

AUTOCAR PARTS, LLC TERMS AND CONDITIONS FOR PURCHASE ORDERS – AFTERMARKET PARTS

These terms and conditions (these “Terms”) apply to and are incorporated as a part of every Purchase Order, Supply Agreement, Pricing Agreement, Quotation or similar document (each, a “PO”) issued or executed by Autocar Parts, LLC (“Autocar”) or its affiliates. Except as provided in any executed long-term Supply Agreement, on the face of any PO or in any executed addendum to the PO, all terms and conditions on any document which are contrary to or inconsistent with these Terms are expressly rejected by Autocar and waived by the person to whom the PO is used (“Supplier”). By accepting the PO and agreeing to ship the goods or services covered by the PO (the “Goods”), Supplier accepts and agrees to be bound by these Terms.

1. **Supply.** Supplier shall sell to Autocar, and Autocar shall purchase from Supplier, the Products, in such quantities and at such times as Autocar may determine in its sole discretion and in accordance with a purchase order (“Order”). Each Order will state Product quantities, shipping instructions and a required delivery date and shall constitute a binding obligation of Supplier to produce and ship the Products specified therein. Supplier acknowledges and agrees that its arrangement with Autocar is non-exclusive and that Autocar may purchase any or all of the Products from other suppliers. Supplier further acknowledges and agrees that there are no contractual minimum volume guarantees under this Agreement, and Supplier hereby releases Autocar from any claim of any guaranteed or minimum volume.
2. **Pricing.** Supplier will furnish the Products at the Prices agreed by the parties in a signed document, or if no such document exists, the lower of the last prices invoiced or quoted to Autocar. Autocar will have complete access to Supplier’s aftermarket product offering at pricing commensurate with other heavy duty OES aftermarket companies, including any and all direct ship/drop ship programs. The prices represent the total amount per item that Autocar will be obligated to pay and are inclusive of all applicable taxes, tariffs and charges for boxing, packing, loading, unloading, cartage and storage. The prices will not be dependent upon delivery location, and Supplier will accommodate Autocar’s reasonable requests for delivery of the Products to alternative locations. In the absence of a fixed pricing agreement between the parties, Supplier agrees that it will provide Autocar ninety (90) days’ notice of any pricing increase.
3. **Best Prices.** The prices of Products sold to Autocar will not exceed the lowest price at which Supplier is then selling Products to any other customer at warehouse distributor pricing (or if Autocar or its affiliates are purchasing OEM Products, the prices shall not exceed any other OEM pricing). If Supplier offers any of its customers pricing which is more favorable than Autocar’s (giving effect to all rebates, discounts, credits, etc.), the prices will be automatically reduced to equal the most favorable pricing offered by Supplier.
4. **Supplier Performance.** The parties recognize that continuing to be competitive in price, performance, delivery, reliability, quality, and technology is essential for this long-term association to exist. If Autocar reasonably demonstrates to Supplier that the Products are not competitive in respect of price, performance, delivery, reliability, technology and quality with other equivalent products of equivalent value, production, usage or availability, then Supplier agrees to provide an action plan and

- timetable within thirty (30) days of such demonstration to cure the deficiency (the "Timetable Due Date"). Notwithstanding any proposed timetable, if the plan fails to cure the deficiency within sixty (60) days of the Timetable Due Date, then Autocar may serve notice to terminate this Agreement, effective upon the date specified by Autocar in such notice. Autocar agrees that prior to exercising its option, it will consider, in good faith, any proposal by Supplier to correct the deficiency.
5. **Payment Terms.** Autocar shall pay for all Product ordered and received that passes inspection after receiving a correct and complete invoice. Payment terms for each Order will be 2% 20, net 60 (or such other payment term as mutually agreed upon by the parties in writing).
6. **Packaging and Labeling.** Supplier's labeling and packaging shall comply with the National Motor Freight Classification Guide, as well as all additional specifications and guidelines required by Fed Ex, UPS Parcel and Autocar. Supplier's packaging for the end customer (the party using the service part) (a) shall be strong enough to support its own weight when stacked eight (8) feet high on a pallet and (b) shall include the Uniform Symbology Specification (USS) Code 128 barcode provided by Autocar. Supplier will properly pack (including a packing list without pricing), mark, ship and sequence the Products in accordance with Autocar's delivery schedules and will comply with Autocar's shipping guidelines. Supplier shall use a standard packaging process for each Product and inform Autocar of the carton dimensions/weight, the number of cartons per case and the number of cartons per full pallet.
7. **Delivery.** Autocar requires 100% on-time delivery. Except as otherwise provided herein or on the Order, deliveries will be made both in quantities and at times and locations specified in each Order, FOB Supplier's tender of the Products to the shipper, at which time title and risk of loss transfers to Autocar. For outbound transportation, Supplier agrees to follow Autocar's current routing instructions, available at <http://www.autocarpartsllc.com/distribution.html>. Supplier must sequence the Orders in accordance with Autocar's delivery schedules, which may be updated from time to time. Supplier must provide Autocar ten (10) days' notice of any late or short Order, and Supplier shall be responsible for the additional fees to expedite the late portion of the Order to a location designated by Autocar. Supplier is responsible for any penalty fees or accessorial charges charged by Autocar's carrier that are caused by Supplier. At Autocar's request, Supplier shall expedite delivery of all "truck-down" Orders directly to Autocar's customer. Autocar may cancel any open Order that is over 15 days past due.
8. **Supplier Non-Compliance.** Autocar will not be required to make payment for Products delivered to Autocar which are in excess of quantities specified in Autocar's Orders or which do not meet Autocar's inspection guidelines. Supplier shall immediately notify Autocar of any anticipated inability to deliver the Products in the quantities and times necessary to fulfill Autocar's Order, at which time Autocar may cancel the order. If Autocar's customer cancels its order because Supplier delivered the Products late or due to quality issues, Autocar reserves the right to send the Product back to Supplier and receive a full refund. Without limiting any other rights of Autocar hereunder, in the event that Supplier is unable to meet any of Autocar's order requirements, Autocar shall be entitled to purchase the volume of Products that Supplier is unable to deliver from any other supplier, and Supplier will be required to pay for any difference between the price

charged by Supplier and the alternate supply source.

9. **Product Allocation.** In the event Supplier is unable to fully supply the Products to Autocar due to circumstances which require Supplier to allocate its shipment of the Products between Supplier's customers, Supplier will ensure that Supplier allocates the Products to Autocar on not less than a pro rata basis with other customers, based on the quantities of Products in outstanding orders.
10. **Inspection.** Acceptance of the Products will not occur until after Autocar's inspection, testing, approval and opportunity for providing notice of non-conformance by Autocar at Autocar's facility and may occur during installation and after payment of the invoice. Autocar's failure to state a particular defect upon rejection of the Products will not preclude Autocar from relying on unstated defects to justify such rejection. Autocar will have the right to enter Supplier's facility at reasonable times to inspect the Products, materials and any property of Autocar.
11. **Quality Control/Labeling.** Supplier's shipment of the Products constitutes certification that the Products in such shipment were produced under strict quality control procedures and in conformance with all applicable federal motor vehicle regulations and safety standards (FMVSS) and Federal Motor Carrier Safety Regulations (FMCSR). Supplier will label all shipping containers requiring such labeling, whether individual or bulk, with the following wording: CONFORMS TO APPLICABLE FEDERAL MOTOR VEHICLE SAFETY STANDARDS AND FEDERAL MOTOR CARRIER SAFETY REGULATIONS. Supplier will provide the Products in full compliance with all applicable international treaties or agreements, federal, state and local laws, orders

and regulations, including, without limitation, applicable environmental and emissions regulations, including all country of origin disclosures.

12. **Warranty.** Supplier expressly warrants to Autocar and Autocar's customers that during the period commencing on the date the Products are delivered to Autocar and ending on the one-year anniversary of the date the Products are installed on a truck (the "Warranty Period"), the Products shall: (i) be new; (ii) be in good and undamaged condition; (iii) be merchantable, fit and sufficient for the particular purposes and uses intended by Autocar and its customers; (iv) be free of any faults, defects or other deficiencies in design, manufacture, material and workmanship; (v) comply with all applicable laws and regulations in the United States and Canada, including safety, certification, packaging and labelling requirements; (vi) be in strict conformance with any specification, drawing or other description provided by Supplier to Autocar in connection therewith; (vii) not infringe any copyright, patent, trademark, trade secret or other intellectual property right of any kind of any third party; and (viii) be free and clear of any liens, security interests or encumbrances of any kind whatsoever (collectively, the "Warranty").

Supplier will, at Autocar's option, repair or replace such Products free of charge, or take back the nonconforming parts and refund the funds paid by Autocar for such Products. Supplier will reimburse Autocar for all costs incurred relating to such Warranty claims, including replacement Products, repair or replacement labor, other field replacement costs and any incidental costs incurred by Autocar, including freight for return to and redelivery from Supplier of the defective and replacement Products. Supplier will

pay warranty claims by check or wire transfer as directed by Autocar, within twenty (20) days of Supplier's receipt of such warranty claims. Supplier will establish and maintain quality and control procedures necessary to ensure efficient and proper handling of Autocar's warranty claims.

If Supplier does not promptly fulfil its warranty obligations or if any situations arise which require the immediate performance of actions to remedy the breach of warranty, then, on notice to Supplier, Autocar or its customer or end-user may, without prejudice to other remedies, remedy the breach of warranty by any reasonable means (including the engagement of and procurement from third parties) and Supplier will be liable to and will promptly refund Autocar and its customer or end-user, as applicable, for all reasonable costs incurred for same.

Without limiting Supplier's warranties hereunder, Supplier will assign to Autocar the benefit of all assignable warranties provided by its subcontractors including all Supplier's warranties, and if Supplier is unable to assign such warranties, it will at Autocar's or its customer's or end-user's request pursue related warranty claims for Autocar's and its customer's or end-user's benefit.

Notwithstanding any other provision of this Agreement, all returns of Products under warranty shall be shipped DDP claimant's facility, and all shipping and other transportation charges shall be reimbursed by Supplier, and no re-stocking or other fees shall apply.

The provisions of this Section 12 shall survive any termination or expiration of the Agreement.

13. **Recall.** If for any reason the Products are recalled (whether voluntarily or involuntarily), or Autocar takes any action with regard

to the Products which, in Autocar's reasonable discretion, is necessary or advisable to prevent or mitigate any risk to human health, safety, property damage or damage to the business or reputation of Autocar, and such recall or other action relates to the Products, Supplier will bear and reimburse Autocar for all costs and expenses relating thereto, including, but not limited to, the costs and expenses of notifying customers, customer refunds, repairing or returning parts, lost profits, labor charges, handling expenses, costs of replacement (regardless of where procured) and any costs or expenses incurred to satisfy obligations to third parties and pursuant to applicable laws, including attorneys' fees and costs. Autocar may invoice Supplier for the amounts authorized above, which invoice will be paid by Supplier within ten days of receipt, or Autocar may offset such amounts against any amounts due from Autocar to Supplier.

14. **Insurance.** Supplier will procure and maintain, with insurers reasonably acceptable to Autocar, the following types of insurance coverage: (a) workers' compensation for statutory obligations imposed by workers' compensation or occupational disease laws; (b) comprehensive general liability including products/completed operations liability insurance with a vendor's endorsement (broad form) with a minimum coverage of \$1,000,000; (c) employer's liability insurance for personal injury and property damage with a minimum liability coverage of \$2,000,000; (d) comprehensive automobile insurance for personal injury and property damage with a minimum liability coverage of \$1,000,000; and (e) excess/umbrella liability insurance coverage with a minimum coverage of \$10,000,000. Supplier will provide Autocar with a certificate of insurance for all policies of insurance required hereunder,

- stating that the insurer will provide Autocar with not less than 30 days advance notice of any cancellation, non-renewal or material change in the insurance coverage and naming Autocar as an additional insured thereunder.
15. **Indemnity.** Supplier will indemnify, defend and hold harmless Autocar and Autocar's affiliates, managers, members, officers, employees, agents, representatives, successors and assigns (collectively, the "Autocar Indemnified Parties") from and against any and all third-party actions, claims, demands, suits, liabilities, losses, damages, obligations, judgments, settlements, costs and other expenses (including attorneys' fees, paralegals' fees and legal expenses and court costs) incurred or suffered by any Autocar Indemnified Parties which are related to or arise out of any actual or alleged (a) breach by Supplier of any representations, warranties, obligations or covenants of Supplier to Autocar, including, without limitation, the timely delivery of conforming Products; (b) claim or finding that the Products have caused or contributed to the death, injury or illness of any person or damage to any property to the extent not caused by Autocar; (c) direct or contributory infringement of, or inducement to infringe any patent, trademark, copyright or other proprietary right by reason of the manufacture, use or sale of the Products (other than infringement of propriety marks arising from intellectual property supplied by Autocar or a third party at Autocar's direction) or for actual or alleged misuse or misappropriation of a trade secret resulting from Supplier's actions; (d) the failure of Supplier to comply with and observe any applicable federal, state, local or other laws, orders, codes, regulations and ordinances which may be applicable to Supplier, Supplier's business or the Products, including federal motor vehicle regulations and safety standards (FMVSS); and (e) any product liability or tort claims relating to the Products.
16. **Termination.** Autocar may terminate any Agreement or Order at any time by giving written notice to Supplier or pursuant to Section 4 (Supplier Performance) hereof. Autocar may also cancel individual Orders under the terms of the Agreement, including Section 7 (Delivery) of these terms. Supplier may terminate an Agreement upon Autocar's failure to pay any invoice when due (other than an invoice which is contested in good faith by Autocar); provided Supplier provides Autocar at least 90 days' prior written notice of termination and such invoice is not paid or such dispute is not otherwise resolved within such 90 day period. In the event of any termination of this Agreement, the parties will cooperate with one another to wind down and/or transition the supply of the Products to an alternative supplier. The Terms herein that naturally survive a termination or expiration of the Agreement shall survive as applicable.
17. **Returns.** Supplier will accept returns of Product in saleable condition from Autocar and reimburse Autocar the full Order price, less a reasonable restocking fee; provided that the combined value of all returns in a calendar year can be no more than 20% of the prior calendar year's total purchases. (This section does not apply to non-conforming Products or private label Products.)
18. **Relationship of the Parties.** Nothing set forth in this Agreement shall be deemed to create a partnership or joint venture between the parties. Each party is an independent contractor and neither party shall act as an agent of, or have authority to bind, the other party.

19. **Confidentiality.** Supplier will not use or disclose, or authorize anyone else to use or disclose, any specific terms of an Agreement or an Order, Autocar's designs and production methods, assembly and sub-assembly procedures, financial, volume or pricing information or any other secret or confidential information relating to any aspect of the business of Autocar or its affiliates (collectively, "Confidential Information") without the prior written consent of Autocar. Confidential Information will not include information which: (a) is or becomes publicly known through no wrongful act on Supplier's part; (b) is known to Supplier prior to Supplier being notified of any potential confidentiality obligation restricting disclosure, (c) comes into Supplier's possession without any obligation restricting disclosure; (d) is independently developed by Supplier without reference to or use of the Confidential Information; or (e) is disclosed pursuant to an order of a governmental or judicial authority, after prior notice to Autocar and affording Autocar reasonable opportunity and cooperation to object to the disclosure or obtain a protective order, at Autocar's expense. Upon Autocar's request, Supplier will immediately deliver to Autocar all Confidential Information and all copies and embodiments thereof. In the event that it is impossible to return any Confidential Information (for example, information or back-up copies maintained on a hard drive of a computer), Supplier will cause all such Confidential Information to be destroyed or permanently erased.
20. **Binding Nature.** All Agreements and Orders shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.
21. **Governing Law; Dispute Resolution.** All Agreements

and Orders will be construed according to the laws of the State of Illinois without regard to its conflicts of laws provisions. All actions or proceedings in any way, manner or respect arising out of or related to this Agreement or any Orders will be litigated only in state or federal courts, as appropriate, located in Chicago, Illinois. Supplier consents and submits to jurisdiction in the State of Illinois and waives any right to transfer the venue of any such action or proceeding. Prior to initiating any cause of action, the parties will promptly attempt in good faith to resolve any controversy, claim or dispute of any nature arising out of or relating to this Agreement or any Order by negotiating between executives or managers who have authority to settle such a dispute. The prevailing party in any litigation over such a dispute will be entitled to recover from the non-prevailing party all costs and expenses, including without limitation, reasonable attorneys' fees and costs incurred by such party in connection with such litigation.

22. **Severability.** If any provision of an Agreement or Order (or part thereof) shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Agreement/Order, and the Agreement/Order shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent of its invalidity, illegality or unenforceability.
23. **Amendment and Waiver.** Each Agreement or Order may be amended only by written document executed by both parties hereto. Autocar's failure at any time to require performance by Supplier of any provision of such Agreement/Order will in no way affect Autocar's right to require such

performance at any time thereafter, nor will Autocar's waiver of Supplier's breach of any provision of the Agreement/Order constitute a waiver of any succeeding breach of the same or any other provision. Any waiver of any of the terms of this Agreement must be in writing signed by Autocar.

24. Remedies/Damages. The rights and remedies reserved in all Agreements or Orders will be cumulative and in addition to all other rights and remedies provided at law or in equity. All remedies will survive the termination of the Agreement or any Order.

25. Notices. All notices and consents required under any Agreement or Order must be in writing and will be deemed given when delivered in person or by facsimile, or on the first business day after being delivered to a nationally recognized overnight commercial courier, addressed to the following:

Autocar Parts, LLC
3501 Algonquin Road, Suite
850
Rolling Meadows, Illinois 60008
Attn: Senior Manager, Product
Marketing
Fax: (630) 653-7457

with a copy to:

GVW Group, LLC
625 Roger Williams Avenue
Highland Park, Illinois, 60035
Attn: General Counsel
Fax: (847) 681-8515