Moreover, the Company hereby agrees to issue and sell up to [*] Additional Shares to the Underwriters at the Purchase Price, and the Underwriters, upon the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, shall have the right (but not the obligation) to purchase, severally and not jointly, at the Purchase Price, up to the total number of Additional Shares set forth opposite the name of such Underwriter set forth in Schedule I hereto. The Representatives may exercise this right to purchase Additional Shares on behalf of the Underwriters in whole or from time to time in part by giving written notice of such exercise not later than 30 days after the date hereof. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such Additional Shares are to be purchased. Each purchase date must be at least one business day after the date on which such written notice is given and may not be earlier than the Closing Date or later than ten business days after the date on which such written notice is given. On each day, if any, that Additional Shares are to be purchased (each, an "Option Closing Date"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares to be purchased on the Closing Date.

3. Payment and Delivery. Payment for the Firm Shares to be sold by the Company shall be made to the Company in federal or other funds immediately available in Milwaukee, Wisconsin against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., Central Time, on [*], 2019, or at such other date and time, not later than [*], 2019, as shall be designated in writing by the Representatives (such date and time, the "Closing Date").

Payment for any Additional Shares shall be made to the Company in federal or other funds immediately available in Milwaukee, Wisconsin against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., Central Time, on the date specified in the corresponding exercise notice described in Section 2 hereof or at such other date and time, not later than [*], 2019, as shall be designated in writing by the Representatives.
The Firm Shares and the Additional Shares shall be registered in such names and in such denominations as the Representatives shall request in writing not later than one full business day prior to the Closing Date or the Option Closing Date, as applicable. The Firm Shares and the Additional Shares shall be delivered to the Representatives on the Closing Date or the Option Closing Date, as applicable, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor. Delivery of the Shares shall be made through the facilities of the Depository Trust Company ("DTC") for the accounts of the Underwriters, unless the Representatives shall otherwise instruct. The certificates for the Shares, if any, will be made available for inspection and packaging by the Representatives at the office of DTC or its designated custodian not later than 12:00 p.m., Central Time, on the business day prior to the Closing Date or the Option Closing Date, as applicable.

4. Conditions to the Underwriters' Obligations. The obligations of the Underwriters are subject to the condition that all representations and warranties of the Company contained herein are, at the date hereof, at the Closing Date and at each Option Closing Date, if any, true and correct, the condition that the Company has performed its obligations required to be performed hereunder prior to the Closing Date and the following further conditions:

(a) Subsequent to the execution and delivery hereof and prior to the Closing Date and each Option Closing Date, if any, there shall have not have occurred:

   (i) any change, or any development involving a prospective change, in the assets, business, financial condition, management, operations, earnings or prospects of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that it is, in the reasonable judgment of the Representatives, impracticable or inadvisable to offer or sell the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, a certificate, dated the Closing Date or such Option Closing Date, as applicable, and signed by the Chief Executive Officer and the Chief Financial Officer of the Company, to the effect that (i) the representations and warranties of the Company set forth herein are true and correct at and as if made on the Closing Date or such Option Closing Date, as applicable, (ii) the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date or such Option Closing Date, as applicable, (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened, and (iv) as to such other matters as the Representatives may reasonably request. The delivery of such certificate shall constitute a representation and warranty of the Company as to the statements made therein.

(c) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any:

   (i) an opinion of Foley & Lardner LLP, outside counsel for the Company, dated the Closing Date or such Option Closing Date, as applicable, in form and substance reasonably satisfactory to counsel for the Underwriters;
(ii) a negative assurance letter of Foley & Lardner LLP, outside counsel for the Company, dated the Closing Date or such Option Closing Date, as applicable, in form and substance reasonably satisfactory to counsel for the Underwriters;

(iii) an opinion and negative assurance letter of Latham & Watkins LLP, counsel for the Underwriters, dated the Closing Date or such Option Closing Date, as applicable, in form and substance satisfactory to the Underwriters.

(d) The Underwriters shall have received, on the date hereof, the Closing Date and each Option Closing Date, if any, a letter, dated the date hereof, the Closing Date or the Option Closing Date, as applicable, in form and substance satisfactory to the Underwriters, from each of Deloitte & Touche LLP and Baker Tilly Virchow Krause, LLP, independent public accountants, addressed to the Underwriters and copied to each member of the Board who signed the Registration Statement at any time, containing statements and information of the type ordinarily included in accountants’ “comfort letters” to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(e) The Underwriters shall have received, on the date hereof, the Closing Date and each Option Closing Date, if any, a certificate, dated the date hereof, the Closing Date or the Option Closing Date, as applicable, of the Chief Financial Officer of the Company with respect to certain financial data contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus, providing “management comfort” with respect to such information, in form and substance satisfactory to the Underwriters.

(f) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Securities Act within the applicable time period prescribed for such filing by the rules and regulations under the Securities Act and in accordance with Section 5(b) hereof, and any issuer free writing prospectus or other material required to be filed by the Company pursuant to Rule 433 under the Securities Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433 under the Securities Act and in accordance with Section 5(b) hereof. If the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Eastern Time, on the date hereof. No stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus or any issuer free writing prospectus shall have been issued, and no proceedings for such purpose shall have been instituted or threatened by the Commission; no notice of objection of the Commission to the use of the Registration Statement shall have been received; and all requests for additional information on the part of the Commission shall have been complied with to the satisfaction of the Representatives. No action shall have been taken, and no statute, rule, regulation, injunction, decree or order shall have been enacted, adopted or issued, by any Governmental Authority that would, at the Closing Date or at each Option Closing Date, as applicable, prevent the issuance or sale of the Shares.

(g) The Underwriters shall have received, on or prior to the date hereof, “lock-up” agreements between (i) the Representatives, on the one hand, and the directors and officers of the Company, on the other hand, each substantially in the form of Exhibit A hereto, and (ii) the Representatives, on the one hand, and the trustee of each of the Company’s Employee Stock...
Ownership Plans (each, an “ESOP”), on the other hand, each substantially in the form set forth on Exhibit B hereto, relating to sales and certain other dispositions of shares of Common Stock and other securities of the Company, and such lock-up agreements shall be in full force and effect at the Closing Date and each Closing Date, if any.

(h) The Shares shall have been approved for listing on the Exchange, subject only to official notice of issuance.

(i) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the terms and arrangements of the underwriting or the transactions contemplated hereby.

(j) On or after the Time of Sale there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the NYSE MKT, LLC or the Nasdaq Global Market; (ii) a suspension or material limitation in trading in the Company’s securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war; or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Prospectus.

(k) The obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on each Option Closing Date of such documents as the Representatives may reasonably request, including certificates of officers of the Company, legal opinions and an accountant’s comfort letter, and other matters related to the issuance of such Additional Shares.

5. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) The Company will furnish to the Underwriters, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (including exhibits thereto). The Company will furnish to the Representatives, without charge, prior to 10:00 a.m., Central Time, on the business day next succeeding the date hereof and during the period referenced in Section 5(g) hereof, as many copies of the Registration Statement, the Time of Sale Prospectus and the Prospectus, and any amendments or supplements (including prospectus wrappers) to any of the foregoing, as the Representatives may reasonably request.

(b) The Company will cause to be prepared and delivered to the Underwriters, at its expense, within one business day from the date hereof, an “electronic Prospectus” to be used by the Underwriters in connection with the Offering. The term “electronic Prospectus” means a form of the Time of Sale Prospectus, and any amendment or supplement thereto, that (i) is encoded in an electronic format, reasonably satisfactory to the Representatives, including, but not limited to, portable document format, or PDF, that may be transmitted electronically by the Underwriters to offerees and purchasers of the Shares and (ii) discloses the same information as the paper Time of
Sale Prospectus, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate.

(c) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, the Company will (i) furnish to the Representatives a copy of each such proposed amendment or supplement, (ii) not file any such proposed amendment or supplement to which the Representatives shall reasonably object, (iii) file with the Commission, within the applicable period specified in Rule 424(b) under the Securities Act, the Prospectus required to be filed pursuant to such Rule and (iv) file any issuer free writing prospectus to the extent required by Rule 433 under the Securities Act.

(d) The Company will furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company, and will not use or refer to any proposed free writing prospectus to which the Representatives shall reasonably object.

(e) The Company will not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(f) The Company will advise the Representatives promptly (i) when the Registration Statement has become effective, (ii) when any amendment to the Registration Statement has been filed or becomes effective, (iii) when any amendment or supplement to the Prospectus, any issuer free writing prospectus or any Permitted Testing-the-Waters Communication has been filed or distributed, (iv) of any request by the Commission for amendments or supplements to the Registration Statement, any Preliminary Prospectus or the Prospectus or for additional information with respect thereto or (v) of any notice of institution of proceedings for, or the entry of a stop order, suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, the Time of Sale Prospectus or the Prospectus, and if the Commission should enter such a stop order, the Company will use its best efforts to obtain the lifting or removal of such order as soon as possible.

(g) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition shall exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if any event shall occur or condition shall exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, the Company will forthwith prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, such amendments or supplements so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading, or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.
(h) If, during such period after the time of filing the Prospectus as in the opinion of counsel for the Underwriters the Prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, the Company will forthwith prepare, file with the Commission and furnish, at its own expense, to the Underwriters, to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealer upon request, such amendments or supplements so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(i) If, at or after the date hereof, it is necessary or appropriate for a post-effective amendment to the Registration Statement or a Rule 462 Registration Statement to be filed with the Commission and become effective before the Shares may be sold, the Company will use its best efforts to cause such post-effective amendment or such Rule 462 Registration Statement to be filed and become effective, and will pay any applicable fees in accordance with the Securities Act, as soon as possible. The Company will promptly advise the Representatives and, if requested by the Representatives, will confirm such advice in writing. (i) when such post-effective amendment or such Rule 462 Registration Statement has become effective and (ii) if Rule 430A or 430C under the Securities Act is used, when the Prospectus is filed with the Commission pursuant to Rule 424(b) under the Securities Act (which the Company agrees to file in a timely manner in accordance with such Rules).

(j) The Company will file in a timely manner all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is required in connection with the offering or sale of the Shares.

(k) The Company will promptly furnish such information or take such action as the Representatives may reasonably request and otherwise to qualify the Shares for offer and sale under the securities or “blue sky” laws of such states and other jurisdictions (domestic or foreign) as the Representatives shall reasonably request, and will comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file a consent to service of process in any jurisdiction (excluding service of process with respect to the offer and sale of the Shares). The Company will promptly advise the Representatives of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.
(l) The Company will make generally available to its security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least 12 months beginning after the effective date of the Registration Statement (as defined in Rule 158(c) under the Securities Act), which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(m) The Company will use its best efforts to cause the Shares to be listed on the Exchange and to maintain such listing.

(n) The Company will not, during the period beginning on the date hereof and ending 180 days after the date of the Prospectus, without the prior written consent of the Representatives, (i) issue, offer, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Common Stock, (ii) enter into any swap, forward contract, hedging transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (i) above or this clause (ii) is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, (iii) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (iv) publicly disclose or announce an intention to effect any transaction specified in clause (i), (ii) or (iii) above. The restrictions contained in the preceding sentence shall not apply to (A) the Shares to be sold hereunder, (B) the grant of options to purchase shares of Common Stock or the grant of other equity-based awards pursuant to the Company’s equity-based compensation plans, under the terms of such plans in effect on the date hereof, that are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, provided that any such options are granted at fair market value, or the sale of shares of Common Stock to employees of the Company pursuant to the Company’s employee stock purchase plans that are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus (or the filing of a registration statement on Form S-8 to register shares of Common Stock issuable under such plans), (C) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which the Representatives have been advised in writing or which was issued pursuant to a plan described in clause (B) above or (D) shares of Common Stock required to be issued to an ESOP pursuant to the terms of such ESOP as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(o) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 4(g) hereof, substantially in form of Exhibit C hereto, for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three Business Days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit D hereto through a major news service at least two Business Days before the effective date of the release or waiver.
(p) The Company will prepare, if the Representatives so request, a final term sheet relating to the Offering, containing only information that describes the final terms of the Offering in a form consented to by the Representatives, and file such final term sheet within the period required by Rule 433(d)(5)(ii) under the Securities Act following the date on which the final terms have been established for the Offering.

(q) The Company will comply with Rules 433(d) (without reliance on Rule 164(b) under the Securities Act) and 433(g) under the Securities Act.

(r) The Company will not take, directly or indirectly, any action designed, or which has constituted or might reasonably be expected, to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(s) The Company will not, at any time at or after the execution hereof, directly or indirectly, offer or sell any Shares by means of any “prospectus” (within the meaning of the Securities Act) or use any prospectus in connection with the offer or sale of the Shares, except in each case other than the Prospectus.

(t) The Company will apply the net proceeds to the Company from the sale of the Shares in the manner set forth under the caption “Use of Proceeds” in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(u) The Company will use its commercially reasonable efforts to cause the Securities to be eligible for clearance through DTC.

(v) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the time when a prospectus relating to the Shares is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (ii) the expiration of the lock-up period described in Section 5(n) hereof.

(w) If at any time following the distribution of any Permitted Testing-the-Waters Communication, there occurred or occurs an event or development as a result of which such Permitted Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at such subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Permitted Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

6. Expenses. Whether or not the transactions contemplated hereby are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including, but not limited to: (a) the fees, disbursements and expenses of the Company’s counsel, the Company’s accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by or referred to by the Company, and amendments and
supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the
Underwriters and dealers, in the quantities hereinabove specified; (b) all costs and expenses related to the transfer and delivery of the Shares to the
Underwriters, including any transfer or other taxes payable thereon; (c) the costs of printing or producing any securities or “blue sky” memorandum in
connection with the Offering under the securities laws of the jurisdictions in which the Shares may be offered or sold and all expenses in connection with
the qualification of the Shares for offer and sale under such securities laws as provided in Section 5(k) hereof, including filing fees and the reasonable
fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with a “blue sky” memorandum; (d) all
filing fees and the reasonable fees and disbursements of counsel for the Underwriters incurred in connection with the review and qualification of the
offering of the Shares by FINRA; (e) all fees and expenses in connection with the preparation and filing of a registration statement on Form 8-A relating
to the Common Stock and all costs and expenses incident to listing the Shares on the Exchange; (f) the costs of printing certificates representing the
Shares; (g) the costs and charges of any transfer agent, registrar or depositary; (h) the costs and expenses of the Company relating to investor
presentations on any “road show” undertaken in connection with the marketing of the Offering, including, without limitation, expenses associated with
the preparation or dissemination of any road show, expenses associated with the production of road show slides and graphics, fees and expenses of any
consultants engaged in connection with the road show presentations (solely with respect to the fees and expenses of any such consultants, with the
prior approval of the Company), travel, food and lodging expenses of the representatives and officers of the Company and any such consultants, and the
cost of any aircraft chartered in connection with the road show; (i) the document production charges and expenses associated with printing this
Agreement; (j) all expenses in connection with any offer and sale of the Shares outside of the United States, including filing fees and the reasonable fees
and disbursements of counsel for the Underwriters in connection therewith and the preparation of any prospectus wrappers or disclosures deemed
advisable or necessary to comply with foreign securities laws; (k) all fees and disbursements of counsel for the Underwriters, and stamp duties, similar
taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program; and (l) all other costs and expenses
incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section 6.

Except as expressly set forth herein, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel,
stock transfer taxes payable on the resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

Notwithstanding the above, if the Offering is not consummated because any condition to the obligations of the Underwriters set forth in Section 4
hereof is not satisfied, because of any termination of this Agreement by the Underwriters pursuant to Section 9 hereof or because of any refusal, inability
or failure on the part of the Company to perform any of its obligations or covenants hereunder or to comply with any provision hereof other than by
reason of a default by any of the Underwriters, then the Company will reimburse the Underwriters (or such Underwriters as have so terminated this
Agreement with respect to themselves), severally, through the Representatives, on demand, for all out-of-pocket expenses (including reasonable fees and
disbursements of counsel) reasonably incurred by such Underwriters in connection with this Agreement or in furtherance of the Offering.
7. Indemnity and Contribution.

(a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each director, officer, employee, agent and affiliate (within the meaning of Rule 405 under the Securities Act) of any Underwriter (collectively, the “Underwriter Entities”) from and against any and all losses, claims, damages and liabilities, including actions and other proceedings in respect thereof and including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such claim, action or other proceeding (any of the foregoing, a “Loss”), caused by, arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, any issuer information that the Company has filed or is required to file pursuant to Rule 433(d) under the Securities Act, any road show, any Written Testing-the-Waters Communication or the Prospectus, or any amendments or supplements (including prospectus wrappers) to any of the foregoing, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Company shall not be liable under this Section 7(a) to the extent that such Losses are caused by, arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made therein in reliance upon and in conformity with the Underwriter Information furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the directors of the Company, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) from and against any and all Losses caused by, arising from or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, any issuer information that the Company has filed or is required to file pursuant to Rule 433(d) under the Securities Act, any road show, any Written Testing-the-Waters Communication or the Prospectus, or any amendments or supplements (including prospectus wrappers) to any of the foregoing, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission was made therein in reliance upon and in conformity with the Underwriter Information furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein.

(c) In case any claim, action or other proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 7(a) or 7(b) hereof, such person (the “indemnified party”) shall promptly notify the person against whom such indemnity may be sought (the “indemnifying party”) in writing, and the indemnifying party, upon request of the indemnified party, shall retain counsel...
reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for (i) all Underwriter Entities or (ii) the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate law firm for the Underwriters and any control persons and affiliates of any Underwriters, such law firm shall be designated in writing by the Representatives. In the case of any such separate law firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, then the indemnifying party agrees to indemnify the indemnified party from and against any Loss by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, then the indemnifying party agrees to indemnify the indemnified party from and against any Loss by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of such request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement or objected in good faith to the indemnified party’s expense reimbursement request. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on Losses that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 7(a) or 7(b) is unavailable to an indemnified party or is insufficient in respect of any Losses referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties, on the one hand, and the indemnified party or parties, on the other hand, from the Offering or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties, on the one hand, and of the indemnified party or parties, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other
hand, in connection with the Offering shall be deemed to be in the same respective proportions as the net proceeds from the Offering (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate initial public offering price of the Shares. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several, and not joint, in proportion to the respective number of Shares they have purchased hereunder.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 7(d) hereof. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions set forth in this Section 7 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter Entity, the Company, any person controlling the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) or the Company’s directors or officers and (iii) the acceptance of and payment for any of the Shares.


(a) The Company agrees to indemnify and hold harmless each Underwriter Entity, which, for the purposes of this Section 8, shall include the Directed Share Underwriter, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the Underwriter Entities.
(b) In any proceeding (including any governmental investigation) in which indemnity may be sought pursuant to Section 8(a) hereof, the Underwriter Entity seeking indemnity shall promptly notify the Company in writing and the Company, upon request of the Underwriter Entity, shall retain counsel reasonably satisfactory to the Underwriter Entity to represent the Underwriter Entity and any others the Company may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Underwriter Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter Entity unless (i) the Company shall have agreed to the retention of such counsel or (ii) the named parties to such proceeding (including any impleaded parties) include both the Company and the Underwriter Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Underwriter Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all of the Underwriter Entities. Any such separate firm for the Underwriter Entities shall be designated in writing by the Representatives. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the Underwriter Entities from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Underwriter Entity shall have requested the Company to reimburse it for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by the Company of such request and (ii) the Company shall not have reimbursed the Underwriter Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the Representatives, effect any settlement of any pending or threatened proceeding in respect of which any Underwriter Entity is or could have been a party and indemnity could have been sought hereunder by such Underwriter Entity, unless such settlement includes an unconditional release of the Underwriter Entities from all liability on claims that are the subject matter of such proceeding.

(c) To the extent the indemnification provided for in Section 8(a) hereof is unavailable to an Underwriter Entity or insufficient in respect of any Losses referred to therein, then the Company, in lieu of indemnifying the Underwriter Entity thereunder, shall contribute to the amount paid or payable by the Underwriter Entity as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter Entities, on the other hand, from the offering of the Directed Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriter Entities on the other hand in connection with any statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter Entities, on the other hand, in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Underwriter Entities for the Directed Shares, bear to the aggregate initial public offering price of the Directed Shares. If the Loss is caused by an untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact, the
relative fault of the Company, on the one hand, and the Underwriter Entities, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Underwriter Entities and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company and the Underwriter Entities agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Underwriter Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(c). The amount paid or payable by the Underwriter Entities as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Underwriter Entities in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter Entity has otherwise been required to pay by reason of such statement or omission. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(e) The indemnity and contribution provisions contained in this Section 8 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter Entity, the Company, any person controlling the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) or the Company’s directors or officers and (iii) the acceptance of and payment for any of the Directed Shares.

9. Termination. The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery hereof and prior to the Closing Date: (a) there has been, since the time of the execution hereof or since the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus or the Prospectus, any Material Adverse Effect, whether or not arising in the ordinary course of business; (b) trading generally shall have been suspended or materially limited or minimum or maximum prices shall have been established, or maximum ranges for prices have been required, on, or by, as the case may be, any of the New York Stock Exchange, the NYSE MKT, LLC or the Nasdaq Global Market, or by order of the Commission, FINRA or any other governmental authority; (c) trading of any securities of the Company shall have been suspended or materially limited on any exchange or in any over-the-counter market; (d) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred; (e) any moratorium or material limitation on commercial banking activities shall have been declared by Federal or state authorities; (f) there shall have occurred any outbreak or escalation of hostilities, act of terrorism involving the United States or declaration by the United States of a national emergency or war; or (g) any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (f) or (g), makes it, in the Representatives’ judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus (exclusive of any supplement thereto).
10. Effectiveness; Defaulting Underwriters. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

(a) If, on the Closing Date or an Option Closing Date, as applicable, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date (the “Defaulted Shares”), then the Representatives shall have right in their discretion to arrange for the purchase by one or more of the non-defaulting Underwriters, or any other Underwriters, of all but not less than all of the Defaulted Shares in such amounts as may be agreed upon and upon the terms herein set forth. If within 36 hours after such default by any Underwriter, the Representatives do not arrange for the purchase of such Defaulted Shares, then the Company shall be entitled to a further period of 36 hours (which may be waived by the Company) within which to procure another party or other parties satisfactory to the Representatives to purchase the Defaulted Shares on such terms as are acceptable to the Company. In the event that, within the respective prescribed periods, the Representatives notify the Company that they have so arranged for the purchase of the Defaulted Shares, or the Company notifies the Representatives that it has so arranged for the purchase of the Defaulted Shares, the Representatives or the Company shall have the right to postpone the Closing Date or Option Closing Date, as applicable, for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Time of Sale Prospectus, the Prospectus and in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement, the Time of Sale Prospectus or the Prospectus which may thereby be made necessary. As used herein, the term “Underwriter” shall include any person substituted under this Section 10 with like effect as if such person had originally been a party hereto with respect to the Defaulted Shares.

(b) If, after giving effect to any arrangements for the purchase of Defaulted Shares by the Representatives or the Company as provided in Section 10(a) hereof, the aggregate number of Defaulted Shares that remains unpurchased does not exceed one-tenth of the aggregate number of the Shares to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at the Closing Date or Option Closing Date, as applicable, and, in addition, to require each non-defaulting Underwriter to purchase, pro rata (based on the number of Shares which such Underwriter agreed to purchase hereunder) the Defaulted Shares for which such arrangements have not been made; provided, that nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of Defaulted Shares by the Representatives or the Company as provided above, the aggregate number of Defaulted Shares that remains unpurchased exceeds one-tenth of the aggregate number of the Shares to be purchased on the Closing Date or Option Closing Date, as applicable, or if the Company shall not exercise the right described in Section 10(b) hereof to require the non-defaulting Underwriters to purchase the Defaulted Shares, then this Agreement (or, with respect to an Option Closing Date, the obligations of the Underwriters to sell the Additional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnification and contribution agreements in Section 7 hereof; provided, that nothing herein shall relieve any defaulting Underwriter from liability for its default.
11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company and the Underwriters set forth or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Shares. The provisions of Sections 6 and 7 hereof shall survive the termination or cancellation of this Agreement.

12. Entire Agreement; No Advisory or Fiduciary Relationship.

(a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded hereby) that relate to the Offering, represents the entire agreement between the Company, on the one hand, and the Underwriters, on the other hand, with respect to the preparation of any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the Offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the Offering: (i) the Underwriters have acted at arm’s length, are not agents of, and owe no fiduciary duties to, the Company or any other person; (ii) the Underwriters owe the Company only those duties and obligations set forth herein and in prior written agreements (to the extent not superseded hereby), if any; (iii) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the Offering, and the Company has consulted its legal, accounting, regulatory and tax advisors to the extent that he, she or it deemed appropriate; and (iv) the Underwriters may have interests that differ from those of the Company. The Company waives to the fullest extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the Offering.

13. Intended Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company and their respective successors. No purchaser of Shares from any Underwriter shall be deemed to be a successor by reason merely of such purchase. Nothing expressed or mentioned herein is intended or shall be construed to give any individual or entity, other than the Underwriters, the Company and their respective successors, and the controlling persons, affiliates, officers and directors referred to in Section 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement is intended to be for the sole and exclusive benefit of the Underwriters, the Company and their respective successors and said controlling persons, affiliates, officers and directors and their heirs and legal representatives, and for the benefit of no one else.

14. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.
(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this **Section 14**, “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); “Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b) or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

15. **Partial Unenforceability.** The invalidity or unenforceability of any Section, subsection, paragraph, clause or other provision hereof shall not affect the validity or enforceability of any other Section, subsection, paragraph, clause or other provision hereof. If any Section, subsection, paragraph, clause or other provision hereof is for any reason determined to be invalid or unenforceable, then there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make the remainder of this Agreement valid and enforceable.

16. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

17. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

18. **TRIAL BY JURY.** The COMPANY (ON ITS BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS SUBSIDIARIES, SHAREHOLDERS AND AFFILIATES) AND EACH OF THE UNDERWRITERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

19. **Headings.** The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part hereof.
20. Notices. All communications hereunder shall be in writing or electronic transmission and effective only upon receipt and shall be delivered, mailed or sent to the parties as follows:

(a) If to the Underwriters, to:

Robert W. Baird & Co. Incorporated
Attention: Syndicate Department
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Fax: (414) 298-7474
Email:

with a copy to:

Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attn: Legal Department
Fax: (414) 298-7800
Email:

and to:

Citigroup Global Markets Inc.
Attn: General Counsel
388 Greenwich Street
New York, New York 10013
Fax: (646) 291-1469
Email:

and to:

Jefferies LLC
Attn: General Counsel
520 Madison Avenue
New York, New York 10022
Fax: (646) 619-4437
Email:
(b) If to the Company, to:

Mayville Engineering Company, Inc.
Attn: Robert D. Kamphuis
715 South Street
Mayville, Wisconsin 53050
Fax: (920) 387-2682
Email: robert.kamphuis@mecinc.com

with a copy to:

Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attn: Russell E. Ryba
Fax: (414) 297-4900
Email: RRyba@foley.com

[Signature page follows]
Very truly yours,

MAYVILLE ENGINEERING COMPANY, INC.

By: 

Name: 
Title: 
ROBERT W. BAIRD & CO. INCORPORATED
CITIGROUP GLOBAL MARKETS INC.
JEFFERIES LLC

Acting severally on behalf of themselves and the several Underwriters named in Schedule I hereto

By: Robert W. Baird & Co. Incorporated

By: ________________________________
    Name:
    Title:

By: Citigroup Global Markets Inc.

By: ________________________________
    Name:
    Title:

By: Jefferies LLC

By: ________________________________
    Name:
    Title:
<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Number of Firm Shares To Be Purchased</th>
<th>Number of Additional Shares To Be Purchased</th>
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<tr>
<td>Robert W. Baird &amp; Co. Incorporated</td>
<td>[ ]</td>
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<tr>
<td>Citigroup Global Markets Inc.</td>
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<td>Jefferies LLC</td>
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<td>UBS Securities LLC</td>
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<td>William Blair &amp; Company, L.L.C.</td>
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<td><strong>Total:</strong></td>
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SCHEDULE II

Time of Sale Prospectus

2. Permitted free writing prospectuses filed by the Company under Rule 433(d) under the Securities Act.
4. Pricing information:
   Number of Firm Shares to be Sold by the Company: [•];
   Number of Additional Shares Subject to Option: [•]; and
   Initial Price to the Public: $[•] per share.
EXHIBIT A

FORM OF DIRECTOR AND OFFICER LOCK-UP LETTER

[ • ], 2019

ROBERT W. BAIRD & CO. INCORPORATED
CITIGROUP GLOBAL MARKETS INC.
JEFFERIES LLC

As Representatives of the Several Underwriters

c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

The undersigned understands that Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC, as representatives (the “Representatives”), propose to enter into an underwriting agreement (the “Underwriting Agreement”), on behalf of the several underwriters named in Schedule I thereto (collectively, the “Underwriters”), with Mayville Engineering Company, Inc., a Wisconsin corporation (the “Company”), providing for the public offering (the “Offering”) of the Company’s common stock, no par value per share (“Common Stock”), pursuant to a Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the “SEC”).

To induce the Underwriters to continue their efforts in connection with the Offering, the undersigned hereby agrees that, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus relating to the Offering (the “Restricted Period”), the undersigned shall not, without the prior written consent of the Representatives: (1) directly or indirectly offer, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend, or otherwise transfer or dispose of, or establish or increase any “put equivalent position” or liquidate or decrease any “call equivalent position” (each within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) with respect to, any shares of Common Stock, any options or warrants to purchase Common Stock or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Common Stock, whether now owned or hereafter acquired; (2) enter into any swap, forward contract, hedging transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (1) or (2) is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; (3) file or approve the filing of any registration statement with the SEC relating to the offering of any Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, or make any demand for or exercise any right with respect to the registration of any Common Stock or the filing of any registration statement with respect thereto; or (4) publicly disclose or announce an
intention to effect any transaction specified in clause (1), (2) or (3). The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer by the undersigned of Common Stock other than in compliance with this lock-up agreement (this “Agreement”).

The foregoing restrictions shall not apply to: (a) sales of Common Stock in the Offering; (b) transfers of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock as bona fide gifts; (c) transfers of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock by will or estate or intestate succession to the undersigned’s immediate family, or to a trust, the beneficiaries of which are exclusively the undersigned or members of the undersigned’s immediate family; (d) transfers or distributions of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock to limited partners, members, subsidiaries, stockholders or affiliates of the undersigned, to the extent the undersigned is a partnership, limited liability company or corporation; (e) transfers of Common Stock by operation of law, such as required by a divorce settlement; or (f) the approval of the filing of one or more registration statements on Form S-8 under the Securities Act of 1933, as amended. In the case of any transfer or distribution pursuant to clauses (b), (c), (d) or (e): (i) each donee, heir, legatee, trustee, distributee, transferee or recipient shall sign and deliver an agreement substantially in the form of this Agreement for the balance of the Restricted Period; (ii) such transfer shall not involve a transfer for value; and (iii) no public announcement or filing under the Exchange Act shall be required or voluntarily made during the Restricted Period.

The undersigned understands that, if the undersigned is a director or officer of the Company: (1) this Agreement shall be applicable to any Company-directed shares that the undersigned may purchase in the Offering; (2) the Representatives shall notify the Company at least three business days before the effective date of any release or waiver of the restrictions contained herein; (3) the Company shall promptly announce such impending release or waiver by a press release through a major news service; and (4) such release or waiver shall only be effective two business days after the publication date of such press release.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Agreement and that, upon request, the undersigned will execute any additional documents necessary to ensure the validity or enforcement of this Agreement. The undersigned further understands that this Agreement is irrevocable and shall be binding upon the undersigned’s heirs, legal representatives, successors and assigns.

The undersigned understands that the Company and the Underwriters are relying upon this Agreement in proceeding toward consummation of the Offering. Whether or not the Offering actually occurs depends on a number of factors, including market conditions. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which remain subject to negotiation between the Company and the Underwriters.

This Agreement shall terminate and be of no further force and effect if: (i) the Company notifies the Representatives in writing that it does not intend to proceed with the Offering; (ii) the Representatives notify the Company in writing that they do not intend to proceed with the Offering; (iii) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder; or (iv) the Offering is not completed on or before September 30, 2019.

[Signature Page Follows.]
Very truly yours,

(Signature)

(Name)

(Address)

[Signature Page to Lock-Up Agreement]
EXHIBIT B

FORM OF ESOP TRUSTEE LOCK-UP LETTER

[•], 2019

ROBERT W. BAIRD & CO. INCORPORATED
CITIGROUP GLOBAL MARKETS INC.
JEFFERIES LLC

As Representatives of the Several Underwriters

c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022


Ladies and Gentlemen:

The undersigned understands that Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC, as representatives (the “Representatives”), propose to enter into an underwriting agreement (the “Underwriting Agreement”), on behalf of the several underwriters named in Schedule I thereto (collectively, the “Underwriters”), with Mayville Engineering Company, Inc., a Wisconsin corporation (the “Company”), providing for the public offering (the “Offering”) of the Company’s common stock, no par value per share (“Common Stock”), pursuant to a Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the “SEC”).

To induce the Underwriters to continue their efforts in connection with the Offering, the undersigned hereby agrees that, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus relating to the Offering (the “Restricted Period”), the undersigned shall not, without the prior written consent of the Representatives: (1) directly or indirectly offer, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend, or otherwise transfer or dispose of, or establish or increase any “put equivalent position” or liquidate or decrease any “call equivalent position” (each within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) with respect to, any shares of Common Stock, any options or warrants to purchase Common Stock or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Common Stock, whether now owned or hereafter acquired; (2) enter into any swap, forward contract, hedging transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (1) or (2) is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; (3) file or
approve the filing of any registration statement with the SEC relating to the offering of any Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, or make any demand for or exercise any right with respect to the registration of any Common Stock or the filing of any registration statement with respect thereto; or (4) publicly disclose or announce an intention to effect any transaction specified in clause (1), (2) or (3). The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer by the undersigned of Common Stock other than in compliance with this lock-up agreement (this “Agreement”).

The foregoing restrictions shall not apply in connection with the transfer of the undersigned’s shares of Common Stock: (1) in a bona fide third party tender offer, merger, stock purchase, consolidation or similar transaction that, if consummated would result in a third party possessing a majority of the voting power of the Company’s equity securities or (2) if such transfer is, in the reasonable discretion of the undersigned, necessary to fulfill the undersigned’s fiduciary duties with respect to the ESOP under the Employee Retirement Income Security Act of 1974, as amended.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Agreement and that, upon request, the undersigned will execute any additional documents necessary to ensure the validity or enforcement of this Agreement. The undersigned further understands that this Agreement is irrevocable and shall be binding upon the undersigned’s legal representatives, successors and assigns.

The undersigned understands that the Company and the Underwriters are relying upon this Agreement in proceeding toward consummation of the Offering. Whether or not the Offering actually occurs depends on a number of factors, including market conditions. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which remain subject to negotiation between the Company and the Underwriters.

This Agreement shall terminate and be of no further force and effect if: (i) the Company notifies the Representatives in writing that it does not intend to proceed with the Offering; (ii) the Representatives notify the Company in writing that they do not intend to proceed with the Offering; (iii) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder; or (iv) the Offering is not completed on or before June 30, 2019. The Company shall provide the undersigned with notice within five days of the termination of this Agreement.

[Signature Page Follows.]
Very truly yours,


Authorized Signature(Name)

Title
Dear [name and address of officer or director requesting waiver]:

This letter is being delivered to you in connection with the offering by Mayville Engineering Company, Inc. (the “Company”) of [•] shares of common stock, no par value per share (the “Common Stock”), of the Company and the lock-up letter dated [•], 20__, (the “Lock-up Letter”), executed by you in connection with such offering, and your request for a [waiver] [release] dated [•], 20__, with respect to [•] shares of Common Stock (the “Shares”).

Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective [•], 20__; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Yours very truly,

Robert W. Baird & Co. Incorporated
By: ____________________________
    Name:
    Title:

Citigroup Global Markets Inc.
By: ____________________________
    Name:
    Title:
cc: Mayville Engineering Company, Inc.

Jefferies LLC

By: ______________________________
  Name: __________________________
  Title: __________________________
EXHIBIT D

FORM OF PRESS RELEASE

Mayville Engineering Company, Inc.

Mayville Engineering Company, Inc. (the “Company”) announced today that Robert W. Baird & Co. Incorporated, Citigroup Global Markets Inc. and Jefferies LLC, the lead book-running managers in the Company’s recent public sale of [*] shares of common stock, is [waiving] [releasing] a lock-up restriction with respect to [*] shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [insert date], 20__, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Section 3: EX-3.1 (EX-3.1)

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF MAYVILLE ENGINEERING COMPANY, INC.

Pursuant to Section 180.1007 of the Wisconsin Business Corporation Law, Chapter 180 of the Wisconsin Statutes, these amended and restated articles of incorporation of the corporation (the “Corporation”), which Corporation is organized under Chapter 180 of the Wisconsin Statutes, supersede and take the place of the existing articles of incorporation of the Corporation and any and all amendments thereto:

ARTICLE 1

The name of the Corporation is Mayville Engineering Company, Inc.

ARTICLE 2

The period of existence of the Corporation shall be perpetual.

ARTICLE 3

The purpose or purposes for which the Corporation is organized is to carry on and engage in any lawful activity within the purposes for which corporations may be organized under the Wisconsin Business Corporation Law.

ARTICLE 4

The aggregate number of shares which the Corporation shall have the authority to issue shall be Eighty Million (80,000,000) shares, consisting of: (i) Seventy-Five Million (75,000,000) shares of a class designated as “Common Stock,” with no par value per share; and (ii) Five Million (5,000,000) shares of a class designated as “Preferred Stock,” with a par value of $0.01 per share.

The designation, relative rights, preferences and limitations of the shares of each class and the authority of the Board of Directors of the Corporation to establish and to designate series of Preferred Stock and to fix variations in the relative rights, preferences and limitations as between such series, shall be as set forth herein.

A. Preferred Stock.

(1) Series and Variations Between Series. The Board of Directors of the Corporation is authorized, to the full extent permitted under the Wisconsin Business Corporation Law and the provisions of this Section A, to provide for the issuance of the Preferred Stock in series, each of such series to be distinctively designated, and to have such redemption rights, dividend rights, rights on dissolution or distribution of assets, conversion or exchange rights, voting powers, designations, preferences and relative participating, optional or other special rights, if any, and such qualifications, limitations or restrictions thereof as shall be provided by the Board of Directors of the Corporation consistent with the provisions of this Article 4.
(2) **Dividends.** Before any dividends shall be paid or set apart for payment upon shares of Common Stock, the holders of each series of Preferred Stock shall be entitled to receive dividends at the rate (which may be fixed or variable) and at such times as specified in the particular series. The holders of shares of Preferred Stock shall have no rights to participate with the holders of shares of Common Stock in any distribution of dividends in excess of the preferential dividends, if any, fixed for such Preferred Stock.

(3) **Liquidation Rights.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of each series of Preferred Stock shall be entitled to receive out of the assets of the Corporation in money or money’s worth the preferential amount, if any, specified in the particular series for each share at the time outstanding together with all accrued but unpaid dividends thereon, before any of such assets shall be paid or distributed to holders of Common Stock. The holders of Preferred Stock shall have no rights to participate with the holders of Common Stock in the assets of the Corporation available for distribution to shareholders in excess of the preferential amount, if any, fixed for such Preferred Stock. The consolidation or merger of the Corporation with or into any other corporation or corporations or the merger of any other corporation or corporations into the Corporation, pursuant to the laws of Wisconsin and of any other applicable state, shall not be deemed a liquidation, dissolution or winding up of the Corporation within the meaning of the foregoing provisions of this paragraph.

(4) **Voting Rights.** The holders of Preferred Stock shall have only such voting rights as are fixed for shares of each series by the Board of Directors pursuant to this Section A or are provided, to the extent applicable, by the Wisconsin Business Corporation Law.

B. **Common Stock.**

(1) **Dividends.** Subject to the provisions of this Article 4, the Board of Directors of the Corporation may, in its sole discretion, out of funds legally available for the payment of dividends and at such times and in such manner as determined by the Board of Directors, declare and pay dividends or other distributions on the Common Stock.

(2) **Liquidation Rights.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after there shall have been paid to or set aside for the holders of Preferred Stock the full preferential amounts, if any, to which they are entitled, the holders of outstanding shares of Common Stock shall be entitled to receive pro rata, according to the number of shares held by each, the remaining assets of the Corporation available for distribution.

(3) **Voting Rights.** Except as otherwise provided by the Wisconsin Business Corporation Law, and except as may be determined by the Board of Directors with respect to Preferred Stock pursuant to Section A of this Article 4, only the holders of Common Stock shall be entitled to vote for the election of directors of the Corporation and for all other corporate purposes. Upon any such vote the holders of Common Stock shall, except as otherwise provided by law, be entitled to one vote for each share of Common Stock held by them respectively.
C. Preemptive Rights. No holder of shares of any class of capital stock of the Corporation shall have any preferential or preemptive right to acquire unissued shares of capital stock of the Corporation or securities convertible into such shares or conveying a right to subscribe for or acquire shares.

**ARTICLE 5**

A. General Powers, Number, Classification and Tenure of Directors. The general powers, number, classification, tenure and qualifications of the directors of the Corporation shall be as set forth in Sections 3.01 and 3.02 of Article III of the Bylaws of the Corporation (and as such Sections shall exist from time to time). Such Sections 3.01 and 3.02 of Article III of the Bylaws, or any provision thereof, may only be amended, altered, changed or repealed by the affirmative vote of shareholders holding at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the then outstanding shares of all classes of capital stock of the Corporation generally possessing voting rights in the election of directors, considered for this purpose as a single class; provided, however, that the Board of Directors, by resolution adopted by the Requisite Vote (as hereinafter defined), may amend, alter, change or repeal Sections 3.01 and 3.02 of Article III of the Bylaws, or any provision thereof, without a vote of the shareholders. As used herein, the term “Requisite Vote” shall mean the affirmative vote of at least two-thirds of the directors then in office plus one director, but in no case more than all of the directors then in office.

B. Removal of Directors. Any director may be removed from office, but only for Cause (as hereinafter defined) by the affirmative vote of holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the then outstanding shares of stock of the voting group of shareholders that elected the director to be removed; provided, however, that if the Board of Directors by resolution adopted by the Requisite Vote shall have recommended removal of a director, then the shareholders may remove such director from office without Cause by a majority vote of such outstanding shares. As used herein, “Cause” shall exist only if the director whose removal is proposed (i) has been convicted of a felony by a court of competent jurisdiction and such conviction is no longer subject to direct appeal or (ii) has been adjudged by a court of competent jurisdiction to be liable for willful misconduct in the performance of his or her duties to the Corporation in a matter which has a material adverse effect on the business of the Corporation and such adjudication is no longer subject to direct appeal.

C. Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by the removal of a director or an increase in the number of directors, shall be filled by the affirmative vote of a majority of the directors then in office, although less than a quorum of the Board of Directors; provided, however, that if the vacant office was held by a director elected by a voting group of shareholders, only the remaining directors elected by that voting group shall fill the vacancy. For purposes of this Article 5, a director elected by directors to fill a vacant office pursuant to this Section C shall be deemed to be a director elected by the same voting group of shareholders that elected the director(s) who voted to fill the vacancy. Any director elected pursuant to this Section C shall serve until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified.
D. Amendments.

(1) Notwithstanding any other provision of these Amended and Restated Articles of Incorporation, the provisions of this Article 5 may be amended, altered, changed or repealed only by the affirmative vote of shareholders holding at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the then outstanding shares of all classes of capital stock of the Corporation generally possessing voting rights in the election of directors, considered for this purpose as a single class.

(2) Notwithstanding the foregoing and any provisions in the Bylaws of the Corporation, whenever the holders of any one or more series of Preferred Stock issued by the Corporation pursuant to Article 4 hereof shall have the right, voting separately as a class or by series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the series of Preferred Stock applicable thereto, and such directors so elected shall not be divided into classes unless expressly provided by the terms of the applicable series.

ARTICLE 6

The Bylaws of the Corporation may limit the authority of the shareholders of the Corporation to call a special meeting of shareholders to the fullest extent permitted by the Wisconsin Business Corporation Law.

ARTICLE 7

The address of the Corporation’s registered office is 715 South Street, Mayville, Wisconsin 53050. The name of the Corporation’s registered agent at such address is Robert D. Kamphuis.

ARTICLE 8

These Amended and Restated Articles of Incorporation may be amended solely as authorized herein and by law at the time of amendment.

* * * * *

(Back To Top)

Section 4: EX-10.1 (EX-10.1)

Exhibit 10.1

MAYVILLE ENGINEERING COMPANY, INC.
2019 OMNIBUS INCENTIVE PLAN

1. Purposes, History and Effective Date.

(a) Purpose. The Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”) has two complementary purposes: (i) to attract and retain outstanding individuals to serve as officers, directors, employees, and consultants, and (ii) to increase shareholder value. The Plan will provide participants incentives to increase shareholder value by offering the opportunity to acquire shares of the Company’s common stock, receive monetary payments based on the value of such common stock, or receive other incentive compensation, on the potentially favorable terms that this Plan provides.

(b) Effective Date. The Plan will come into existence on the Effective Date; provided that no Award may be granted as of a date prior to the IPO Date. In addition, no Options or Stock Appreciation Rights will be exercised; no Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units valued in relating to Shares or other Stock-based awards will be granted; and no Cash Incentive Award will be paid unless and until the Plan has been approved by the shareholders of the Company, which approval must occur on or within twelve (12) months after the Effective Date. The Plan will terminate as provided in Section 15.

2. Definitions. Capitalized terms used and not otherwise defined in this Plan or in any Award agreement have the following meanings:

(a) “Administrator” means the Board or the Committee; provided that, to the extent the Board or the Committee has delegated authority and responsibility as an Administrator of the Plan to one or more committees or officers of the Company as permitted by Section 3(b), the term “Administrator” shall also mean such committee(s) and/or officer(s).

(b) “Affiliate” has the meaning ascribed to such term in Rule 12b-2 under the Exchange Act. Notwithstanding the foregoing, for purposes of determining those individuals to whom an Option or a Stock Appreciation Right may be granted, the term “Affiliate” means any entity that, directly or through one or more intermediaries, is controlled by or is under common control with, the Company within the meaning of Code Sections 414(b) or (c); provided that, in applying such provisions, the phrase “at least 20 percent” shall be used in place of “at least 80 percent” each place it appears therein.

(c) “Applicable Exchange” means the national securities exchange or automated trading system on which the Stock is principally traded at the applicable time.
(d) “Award” means a grant of Options, Stock Appreciation Rights, Performance Shares, Performance Units, Stock, Restricted Stock, Restricted Stock Units, a Cash Incentive Award, or any other type of award permitted under this Plan.

(e) “Board” means the Board of Directors of the Company.

(f) “Cash Incentive Award” means the right to receive a cash payment to the extent Performance Goals are achieved (or other requirements are met), as described in Section 10.

(g) “Cause” means, with respect to a Participant, one of the following, which are listed in order of priority:
(i) the meaning given in a Participant’s employment, retention, change of control, severance or similar agreement with the Company or any Affiliate; or if none then

(ii) the meaning given in the Award agreement; or if none then

(iii) the meaning given in the Company’s employment policies as in effect at the time of the determination (or if the determination of Cause is being made within two years following a Change of Control, the meaning given in the Company’s employment policies as in effect immediately prior to the Change of Control); or if none then

(iv) the occurrence of any of the following: (x) the repeated failure or refusal of the Participant to follow the lawful directives of the Company or an Affiliate (except due to sickness, injury or disabilities), (y) gross inattention to duty or any other willful, reckless or grossly negligent act (or omission to act) by the Participant, which, in the good faith judgment of the Company, could result in a material injury to the Company or an Affiliate including but not limited to the repeated failure to follow the policies and procedures of the Company, or (z) the commission by the Participant of a felony or other crime involving moral turpitude or the commission by the Participant of an act of financial dishonesty against the Company or an Affiliate.

(h) A “Change of Control” shall have the meaning given in an Award agreement, or if none, shall be deemed to exist if:

(i) a Person acquires fifty percent (50%) or more of the combined voting power of the outstanding securities of the Company having a right to vote in elections of directors; or

(ii) Continuing Directors shall for any reason cease to constitute a majority of the Board; or

(iii) the Company disposes of all or substantially all of the business of the Company to a party or parties other than a subsidiary or other affiliate of the Company pursuant to a partial or complete liquidation of the Company, sale of assets (including stock of a subsidiary of the Company) or otherwise; or

(iv) there is consummated a merger, consolidation or share exchange of the Company with any other corporation or the issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company), other than (A) a merger, consolidation or share exchange which would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after the Effective Date pursuant to express authorization by the Board) representing fifty percent (50%) or more of either the then outstanding shares of Stock or the Company or the combined voting power of the Company’s then outstanding voting securities.
For purposes of this Plan, (x) the term “Continuing Director” shall mean a member of the Board who either was a member of the Board on the Effective Date or who subsequently became a Director and whose election, or nomination for election, was approved by a vote of at least two-thirds (2/3) of the Continuing Directors then in office, and (y) the term “Excluded Person” shall mean (A) the Company or its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or its subsidiaries, including, for the avoidance of doubt, one or more employee stock ownership plans, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company.

If an Award is considered deferred compensation subject to the provisions of Code Section 409A, then the foregoing definition shall be deemed amended to the minimum extent necessary to comply with Code Section 409A, and the Administrator may include such amended definition in the Award agreement issued with respect to such Award.

(i) “Code” means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the regulations promulgated under such provision.

(j) “Committee” means the Compensation Committee of the Board, any successor committee thereto or such other committee of the Board that is designated by the Board with the same or similar authority. The Committee shall consist only of Non-Employee Directors (not fewer than two (2)) who also qualify as Outside Directors to the extent necessary for the Plan and Awards to comply with Rule 16b-3 promulgated under the Exchange Act.


(l) “Director” means a member of the Board.

(m) “Dividend Equivalent Unit” means the right to receive a payment, in cash or Shares, equal to the cash dividends or other cash distributions paid with respect to a Share.

(n) “Effective Date” means the day the Board adopts the Plan.


(p) “Fair Market Value” means a price that is based on the opening, closing, actual, high or low sale price, or the arithmetic mean of selling prices of, a Share, on the Applicable Exchange on the applicable date, the preceding trading day, the next succeeding trading day, or the arithmetic mean of selling prices on all trading days over a specified averaging period weighted by volume of trading on each trading day in the period that is within 30 days before or 30 days after the applicable date, as determined by the Board or the Committee in its discretion;
provided that, if an arithmetic mean of prices is used to set a grant price or an exercise price for an Option or Stock Appreciation Right, the commitment to grant the applicable Award based on such arithmetic mean must be irrevocable before the beginning of the specified averaging period in accordance with Treasury Regulation §1.409A-1(b)(5)(iv)(A). The method of determining Fair Market Value with respect to an Award shall be determined by the Board or the Committee and may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement, or payout of an Award; provided that, if the Board or the Committee does not specify a different method, the Fair Market Value of a Share as of a given date shall be the closing sale price as of the trading day immediately preceding the date as of which Fair Market Value is to be determined or, if there shall be no such sale on such date, the next preceding day on which such a sale shall have occurred. If the Stock is not traded on an established stock exchange, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate, but based on objective criteria. Notwithstanding the foregoing, in the case of an actual sale of Shares, the actual sale price shall be the Fair Market Value of such Shares.

(q) "IPO Date" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of Stock, pursuant to which Stock is priced for the initial public offering.

(r) "Non-Employee Director" means a Director who is not also an employee of the Company or its Subsidiaries.

(s) “Option” means the right to purchase Shares at a stated price for a specified period of time.

(t) "Participant" means an individual selected by the Administrator to receive an Award.

(u) “Performance Goals” means any objective or subjective goals the Administrator establishes with respect to an Award. Performance Goals may include, but are not limited to, the performance of the Company or any one or more of its Subsidiaries, Affiliates or other business units with respect to the following measures: net sales; cost of sales; gross income; gross revenue; revenue; operating income; earnings before taxes; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings before interest, taxes, depreciation, amortization and exception items; income from continuing operations; net income; earnings per share; diluted earnings per share; total shareholder return; Fair Market Value; cash flow; net cash provided by operating activities; net cash provided by operating activities less net cash used in investing activities; ratio of debt to debt plus equity; return on shareholder equity; return on invested capital; return on average total capital employed; return on net capital employed; return on assets; return on net assets employed before interest and taxes; operating working capital; average accounts receivable (calculated by taking the average of accounts receivable at the end of each month); average inventories (calculated by taking the average of inventories at the end of each month); economic value added; succession planning; manufacturing return on assets; manufacturing margin; and customer satisfaction. Performance Goals may also relate to a Participant’s individual performance.

The Administrator reserves the right to adjust Performance Goals, or modify the manner of measuring or evaluating a Performance Goal, for any reason the Administrator determines is appropriate, including but not limited to: (i) by excluding the effects of charges for reorganizing and restructuring; discontinued operations; asset write-downs; gains or losses on the disposition
of a business; or mergers, acquisitions or dispositions; and extraordinary, unusual and/or non-recurring items of gain or loss; (ii) excluding the costs of litigation, claims, judgments or settlements; (iii) excluding the effects of changes laws or regulations affecting reported results, or changes in tax or accounting principles, regulations or law; and (iv) excluding any accruals of amounts related to payments under the Plan or any other compensation arrangement maintained by the Company or an Affiliate.

The inclusion in an Award agreement of specific adjustments or modifications shall not be deemed to preclude the Administrator from making other adjustments or modifications, in its discretion, as described herein, unless the Award agreement provides that the adjustments or modifications described in such agreement shall be the sole adjustments or modifications.

(v) “Performance Shares” means the right to receive Shares to the extent Performance Goals are achieved (or other requirements are met).

(w) “Performance Unit” means the right to receive a cash payment and/or Shares valued in relation to a unit that has a designated dollar value or the value of which is equal to the Fair Market Value of one or more Shares, to the extent Performance Goals are achieved (or other requirements are met).

(x) “Person” has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, or any group of Persons acting in concert that would be considered “persons acting as a group” within the meaning of Treas. Reg. § 1.409A-3(i)(5).

(y) “Plan” means this Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan, as it may be amended from time to time.

(z) “Restricted Stock” means Shares that are subject to a risk of forfeiture or restrictions on transfer, or both a risk of forfeiture and restrictions on transfer, which may lapse upon the achievement or partial achievement of Performance Goals or upon the completion of a period of service, or both.

(aa) “Restricted Stock Unit” means the right to receive a Share or a cash payment the value of which is equal to the Fair Market Value of one Share.

(bb) “Section 16 Participants” means Participants who are subject to the provisions of Section 16 of the Exchange Act.

(cc) “Share” means a share of Stock.

(dd) “Stock” means the common stock of the Company, no par value.

(ee) “Stock Appreciation Right” or “SAR” means the right to receive a cash payment, and/or Shares with a Fair Market Value, equal to the appreciation of the Fair Market Value of a Share during a specified period of time.

(ff) “Subsidiary” means any corporation, limited liability company or other limited liability entity in an unbroken chain of entities beginning with the Company if each of the entities (other than the last entities in the chain) owns the stock or equity interest possessing more than fifty percent (50%) of the total combined voting power of all classes of stock or other equity interests in one of the other entities in the chain.
3. Administration.

(a) Administration. In addition to the authority specifically granted to the Administrator in this Plan, the Administrator has full discretionary authority to administer this Plan, including but not limited to the authority to: (i) interpret the provisions of this Plan or any agreement covering an Award; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any agreement covering an Award in the manner and to the extent it deems desirable to carry this Plan or such Award into effect; and (iv) make all other determinations necessary or advisable for the administration of this Plan. All Administrator determinations shall be made in the sole discretion of the Administrator and are final and binding on all interested parties.

(b) Delegation to Other Committees or Officers. To the extent applicable law permits, the Board may delegate to another committee of the Board, or the Committee may delegate to a subcommittee of the Committee or to one or more officers of the Company, any or all of their respective authority and responsibility as an Administrator of the Plan; provided that no such delegation is permitted with respect to Stock-based Awards made to Section 16 Participants at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of Non-Employee Directors. If the Board or the Committee has made such a delegation, then all references to the Administrator in this Plan include such other committee, subcommittee or one or more officers to the extent of such delegation.

(c) No Liability; Indemnification. No member of the Board or the Committee, and no officer or member of any other committee to whom a delegation under Section 3(b) has been made, will be liable for any act done, or determination made, by the individual in good faith with respect to the Plan or any Award. The Company will indemnify and hold harmless each such individual as to any acts or omissions, or determinations made, in each case done or made in good faith, with respect to this Plan or any Award to the maximum extent that the law and the Company’s By-Laws permit.

4. Eligibility; Participant Award Limits.

(a) Eligibility. The Administrator may designate any of the following as a Participant from time to time, to the extent of the Administrator’s authority: any officer or other employee of the Company or its Affiliates; any individual that the Company or an Affiliate has engaged to become an officer or employee; any consultant or advisor who provides services to the Company or its Affiliates; or any Director, including a Non-Employee Director. The Administrator’s designation of, or granting of an Award to, a Participant will not require the Administrator to designate such individual as a Participant or grant an Award to such individual at any future time. The Administrator’s granting of a particular type of Award to a Participant will not require the Administrator to grant any other type of Award to such individual.
(b) Participant Award Limits. Subject to adjustment as provided in Section 17, no Participant may be granted Awards that could result in such Participant:

(i) receiving Options for, and/or Stock Appreciation Rights with respect to, more than 400,000 Shares (or 15,000 Shares, in the case of a Non-Employee Director) during any fiscal year of the Company;

(ii) receiving Awards of Restricted Stock and/or Restricted Stock Units, and/or other Stock-based Awards pursuant to Section 12, relating to more than 400,000 Shares (or 15,000 Shares, in the case of a Non-Employee Director) during any fiscal year of the Company;

(iii) receiving Awards of Performance Shares, and/or Awards of Performance Units the value of which is based on the Fair Market Value of Shares, for more than 800,000 Shares (or 30,000 Shares, in the case of a Non-Employee Director) in respect of any period of two consecutive fiscal years of the Company, or of more than 1,200,000 Shares (or 45,000 Shares, in the case of a Non-Employee Director) in respect of any period of three consecutive fiscal years of the Company;

(iv) receiving Cash Incentive Award(s) that could result in a payment of more than $4,000,000 (or a payment of more than $200,000, in the case of a Non-Employee Director) with respect to any fiscal year of the Company;

(v) receiving Award(s) of Performance Units the value of which is not based on the Fair Market Value of a Share in respect of any period of two fiscal years of the Company that could result in a payment of more than $8,000,000 (or a payment of more than $400,000, in the case of a Non-Employee Director), or in respect of any three fiscal years of the Company that could result in the payment of $12,000,000 (or a payment of more than $600,000, in the case of a Non-Employee Director); or

(vi) receiving other Stock-based Awards pursuant to Section 12, or Dividend Equivalent Units, relating to more than 400,000 Shares (or 15,000 Shares, in the case of a Non-Employee Director) during any fiscal year of the Company.

5. Types of Awards. Subject to the terms of this Plan, the Administrator may grant any type of Award to any Participant it selects, but only employees of the Company or a Subsidiary may receive grants of incentive stock options within the meaning of Code Section 422. Awards may be granted alone or in addition to, in tandem with, or (subject to the prohibition on repricing set forth in Section 15(e)) in substitution for any other Award (or any other award granted under another plan of the Company or any Affiliate, including the plan of an acquired entity).

6. Shares Reserved under this Plan.

(a) Plan Reserve. Subject to adjustment as provided in Section 17, an aggregate of Two Million (2,000,000) Shares are reserved for issuance under this Plan, all of which may be issued pursuant to the exercise of incentive stock options. The Shares reserved for issuance may be either authorized and unissued Shares or Shares reacquired at any time and now or hereafter held as treasury stock.

(b) Depletion and Replenishment of Shares Under this Plan.

(i) The aggregate number of Shares reserved under Section 6(a) shall be depleted on the date of grant of an Award by the maximum number of Shares, if any, with respect to which such Award is granted. Notwithstanding the foregoing, an Award that may be settled solely in cash shall not cause any depletion of the Plan’s Share reserve at the time such Award is granted.
To the extent (A) an Award lapses, expires, terminates or is cancelled without the issuance of Shares under the Award (whether due currently or on a deferred basis) or is settled in cash, (B) it is determined during or at the conclusion of the term of an Award that all or some portion of the Shares with respect to which the Award was granted will not be issuable on the basis that the conditions for such issuance will not be satisfied, (C) Shares are forfeited under an Award, (D) Shares are issued under any Award and the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, (E) Shares are tendered or withheld in payment of the exercise price of an Option or as a result of the net settlement of an outstanding Stock Appreciation Right or (F) Shares are tendered or withheld to satisfy federal, state or local tax withholding obligations, then such Shares shall be recredited to the Plan’s reserve and may again be used for new Awards under this Plan, but Shares recredited to the Plan’s reserve pursuant to clause (D), (E) or (F) may not be issued pursuant to incentive stock options.

7. Options. Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each Option, including but not limited to: (a) whether the Option is an “incentive stock option” which meets the requirements of Code Section 422, or a “nonqualified stock option” which does not meet the requirements of Code Section 422; (b) the grant date, which may not be any day prior to the date that the Administrator approves the grant; (c) the number of Shares subject to the Option; (d) the exercise price, which may never be less than the Fair Market Value of the Shares subject to the Option as determined on the date of grant; (e) the terms and conditions of vesting and exercise; (f) the term, except that an Option must terminate no later than ten (10) years after the date of grant; and (g) the manner of payment of the exercise price. In all other respects, the terms of any incentive stock option should comply with the provisions of Code Section 422 except to the extent the Administrator determines otherwise. If an Option that is intended to be an incentive stock option fails to meet the requirements thereof, the Option shall automatically be treated as a nonqualified stock option to the extent of such failure. To the extent previously approved by the Administrator (which approval may be set forth in an Award agreement or in administrative rules), and subject to such procedures as the Administrator may specify, the payment of the exercise price of Options may be made by (i) delivery of cash or other Shares or other securities of the Company (including by attestation) having a then Fair Market Value equal to the purchase price of such Shares, (ii) by delivery (including by fax) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the Shares and deliver the sale or margin loan proceeds directly to the Company to pay for the exercise price, (iii) by surrendering the right to receive Shares otherwise deliverable to the Participant upon exercise of the Award having a Fair Market Value at the time of exercise equal to the total exercise price, or (iv) by any combination of (i), (ii) and/or (iii). Except to the extent otherwise set forth in an Award agreement, a Participant shall have no rights as a holder of Stock as a result of the grant of an Option until the Option is exercised, the exercise price and applicable withholding taxes are paid and the Shares subject to the Option are issued thereunder.
8. **Stock Appreciation Rights.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each SAR, including but not limited to: (a) the grant date, which may not be any day prior to the date that the Administrator approves the grant; (b) the number of Shares to which the SAR relates; (c) the grant price, which may never be less than the Fair Market Value of the Shares subject to the SAR as determined on the date of grant; (d) the terms and conditions of exercise or maturity, including vesting; (e) the term, provided that an SAR must terminate no later than ten (10) years after the date of grant; and (f) whether the SAR will be settled in cash, Shares or a combination thereof.

9. **Performance and Stock Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Shares, Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, including but not limited to: (a) the number of Shares and/or units to which such Award relates; (b) whether, as a condition for the Participant to realize all or a portion of the benefit provided under the Award, one or more Performance Goals must be achieved during such period as the Administrator specifies; (c) the length of the vesting and/or performance period and, if different, the date on which payment of the benefit provided under the Award will be made; (d) with respect to Performance Units, whether to measure the value of each unit in relation to a designated dollar value or the Fair Market Value of one or more Shares; and (e) with respect to Restricted Stock Units and Performance Units, whether to settle such Awards in cash, in Shares (including Restricted Stock), or in a combination of cash and Shares; provided that no dividends or Dividend Equivalent Units shall be paid on Performance Shares or Performance Units prior to their vesting.

10. **Cash Incentive Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of a Cash Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment.

11. **Dividend Equivalent Units.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Dividend Equivalent Units, including but not limited to whether: (a) such Award will be granted in tandem with another Award; (b) payment of the Award will be made concurrently with dividend payments or credited to an account for the Participant which provides for the deferral of such amounts until a stated time; (c) the Award will be settled in cash or Shares; and (d) as a condition for the Participant to realize all or a portion of the benefit provided under the Award, one or more Performance Goals must be achieved during such period as the Administrator specifies; provided that Dividend Equivalent Units may not be granted in connection with an Option or Stock Appreciation Right; and provided further that no Dividend Equivalent Unit shall provide for payment on Performance Shares or Performance Units prior to their vesting.

12. **Other Stock-Based Awards.** Subject to the terms of this Plan, the Administrator may grant to a Participant shares of unrestricted Stock as replacement for other compensation to which the Participant is entitled, such as in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, or as a bonus.

13. **Discretion to Accelerate Vesting.** The Administrator may accelerate the vesting of an Award or deem an Award to be earned, in whole or in part, in the event of a Participant’s death, disability (as defined by the Administrator), retirement, or termination without cause, or as provided in Section 17(c) or upon any other event as determined by the Administrator in its sole and absolute discretion.
14. **Transferability.** Awards are not transferable, including to any financial institution, other than by will or the laws of descent and distribution, unless and to the extent the Administrator allows a Participant to: (a) designate in writing a beneficiary to exercise the Award or receive payment under the Award after the Participant’s death; (b) transfer an Award to the former spouse of the Participant as required by a domestic relations order incident to a divorce; or (c) transfer an Award; *provided, however*, that with respect to clause (c) above the Participant may not receive consideration for such a transfer of an Award.

15. **Termination and Amendment of Plan; Amendment, Modification or Cancellation of Awards.**

(a) **Term of Plan.** Unless the Board earlier terminates this Plan pursuant to Section 15(b), this Plan will terminate when all Shares reserved for issuance have been issued. If the term of this Plan extends beyond ten (10) years from the Effective Date, no incentive stock options may be granted after such time unless the shareholders of the Company have approved an extension of this Plan for such purpose.

(b) **Termination and Amendment.** The Board or the Administrator may amend, alter, suspend, discontinue or terminate this Plan at any time, subject to the following limitations:

(i) the Board must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) prior action of the Board, (B) applicable corporate law, or (C) any other applicable law;

(ii) shareholders must approve any amendment of this Plan (which may include an amendment to materially increase any number of Shares specified in Section 6(a), except as permitted by Section 17) to the extent the Company determines such approval is required by: (A) Section 16 of the Exchange Act, (B) the Code, (C) the listing requirements of any principal securities exchange or market on which the Shares are then traded, or (D) any other applicable law; and

(iii) shareholders must approve an amendment that would diminish the protections afforded by Section 4(b) or Section 15(e).

(c) **Amendment, Modification, Cancellation and Disgorgement of Awards.**

(i) Except as provided in Section 15(e) and subject to the requirements of this Plan, the Administrator may modify, amend or cancel any Award, or waive any restrictions or conditions applicable to any Award or the exercise of the Award; *provided that*, except as otherwise provided in the Plan or the Award agreement, any modification or amendment that materially diminishes the rights of the Participant, or the cancellation of an Award, shall be effective only if agreed to by the Participant or any other person(s) as may then have an interest in such Award, but the Administrator need not obtain Participant (or other interested party) consent for the modification, amendment or cancellation of an Award pursuant to the provisions of subsection (ii) or Section 17 or as follows: (A) to the extent the Administrator deems such action necessary to comply with any applicable law or the listing requirements of any principal securities exchange or market on which the Shares are then traded; (B) to the extent the Administrator deems necessary to preserve favorable accounting or tax treatment of any Award for the Company; or (C) to the extent the Administrator determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant (or any other person(s) as may then have an interest in the Award). Notwithstanding the foregoing, unless determined otherwise by the Administrator, any such amendment shall be made in a manner that will enable an Award intended to be exempt from Code Section 409A to continue to be so exempt, or to enable an Award intended to comply with Code Section 409A to continue to so comply.
(ii) Notwithstanding anything to the contrary in an Award agreement, the Administrator shall have full power and authority to terminate or cause the Participant to forfeit the Award, and require the Participant to disgorge to the Company any gains attributable to the Award, if the Participant engages in any action constituting, as determined by the Administrator in its discretion, Cause for termination, or a breach of a material Company policy, any Award agreement or any other agreement between the Participant and the Company or an Affiliate concerning noncompetition, nonsolicitation, confidentiality, trade secrets, intellectual property, nondisparagement or similar obligations.

(iii) Any Awards granted pursuant to this Plan, and any Stock issued or cash paid pursuant to an Award, shall be subject to any recoupment or clawback policy that is adopted by, or any recoupment or similar requirement otherwise made applicable by law, regulation or listing standards to, the Company from time to time.

(d) **Survival of Authority and Awards.** Notwithstanding the foregoing, the authority of the Board and the Administrator under this Section 15 and to otherwise administer the Plan with respect to then-outstanding Awards will extend beyond the date of this Plan’s termination. In addition, termination of this Plan will not affect the rights of Participants with respect to Awards previously granted to them, and all unexpired Awards will continue in force and effect after termination of this Plan except as they may lapse or be terminated by their own terms and conditions.

(e) **Repricing and Backdating Prohibited.** Notwithstanding anything in this Plan to the contrary, and except for the adjustments provided for in Section 17, neither the Administrator nor any other person may (i) amend the terms of outstanding Options or SARs to reduce the exercise or grant price of such outstanding Options or SARs; (ii) cancel outstanding Options or SARs in exchange for Options or SARs with an exercise or grant price that is less than the exercise or grant price of the original Options or SARs; or (iii) cancel outstanding Options or SARs with an exercise or grant price above the current Fair Market Value of a Share in exchange for cash or other securities. In addition, the Administrator may not make a grant of an Option or SAR with a grant date that is effective prior to the date the Administrator takes action to approve such Award.

(f) **Foreign Participation.** To assure the viability of Awards granted to Participants employed or residing in foreign countries, the Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, accounting or custom. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Administrator approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country. In addition, all such supplements, amendments, restatements or alternative versions must comply with the provisions of Section 15(b)(ii).
16. Taxes

(a) Withholding. In the event the Company or one of its Affiliates is required to withhold any Federal, state or local taxes or other amounts in respect of any income recognized by a Participant as a result of the grant, vesting, payment or settlement of an Award or disposition of any Shares acquired under an Award, the Company may satisfy such obligation by:

   (i) If cash is payable under an Award, deducting (or requiring an Affiliate to deduct) from such cash payment the amount needed to satisfy such obligation;

   (ii) If Shares are issuable under an Award, then to the extent previously approved by the Administrator (which approval may be set forth in an Award agreement or in administrative rules), and subject to such procedures as the Administrator may specify, (A) withholding Shares having a Fair Market Value equal to such obligations; or (B) allowing the Participant to elect to (1) have the Company or its Affiliate withhold Shares otherwise issuable under the Award, (2) tender back Shares received in connection with such Award or (3) deliver other previously owned Shares, in each case having a Fair Market Value equal to the amount to be withheld; provided that the amount to be withheld under this clause (ii) may not exceed the total maximum statutory tax withholding obligations associated with the transaction to the extent needed for the Company and its Affiliates to avoid an accounting charge. If an election is provided, the election must be made on or before the date as of which the amount of tax to be withheld is determined and otherwise as the Administrator requires; or

   (iii) Deducting (or requiring an Affiliate to deduct) the amount needed to satisfy such obligation from any wages or other payments owed to the Participant, requiring such Participant to pay to the Company or its Affiliate, in cash, promptly on demand, or make other arrangements satisfactory to the Company or its Affiliate regarding the payment to the Company or its Affiliate of the amount needed to satisfy such obligation.

(b) No Guarantee of Tax Treatment. Notwithstanding any provisions of this Plan to the contrary, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Code Section 409A shall be so exempt, (ii) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, or (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any Affiliate be required to indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.


(a) Adjustment of Shares. If (i) the Company shall at any time be involved in a merger or other transaction in which the Shares are changed or exchanged; (ii) the Company shall subdivide or combine the Shares or the Company shall declare a dividend payable in Shares, other securities (other than stock purchase rights issued pursuant to a shareholder rights agreement) or other property; (iii) the Company shall effect a cash dividend the amount of which, on a per Share basis, exceeds ten percent (10%) of the Fair Market Value of a Share at the time the dividend is declared, or the Company shall effect any other dividend or other distribution on the Shares in the form of cash, or a repurchase of Shares, that the Board
determines by resolution is special or extraordinary in nature or that is in connection with a transaction that the Company characterizes publicly as a recapitalization or reorganization involving the Shares; or (iv) any other event shall occur, which, in the case of this clause (iv), in the judgment of the Administrator necessitates an adjustment to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Administrator shall, in such manner as it may deem equitable to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, adjust any or all of: (A) the number and type of Shares subject to this Plan (including the number and type of Shares described in Sections 6(a) and (b)) and which may after the event be made the subject of Awards; (B) the number and type of Shares subject to outstanding Awards; (C) the grant, purchase, or exercise price with respect to any Award; and (D) the Performance Goals of an Award. In any such case, the Administrator may also (or in lieu of the foregoing) make provision for a cash payment to the holder of an outstanding Award in exchange for the cancellation of all or a portion of the Award (without the consent of the holder of an Award) in an amount determined by the Administrator effective at such time as the Administrator specifies (which may be the time such transaction or event is effective). However, in each case, with respect to Awards of incentive stock options, no such adjustment may be authorized to the extent that such authority would cause this Plan to violate Code Section 422(b). Further, the number of Shares subject to any Award payable or denominated in Shares must always be a whole number. In any event, previously granted Options or SARs are subject to only such adjustments as are necessary to maintain the relative proportionate interest the Options and SARs represented immediately prior to any such event and to preserve, without exceeding, the value of such Options or SARs.

Without limitation, in the event of any reorganization, merger, consolidation, combination or other similar corporate transaction or event, whether or not constituting a Change of Control (other than any such transaction in which the Company is the continuing corporation and in which the outstanding Stock is not being converted into or exchanged for different securities, cash or other property, or any combination thereof), the Administrator may substitute, on an equitable basis as the Administrator determines, for each Share then subject to an Award and the Shares subject to this Plan (if the Plan will continue in effect), the number and kind of shares of stock, other securities, cash or other property to which holders of Stock are or will be entitled in respect of each Share pursuant to the transaction.

Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Administrator, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

(b) **Issuance or Assumption.** Notwithstanding any other provision of this Plan, and without affecting the number of Shares otherwise reserved or available under this Plan, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, the Administrator may authorize the issuance or assumption of awards under this Plan upon such terms and conditions as it may deem appropriate.
(c) Effect of Change of Control.

(i) Upon a Change of Control, if the successor or surviving corporation (or parent thereof) so agrees, then, without the consent of any Participant (or other person with rights in an Award), some or all outstanding Awards may be assumed, or replaced with the same type of award with similar terms and conditions, by the successor or surviving corporation (or parent thereof) in the Change of Control transaction, subject to the following requirements:

   (A) Each Award which is assumed by the successor or surviving corporation (or parent thereof) shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the Award been exercised, vested or earned immediately prior to such Change of Control, and such other appropriate adjustments in the terms and conditions of the Award shall be made.

   (B) If the securities to which the Awards relate after the Change of Control are not listed and traded on a national securities exchange, then (1) the Participant shall be provided the option, upon exercise or settlement of an Award, to elect to receive, in lieu of the issuance of such securities, cash in an amount equal to the fair value equal of the securities that would have otherwise been issued and (2) for purposes of determining such fair value, no reduction shall be taken to reflect a discount for lack of marketability, minority interest or any similar consideration.

   (C) Upon the Participant’s termination of employment within two years following the Change of Control (1) by the successor or surviving corporation without Cause, (2) by reason of death or disability, or (3) by the Participant for “good reason,” as defined in any Award agreement or any employment, retention, change of control, severance or similar agreement between the Participant and the Company or any Affiliate, if any, all of the Participant’s Awards that are in effect as of the date of such termination shall vest in full or be deemed earned in full (assuming target performance goals provided under such Award were met, if applicable) effective on the date of such termination. In the event of any other termination of employment within two years after a Change of Control that is not described herein, the terms of the Award agreement shall apply.

(ii) To the extent the purchaser, successor or surviving entity (or parent thereof) in the Change of Control transaction does not assume the Awards or issue replacement awards as provided in clause (i) (including, for the avoidance of doubt, by reason of a Participant’s termination of employment in connection with the Change of Control), then immediately prior to the date of the Change of Control, unless the Administrator otherwise determines:

   (A) Each Option or SAR that is then held by a Participant who is employed by or in the service of the Company or an Affiliate shall become immediately and fully vested, and, unless otherwise determined by the Board or Administrator, all Options and SARs shall be cancelled on the date of the Change of Control in exchange for a cash payment equal to the excess of the Change of Control Price (as defined below) of the Shares covered by the Option or SAR that is so cancelled over the purchase or grant price of such Shares under the Award; provided, however, that all Options and SARs that have a purchase or grant price that is greater than the Change of Control Price shall be cancelled for no consideration;
(B) Restricted Stock and Restricted Stock Units (that are not Performance Awards) that are not then vested shall vest in full;

(C) All Performance Shares, Performance Units, and Cash Incentive Awards for which the performance period has expired shall be paid based on actual performance (and assuming all employment or other requirements had been met in full); and all Performance Shares, Performance Units and Cash Incentive Awards for which the performance period has not expired shall be cancelled in exchange for a cash payment equal to the amount that would have been due under such Award(s), valued assuming that the target Performance Goals had been met at the time of such Change of Control, but prorated based on the number of full months in the performance period that have elapsed as of the date of the Change of Control;

(D) All Dividend Equivalent Units that are not vested shall vest (to the same extent as the Award granted in tandem with the Dividend Equivalent Unit, if applicable) and be paid; and

(E) All other Awards that are not vested shall vest and if an amount is payable under such vested Award, such amount shall be paid in cash based on the value of the Award.

“Change of Control Price” shall mean the per share price paid or deemed paid in the Change of Control transaction, as determined by the Administrator. For purposes of this clause (ii), if the value of an Award is based on the Fair Market Value of a Share, Fair Market Value shall be deemed to mean the Change of Control Price.

(d) Application of Limits on Payments. Except to the extent the Participant has in effect an employment or similar agreement with the Company or any Affiliate or is subject to a policy that provides for a more favorable result to the Participant upon a Change of Control, in the event that the Company’s legal counsel determine that any payment, benefit or transfer by the Company under this Plan or any other plan, agreement, or arrangement to or for the benefit of the Participant (in the aggregate, the “Total Payments”) to be subject to the tax (“Excise Tax”) imposed by Code Section 4999 but for this subsection (d), then, notwithstanding any other provision of this Plan to the contrary, the Total Payments shall be delivered either (i) in full or (ii) in an amount such that the value of the aggregate Total Payments that the Participant is entitled to receive shall be One Dollar ($1.00) less than the maximum amount that the Participant may receive without being subject to the Excise Tax, whichever of (i) or (ii) results in the receipt by the Participant of the greatest benefit on an after-tax basis (taking into account applicable federal, state and local income taxes and the Excise Tax). In the event that (ii) results in a greater after-tax benefit to the Participants, payments or benefits included in the Total Payments shall be reduced or eliminated by applying the following principles, in order: (A) the payment or benefit with the higher ratio of the parachute payment value to present economic value (determined using reasonable actuarial assumptions) shall be reduced or eliminated before a payment or benefit with a lower ratio; (B) the payment or benefit with the later possible payment date shall be reduced or eliminated before a payment or benefit with an earlier payment date;
and (C) cash payments shall be reduced prior to non-cash benefits; provided that if the foregoing order of reduction or elimination would violate Code Section 409A, then the reduction shall be made pro rata among the payments or benefits included in the Total Payments (on the basis of the relative present value of the parachute payments).

18. Miscellaneous.

(a) Other Terms and Conditions. The Administrator may provide in any Award agreement such other provisions (whether or not applicable to the Award granted to any other Participant) as the Administrator determines appropriate to the extent not otherwise prohibited by the terms of the Plan. No provision in an Award agreement shall limit the Administrator’s discretion hereunder unless such provision specifically so provides for such limitation.

(b) Employment and Service. The issuance of an Award shall not confer upon a Participant any right with respect to continued employment or service with the Company or any Affiliate, or the right to continue as a Director. Unless determined otherwise by the Administrator, for purposes of the Plan and all Awards, the following rules shall apply:

(i) a Participant who transfers employment between the Company and its Affiliates, or between Affiliates, will not be considered to have terminated employment;

(ii) a Participant who ceases to be a Non-Employee Director because he or she becomes an employee of the Company or an Affiliate shall not be considered to have ceased service as a Director with respect to any Award until such Participant’s termination of employment with the Company and its Affiliates;

(iii) a Participant who ceases to be employed by the Company or an Affiliate and immediately thereafter becomes a Non-Employee Director, a non-employee director of an Affiliate, or a consultant to the Company or any Affiliate shall not be considered to have terminated employment until such Participant’s service as a director of, or consultant to, the Company and its Affiliates has ceased; and

(iv) a Participant employed by an Affiliate will be considered to have terminated employment when such entity ceases to be an Affiliate.

Notwithstanding the foregoing, for purposes of an Award that is subject to Code Section 409A, if a Participant’s termination of employment or service triggers the payment of compensation under such Award, then the Participant will be deemed to have terminated employment within the meaning of Code Section 409A. Notwithstanding any other provision in this Plan or an Award to the contrary, if any Participant is a “specified employee” within the meaning of Code Section 409A as of the date of his or her “separation from service” within the meaning of Code Section 409A, then, to the extent required by Code Section 409A, any payment made to the Participant on account of such separation from service shall not be made before a date that is six months after the date of the separation from service.

(c) No Fractional Shares. No fractional Shares or other securities may be issued or delivered pursuant to this Plan. Unless otherwise determined by the Administrator or otherwise provided in any Award agreement, all fractional Shares that would otherwise be issuable under the Plan shall be canceled for no consideration.
(d) **Unfunded Plan; Awards Not Includable for Benefits Purposes.** This Plan is unfunded and does not create, and should not be construed to create, a trust or separate fund with respect to this Plan’s benefits. This Plan does not establish any fiduciary relationship between the Company and any Participant or other person. To the extent any person holds any rights by virtue of an Award granted under this Plan, such rights are no greater than the rights of the Company’s general unsecured creditors. Income recognized by a Participant pursuant to an Award shall not be included in the determination of benefits under any employee pension benefit plan (as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) or group insurance or other benefit plans applicable to the Participant which are maintained by the Company or any Affiliate, except as may be provided under the terms of such plans or determined by resolution of the Board.

(e) **Requirements of Law and Securities Exchange.** The granting of Awards and the issuance of Shares in connection with an Award are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any other provision of this Plan or any award agreement, the Company has no liability to deliver any Shares under this Plan or make any payment unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity, and unless and until the Participant has taken all actions required by the Company in connection therewith. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or the requirements of any national securities exchanges.

(f) **Code Section 409A.** Any Award granted under this Plan shall be provided or made in such manner and at such time as to either make the Award exempt from, or comply with, the provisions of Code Section 409A, to avoid a plan failure described in Code Section 409(a)(1), and the provisions of Code Section 409A are incorporated into this Plan to the extent necessary for any Award that is subject to Code Section 409A to comply therewith.

(g) **Governing Law; Venue.** This Plan, and all agreements under this Plan, will be construed in accordance with and governed by the laws of the State of Wisconsin, without reference to any conflict of law principles. Any legal action or proceeding with respect to this Plan, any Award or any award agreement, or for recognition and enforcement of any judgment in respect of this Plan, any Award or any award agreement, may only be brought and determined in (i) a court sitting in the State of Wisconsin, and (ii) a “bench” trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

(h) **Limitations on Actions.** Any legal action or proceeding with respect to this Plan, any Award or any award agreement, must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

(i) **Construction.** Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used in the singular or plural, they shall be construed as though they were used in the plural or singular, as the case may be, in all cases where they would so apply. Titles of sections are for general information only, and this Plan is not to be construed with reference to such titles.
(j) Severability. If any provision of this Plan or any award agreement or any Award (i) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or (ii) would cause this Plan, any award agreement or any Award to violate or be disqualified under any law the Administrator deems applicable, then such provision should be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this Plan, award agreement or Award, then such provision should be stricken as to such jurisdiction, person or Award, and the remainder of this Plan, such award agreement and such Award will remain in full force and effect.

Section 5: EX-10.8 (EX-10.8)

MAYVILLE ENGINEERING COMPANY, INC.
2019 OMNIBUS INCENTIVE PLAN
STOCK OPTION AWARD

[PARTICIPANTID]
[FIRSTNAME] [LASTNAME]

You have been granted an option (your “Option”) to purchase shares (“Shares”) of Common Stock of Mayville Engineering Company, Inc. (the “Company”) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”), effective as of the Grant Date, with the following terms and conditions:

Grant Date: [______________], [___]
Vesting Commencement Date: [______________], [___]
Type of Option: [Nonqualified Stock Option]
[Incentive Stock Option]
Number of Option Shares: [SHARES GRANTED]
Exercise Price per Share: U.S. $[__.__]

Vesting: The Option will vest and become exercisable with respect to [_____] ([__]) of the total Option Shares on each of the first [_____] anniversaries of the Vesting Commencement Date, provided that you remain in continuous employment or service with the Company or an Affiliate until the applicable vesting date.

In the event of your termination of employment or service with the Company or its Affiliates as a result of your death or disability (as determined by the Administrator), then 100% of this Option will vest in full on the date of such termination.

Upon a Change of Control, Section 17(c) of the Plan will apply to this Option.

Except as otherwise provided above, upon your termination of employment, or cessation of services to, the Company and its Affiliates prior to the date the Option is fully vested, you will forfeit the unvested portion of the Option.

Termination Date: Your Option expires at, and cannot be exercised after, the earliest to occur of:

• The tenth (10th) anniversary of the Grant Date;
• 12 months after your termination of employment or service as a result of death or disability (as determined by the Administrator);
• Your termination of employment or service for Cause; or
• 90 days after your termination of employment or service for any other reason, provided that if you die during this 90-day period, the exercise period will be extended until 12 months after the date of your death.

If the date this Option terminates as specified above falls on a day on which the stock market is not open for trading or on a date on which you are prohibited by Company policy (such as an insider trading policy) from exercising the Option, the termination date shall be automatically extended to the first available trading day following the original termination date, but not beyond the tenth (10th) anniversary of the Grant Date.

Manner of Exercise:

You may exercise your Option only to the extent vested and only if it has not terminated. To exercise your Option, you must complete the “Notice of Stock Option Exercise” form provided by the Company and return it to the address or send it via facsimile or email as indicated on the form, or use the equity platform procedure prescribed by the Company. The form will be effective when it is received by the Company, but exercise will not be completed until you pay the total exercise price and all applicable withholding taxes due as a result of the exercise to the Company.

If someone else wants to exercise your Option after your death, that person must contact the Company and prove to the Company’s satisfaction that he or she is entitled to do so.

Your ability to exercise your Option may be restricted by the Company if required by applicable law.

No fractional Shares shall be issued pursuant to the grant or exercise of this Option. The Administrator shall determine whether the cash value of such fraction shall be paid or whether the fraction shall be canceled for no consideration.

Market Stand-Off:

In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Stock Option Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.
Restrictions on Transfer:

Your Option and all rights hereunder shall be non-assignable and non-transferable other than by will or the laws of descent and distribution and shall be exercisable during your lifetime only by you or your guardian or legal representative.

Taxes:

You (and not the Company or any Affiliate) shall be responsible for your federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Option. You shall rely solely on the determinations of your own tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters. To the extent that the receipt, vesting or exercise of this Option, or other event, results in income to you for federal, state or local income tax purposes, you shall deliver to the Company or its Affiliate at the time the Company or its Affiliate is obligated to withhold taxes in connection with such receipt, vesting, exercise or other event, as the case may be, such amount as the Company or its Affiliate requires to meet its withholding obligation under applicable tax laws or regulations, and if you fail to do so, the Company shall not be obligated to deliver any Shares to you and shall have the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations.

To the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement in whole or in part, by electing to have the Company withhold for its own account that number of Shares otherwise deliverable to you upon exercise having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the exercise; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.

Miscellaneous:

- Neither the Plan nor the grant of the Option shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue as an employee of the Company or any of its Affiliates for any period of time, or at any particular rate of compensation.

- The Plan and this Option constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof. You expressly warrant that you are not accepting this Option in reliance on any promises, representations, or inducements other than those contained herein.
• By accepting the grant of your Option, you agree not to sell any Shares acquired in connection with your Option other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.

• As a condition of the granting of your Option, you agree, for yourself and your legal representatives or guardians, that this Stock Option Award shall be interpreted by the Committee and that any interpretation by the Committee of the terms of this Stock Option Award or the Plan and any determination made by the Committee pursuant to this Stock Option Award or the Plan shall be final, binding and conclusive.

• Subject to the terms of the Plan, the Committee may modify or amend this Stock Option Award without your consent as permitted by Section 15(c) of the Plan or: (i) to the extent such action is deemed necessary by the Committee to comply with any applicable law or the listing requirements of any principal securities exchange or market on which Shares are then traded; (ii) to the extent the action is deemed necessary by the Committee to preserve favorable accounting or tax treatment of any award for the Company; or (iii) to the extent the Committee determines that such action does not materially and adversely affect the value of this Stock Option Award or that such action is in the best interest of you or any other person who may then have an interest in this Stock Option Award.

• This Stock Option Award may be executed in counterparts.

Your Option is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Option and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Option. Capitalized terms used in this Option and not defined shall have the meanings given in the Plan.

BY ACCEPTING THIS STOCK OPTION AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN.

MAYVILLE ENGINEERING COMPANY, INC.                  OPTIONEE

By:   

[EXECUTIVE]                                           [OPTIONEE]
[POSITION]

Date: __________________________
MAYVILLE ENGINEERING COMPANY, INC.
NOTICE OF STOCK OPTION EXERCISE

Your completed form should be delivered to: _________________________, ____________________________.
Phone: _________________ Fax: ____________________ Email: _____________________
Incomplete forms may cause a delay in processing your option exercise.

OPTIONEE INFORMATION

Please complete the following. PLEASE WRITE YOUR FULL LEGAL NAME SINCE THIS NAME MAY BE ON YOUR STOCK CERTIFICATE.

Name: ______________________________________________________________________
Street Address: _______________________________________________________________
City: _____________________ State: _________________ Zip Code: _______________
Work Phone #: (_____) - _______ - _______ Home Phone #: (_____) - _______ - _______
Social Security #: ______ - ______ - ______

DESCRIPTION OF OPTION(S) BEING EXERCISED

Please complete the following for each option that you wish to exercise.

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<th>Grant Date</th>
<th>Exercise Price Per Share</th>
<th>Number of Option Shares Being Purchased</th>
<th>Total Exercise Price (multiply Exercise Price Per Share by Number of Option Shares Being Purchased)</th>
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Section 6: EX-10.9 (EX-10.9)

Exhibit 10.9

MAYVILLE ENGINEERING COMPANY, INC.
2019 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD
(NON-EMPLOYEE DIRECTOR FORM)

[PARTICIPANTID]
[FIRSTNAME] [LASTNAME]

You have been granted an award of Restricted Stock Units (this “Award”) of Mayville Engineering Company, Inc. (the “Company”) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”), effective as of the Grant Date, with the following terms and conditions:

Grant Date: [___________], [____]
Vesting Commencement Date: [___________], [_____]
Number of Restricted Stock Units: [SHARESGRANTED]

Vesting Schedule: The Restricted Stock Units will vest on the first anniversary of the Vesting Commencement Date (or, if the Vesting Commencement Date is the date of the Company’s annual meeting of shareholders, on the earlier of the date of the Company’s annual meeting of shareholders in the following year or the first anniversary of the Vesting Commencement Date), provided that you continuously serve as a Director until the applicable vesting date.

If you cease to be a Director as a result of your death or disability (as determined by the Administrator), then 100% of the Restricted Stock Units will vest in full on the date of such termination.

Upon a Change of Control, Section 17(c) of the Plan will apply to this Award.

Except as otherwise provided above, if you cease to be a Director prior to the date the Restricted Stock Units are
vested, you will forfeit the unvested Restricted Stock Units.

**Settlement of Restricted Stock Units:**

As soon as practicable after your Restricted Stock Units vest (but no later than two-and-one-half months from the end of the fiscal year in which vesting occurs), the Company will settle such vested Restricted Stock Units by electing either to (i) issue in your name certificate(s) or make an appropriate book entry for a number of Shares equal to the number of Restricted Stock Units that have vested or (ii) deliver an amount of cash equal to the Fair Market Value, determined as of the vesting date, of a number of Shares equal to the number of Restricted Stock Units that have vested.
Transferability of Restricted Stock Units: You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your Restricted Stock Units until they are vested. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a shareholder’s agreement that will include additional restrictions on the transfer of Shares acquired under this Award.

Rights as Shareholder: You will not be deemed for any purposes to be a shareholder of the Company with respect to any of the Restricted Stock Units (including with respect to voting or dividends) unless and until a certificate for Shares is issued upon vesting of the Restricted Stock Units.

Market Stand-Off: In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.

Taxes: You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters.

To the extent that the receipt, vesting or settlement of the Restricted Stock Units, or other event, results in income to you for federal, state or local income tax purposes, you shall deliver to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, vesting, settlement or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations. If you fail to do so, the Company has the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations.

To the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement in whole or in part, by electing to have the Company withhold for its own account that number of Shares otherwise deliverable to you upon settlement having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the vesting or settlement of such Restricted Stock Units; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Secretary of the Company before the applicable vesting or settlement date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.
This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.

By accepting this Award, you agree to all of the terms and conditions described herein and in the Plan. You also acknowledge receipt of the Plan.

MAYVILLE ENGINEERING COMPANY, INC.

PARTICIPANT

By: [EXECUTIVE] [DIRECTOR]

Date:

Section 7: EX-10.10 (EX-10.10)

Exhibit 10.10

MAYVILLE ENGINEERING COMPANY, INC.
2019 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD
(EMPLOYEE FORM)

[PARTICIPANTID] [FIRSTNAME] [LASTNAME]

You have been granted an award of Restricted Stock Units (this “Award”) of Mayville Engineering Company, Inc. (the “Company”) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”), effective as of the Grant Date, with the following terms and conditions:

Grant Date: [_______], [___]
Vesting Commencement Date: [_______], [___]
Number of Restricted Stock Units: [SHARESGRANTED]
Vesting Schedule: [_______] ([(___)]) of the Restricted Stock Units will vest on each of the first [_____] anniversaries of the Vesting Commencement Date, provided you are continuously employed by, or in service with, the Company or an Affiliate until the applicable vesting date.

In the event of your termination of employment or service with the Company or its Affiliates as a result of your death or disability (as determined by the Administrator), then 100% of the Restricted Stock Units will vest in full on the date of such termination.
Upon a Change of Control, Section 17(c) of the Plan will apply to this Award.

Except as otherwise provided above, upon your termination of employment, or cessation of services to, the Company and its Affiliates prior to the date the Restricted Stock Units are vested, you will forfeit the unvested Restricted Stock Units.

Settlement of Restricted Stock Units: As soon as practicable after your Restricted Stock Units vest (but no later than two-and-one-half months from the end of the fiscal year in which vesting occurs), the Company will settle such vested Restricted Stock Units by electing either to (i) issue in your name certificate(s) or make an appropriate book entry for a number of Shares equal to the number of Restricted Stock Units that have vested or (ii) deliver an amount of cash equal to the Fair Market Value, determined as of the vesting date, of a number of Shares equal to the number of Restricted Stock Units that have vested.

Transferability of Restricted Stock Units: You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your Restricted Stock Units until they are vested. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a shareholder’s agreement that will include additional restrictions on the transfer of Shares acquired under this Award.
Rights as Shareholder:
You will not be deemed for any purposes to be a shareholder of the Company with respect to any of the Restricted Stock Units (including with respect to voting or dividends) unless and until a certificate for Shares is issued upon vesting of the Restricted Stock Units.

Market Stand-Off:
In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.

Taxes:
You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters.

To the extent that the receipt, vesting or settlement of the Restricted Stock Units, or other event, results in income to you for federal, state or local income tax purposes, you shall deliver to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, vesting, settlement or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations. If you fail to do so, the Company has the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations.

To the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement in whole or in part, by electing to have the Company withhold for its own account that number of Shares otherwise deliverable to you upon settlement having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the vesting or settlement of such Restricted Stock Units; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Secretary of the Company before the applicable vesting or settlement date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.
Miscellaneous:

• Neither the Plan nor the grant of this Award shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue as an employee of the Company or any of its Affiliates for any period of time, or at any particular rate of compensation.

• The Plan and this Award constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof. You expressly warrant that you are not accepting this Award in reliance on any promises, representations, or inducements other than those contained herein.

• By accepting the grant of the Restricted Stock Units, you agree not to sell any Shares acquired in connection with the Restricted Stock Units other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.

• As a condition of the granting of this Award, you agree, for yourself and your legal representatives or guardians, that this Award shall be interpreted by the Committee and that any interpretation by the Committee of the terms of this Award or the Plan and any determination made by the Committee pursuant to this Award shall be final, binding and conclusive.

• Subject to the terms of the Plan, the Committee may modify or amend this Award without your consent as permitted by Section 15(c) of the Plan or: (i) to the extent such action is deemed necessary by the Committee to comply with any applicable law or the listing requirements of any principal securities exchange or market on which Shares are then traded; (ii) to the extent the action is deemed necessary by the Committee to preserve favorable accounting or tax treatment of this Award for the Company; or (iii) to the extent the Committee determines that such action does not materially and adversely affect the value of this Award or that such action is in the best interest of you or any other person who may then have an interest in this Award.

• This Award may be executed in counterparts.

This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.
BY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN.

MAYVILLE ENGINEERING COMPANY, INC. PARTICIPANT

By: [EXECUTIVE] [POSITION] [EMPLOYEE]

Date: ______________

Section 8: EX-10.11 (EX-10.11)

MAYVILLE ENGINEERING COMPANY, INC.
2019 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK AWARD
(NON-EMPLOYEE DIRECTOR FORM)

[PARTICIPANTID] [FIRSTNAME] [LASTNAME]

You have been granted an award of Restricted Stock (this “Award”) of Mayville Engineering Company, Inc. (the “Company”) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”), effective as of the Grant Date, with the following terms and conditions:

Grant Date: [___________], [____]
Vesting Commencement Date: [___________], [____]
Number of Shares of Restricted Stock (“Restricted Shares”): [SHARESGRANTED]

Vesting Schedule: The Restricted Shares will vest on the first anniversary of the Vesting Commencement Date (or, if the Vesting Commencement Date is the date of the Company’s annual meeting of shareholders, on the earlier of the date of the Company’s annual meeting of shareholders in the following year or the first anniversary of the Vesting Commencement Date), provided you continuously serve as a Director until the applicable vesting date.

If you cease to be a Director as a result of your death or disability (as determined by the Administrator), then 100% of the Restricted Shares will vest in full on the date of such termination.

Upon a Change of Control, Section 17(c) of the Plan will apply to this Award.

Except as otherwise provided above, if you cease to be a Director prior to the date the Restricted Shares are vested, you will forfeit the unvested Restricted Shares.

Issuance and Release of Shares: The Restricted Shares will be held in an account at the Company’s transfer agent pending vesting and may be subject to a stop transfer order, restrictive legend or other transfer restrictions deemed appropriate by the Company. As soon as practicable after any Restricted Shares vest, the applicable restrictions on the Restricted Shares will be removed and such Shares will be issued or otherwise made available to you in accordance with the Company’s policies and procedures.
Transferability of Award: You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your Restricted Shares until they are vested. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a shareholder’s agreement that will include additional restrictions on the transfer of Shares acquired under this Award.

Voting and Dividends: While the Restricted Shares are subject to forfeiture, you may exercise full voting rights so long as the applicable record date occurs before you forfeit the Restricted Shares. Any dividends or other distributions paid with respect to the Restricted Shares for which the record date occurs before you forfeit the Restricted Shares will be held in the custody of the Company and will be subject to the same risk of forfeiture, restrictions on transferability and other terms of this Award that apply to the Restricted Shares with respect to which such dividends or other distributions were made. All such dividends or other distributions shall be paid to you within 45 days following the full vesting of the Restricted Shares with respect to which such dividends or other distributions were made.

Market Stand-Off: In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.

Taxes: You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters. You understand that you may alter the tax treatment of the Shares subject to this Award by filing an election under Code Section 83(b). Such election may be filed only within thirty (30) days after the date of this Award. You should consult with your tax advisor to determine the tax consequences of acquiring the Shares and the advantages and disadvantages of filing the Code Section 83(b) election. You acknowledge that it is your sole responsibility, and not the Company’s, to file a timely election under Code Section 83(b), even if you request that the Company or its representatives make this filing on your behalf.
To the extent that the receipt or the vesting of the Restricted Shares, or the payment of dividends or other distributions on the Restricted Shares, or any other event, results in income to you for federal, state or local income tax purposes and the Company is obligated to withhold taxes, you shall deliver to the Company the amount of tax due at the time the Company is obligated to withhold taxes in connection with such receipt, vesting, payment or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations. If you fail to do so, the Company has the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations.

If you do not make an election under Code Section 83(b) in connection with this Award, then, if the Company is required to withhold taxes, then, to the extent permitted by the Company, you may satisfy the withholding requirement in whole or in part, by electing to have the Company withhold for its own account that number of Restricted Shares otherwise deliverable to you hereunder on the date the tax is to be determined having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the vesting of such Restricted Shares; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Secretary of the Company before the applicable vesting date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.

Miscellaneous:

• The Plan and this Award constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof. You expressly warrant that you are not accepting this Award in reliance on any promises, representations, or inducements other than those contained herein.

• By accepting the grant of the Restricted Shares, you agree not to sell any Shares acquired in connection with this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.

• As a condition of the granting of this Award, you agree, for yourself and your legal representatives or guardians, that this Award shall be interpreted by the Committee and that any interpretation made by the Committee pursuant to this Award shall be final, binding and conclusive.
This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.

BY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN.

MAYVILLE ENGINEERING COMPANY, INC.

PARTICIPANT

By: ____________________________

[EXECUTIVE]

[POSITION]

Date: ____________________________

Section 9: EX-10.12 (EX-10.12)

Exhibit 10.12

MAYVILLE ENGINEERING COMPANY, INC.

2019 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK AWARD

(EMPLOYEE FORM)

[PARTICIPANTID]

[FIRSTNAME] [LASTNAME]

You have been granted an award of Restricted Stock (this “Award”) of Mayville Engineering Company, Inc. (the “Company”) under the Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan (the “Plan”), effective as of the Grant Date, with the following terms and conditions:

Grant Date: [_______], [____]

Vesting Commencement Date: [_______], [____]

Number of Shares of Restricted Stock (“Restricted Shares”): [SHARESGRANTED]

Vesting Schedule: [_______] (___) of the Restricted Shares will vest on each of the first [____] anniversaries of the Vesting Commencement Date, provided you are continuously employed by, or in service with, the Company or an Affiliate until the applicable vesting date.

In the event of your termination of employment or service with the Company or its Affiliates as a result of your death or disability (as determined by the Administrator), then 100% of the Restricted Shares will vest in full on the date of such termination.

Upon a Change of Control, Section 17(c) of the Plan will apply to this Award.

Except as otherwise provided above, upon your termination of employment, or cessation of services to, the Company and its Affiliates prior to the date the Restricted Shares are vested, you will forfeit the unvested Restricted Shares.

Issuance and Release of Shares: The Restricted Shares will be held in an account at the Company’s transfer agent pending vesting and may be subject to a stop transfer order, restrictive legend or other transfer restrictions deemed appropriate by the Company. As soon as practicable after any Restricted Shares vest, the applicable restrictions on the Restricted Shares will be removed and such Shares will be issued or otherwise made available to you in accordance with the Company’s policies and procedures.
Transferability of Award

You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your Restricted Shares until they are vested. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a shareholder’s agreement that will include additional restrictions on the transfer of Shares acquired under this Award.

Voting and Dividends:

While the Restricted Shares are subject to forfeiture, you may exercise full voting rights so long as the applicable record date occurs before you forfeit the Restricted Shares. Any dividends or other distributions paid with respect to the Restricted Shares for which the record date occurs before you forfeit the Restricted Shares will be held in the custody of the Company and will be subject to the same risk of forfeiture, restrictions on transferability and other terms of this Award that apply to the Restricted Shares with respect to which such dividends or other distributions were made. All such dividends or other distributions shall be paid to you within 45 days following the full vesting of the Restricted Shares with respect to which such dividends or other distributions were made.

Market Stand-Off:

In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.

Taxes:

You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters. You understand that you may alter the tax treatment of the Shares subject to this Award by filing an election under Code Section 83(b). Such election may be filed only within thirty (30) days after the date of this Award. You should consult with your tax advisor to determine the tax consequences of acquiring the Shares and the advantages and disadvantages of filing the Code Section 83(b) election. You acknowledge that it is your sole responsibility, and not the Company’s, to file a timely election under Code Section 83(b), even if you request that the Company or its representatives make this filing on your behalf.
To the extent that the receipt or the vesting of the Restricted Shares, or the payment of dividends or other distributions on the Restricted Shares, or any other event, results in income to you for federal, state or local income tax purposes, you shall deliver to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, vesting, payment or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations. If you fail to do so, the Company has the right and authority to deduct or withhold from other compensation payable to you an amount sufficient to satisfy its withholding obligations.

If you do not make an election under Code Section 83(b) in connection with this Award, then, to the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement in whole or in part, by electing to have the Company withhold for its own account that number of Restricted Shares otherwise deliverable to you hereunder on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the vesting of such Restricted Shares; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Secretary of the Company before the applicable vesting date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.

Miscellaneous:

- Neither the Plan nor the grant of this Award shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue as an employee of the Company or any of its Affiliates for any period of time, or at any particular rate of compensation.

- The Plan and this Award constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof. You expressly warrant that you are not accepting this Award in reliance on any promises, representations, or inducements other than those contained herein.

- By accepting the grant of the Restricted Shares, you agree not to sell any Shares acquired in connection with this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.
This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.

BY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN.

MAYVILLE ENGINEERING COMPANY, INC. PARTICIPANT

By: ________________________________ [EXECUTIVE]
    ________________________________ [POSITION]

Date: ________________________________

Section 10: EX-23.1 (EX-23.1)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-230840 of our report dated March 22, 2019 relating to the consolidated financial statements of Mayville Engineering Company, Inc. and Subsidiaries appearing in the Prospectus, which is part of such Registration Statement, and to the reference to us under the heading “Experts” in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin
April 25, 2019

Section 11: EX-23.2 (EX-23.2)

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use in this Amendment No. 1 to Registration Statement (No. 333-230840) of Mayville Engineering Company, Inc. of our report dated November 21, 2018 relating to the consolidated financial statements of Defiance Metal Products Co., Inc. and Subsidiaries which appears in such Registration Statement.

We also consent to the reference to us under the caption “Experts” in such Registration Statement.

/s/ Baker Tilly Virchow Krause, LLP

Pittsburgh, Pennsylvania
April 26, 2019