

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 Autocar Parts, LLC ("Autocar") Purchase Order, Supply Agreement, Request for Proposal or Quotation or similar document issued or executed by Autocar (each, a "PO"). 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 issued ("Supplier"). By shipping the goods or services covered by the PO (the "Goods"), Supplier accepts and agrees to be bound by these Terms. Supplier will comply with additional requirements for service parts set forth in Autocar's Quality Manual.

1. ALLOCATION: In the event Supplier is unable to fully supply the Goods to Autocar due to circumstances which require Supplier to allocate its shipment of the Goods between Supplier's customers, Supplier will ensure that Supplier allocates the Goods to Autocar on a pro rata basis with other customers, based on prior purchases of the Goods.

2. ASSIGNMENT: Supplier may not assign or delegate its obligations under the PO without Autocar's prior written consent.

3. CERTIFICATE OF ORIGIN: Supplier will provide a Certificate of Origin for the Goods. If the Goods qualify for preferential treatment under the North American Free Trade Agreement ("NAFTA"), Supplier will provide to Autocar a NAFTA Certificate of Origin, United States Customs Form 434, as well as any additional documentation required to certify the origin of the Goods as required by United States customs law, NAFTA, or any other applicable treaty or agreement. Supplier will promptly reimburse Autocar for any amounts paid as a duty caused by Supplier's failure to provide to Autocar a NAFTA Certificate of Origin as required by this Term.

4. CHANGES: Autocar reserves the right at any time to make changes, or direct Supplier to make changes, to drawings and specifications of the Goods or to otherwise change the terms of the PO, and Supplier will promptly make such changes. If any such change affects the cost or timing of Supplier's performance hereunder, the parties will equitably adjust the time for delivery and the price of the Goods to reflect Supplier's documented labor and material cost increases.

5. CONFIDENTIAL INFORMATION: Supplier will not use or disclose, or authorize anyone else to use or disclose, any of the terms of the PO, 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 (collectively, "Confidential Information") without the prior 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.

6. DELIVERY: Autocar requires 100% on-time delivery. Deliveries will be made both in quantities and at times and locations specified in the PO, F.O.B. Supplier's tender of the Goods to the shipper, at which time title and risk of loss transfers to Autocar. Supplier will properly pack, mark and ship the Goods in accordance with the PO and will comply with the shipping guidelines set forth in Autocar's Quality Manual. Autocar will not be required to make payment for Goods delivered to Autocar which are in excess of quantities specified in the PO.

7. DUTY DRAWBACK RIGHT: Autocar's purchase of the Goods includes all related customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from sub-suppliers) which Supplier can transfer to Autocar.

Supplier will inform Autocar of the existence of any such rights and, upon request, supply such documentation as may be required to obtain such drawback rights.

8. FEDERAL MOTOR VEHICLE STANDARDS CERTIFICATION AND COMPLIANCE WITH LAWS: Shipment of the Goods constitutes certification that the Goods in such shipment conform with all applicable federal motor vehicle regulations and safety standards (FMVSS). The Goods will become part of an Autocar product covered by FMVSS, and in order to assure compliance with FMVSS, the Goods must be produced in accordance with Autocar's drawings and specifications and under strict quality control procedures and practices. 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. Supplier will provide the Goods in full compliance with all applicable international treaties or agreements, federal, state and local laws, orders and regulations, including without limitation applicable emissions regulations.

9. GLOBAL SOURCING; C-TPAT: Price quotations must be in US dollars and must provide the exchange rate and date of conversion from Supplier's currency. Suppliers who import to the United States must participate in the worldwide supply chain security initiative, Customs-Trade Partnership Against Terrorism (C-TPAT).

10. GOVERNING LAW AND DISPUTE RESOLUTION: The PO 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 the PO 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 the PO 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.

11. INDEMNIFICATION: 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 under the PO, including, without limitation, the timely delivery of conforming Goods; (b) claim or finding that the Goods 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 Goods (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 Goods, including applicable federal motor vehicle regulations and safety standards (FMVSS); and (e) any product liability or tort claims relating to the Goods.

12. INSPECTION: Acceptance of the Goods will not occur until after Autocar's inspection of the Goods and may occur during assembly and after payment of the invoice. Autocar's failure to state a particular defect upon rejection of the Goods 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 Goods, materials and any property of Autocar.

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13. 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.

14. INVENTIONS AND INNOVATIONS: All rights, title and interest in and to any invention, innovation, design, idea, application, process, improvement, related, directly or indirectly, to the business of Autocar, and any written documentation thereof, and all Intellectual Property (as defined below) which Supplier develops or creates in whole or in part using Autocar's Confidential Information (as defined elsewhere in these Terms) are "works made for hire" specifically ordered and commissioned for Autocar, and will be and remain forever the sole and exclusive property of Autocar. Supplier will promptly reveal all information relating to the same to Autocar's officers and will cooperate with Autocar and execute such documents as may be necessary to enable Autocar to obtain any and all copyright, patent, trademark or other intellectual property protection related thereto. "Intellectual Property" includes all trade secrets, copyrights, moral rights, author rights, patents, trademarks (including without limitation registrations and applications, renewals and extensions therefor), and goodwill arising under the laws of the United States or any other state, county or jurisdiction.

15. INVOICING: Supplier will issue and send to Autocar invoices upon shipment of the Goods. Payment of an invoice will not constitute acceptance. Supplier will not issue an invoice prior to the date the Goods to which such invoice relates are shipped. Time for payment will not begin until invoices are correct and complete, and Supplier's cash discount privileges to Autocar will be extended until such time as payment is due. Autocar may offset against the amount due under an invoice any amounts due from Supplier to Autocar.

16. PRICE: Supplier will furnish the Goods at the prices set forth on the face of or attachment to the PO. If prices are not so stated, then the prices of the Goods will be the lower of the last prices invoiced or quoted to Autocar in writing. The prices represent the total amount per item that Autocar will be obligated to pay and are inclusive of all applicable taxes 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 Goods to alternative locations.

17. RECALL: If for any reason Autocar products containing the Goods are recalled (whether voluntarily or involuntarily), or Autocar takes any action with regard to Autocar products containing the Goods 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 is caused or necessitated by the Goods, 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.

18. RELATIONSHIP: Autocar and Supplier are independent contracting parties, and nothing herein makes either party the agent or legal representative of the other for any purpose, nor does it grant either

party any authority to assume or create any obligation on behalf of or in the name of the other party.

19. REMEDIES/DAMAGES: The rights and remedies reserved herein 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 PO. Except for Supplier's indemnification obligations, neither Autocar nor Supplier will be liable for any indirect, special, incidental, consequential or exemplary damages that may in any way be related to the PO.

20. TERMINATION: Autocar may terminate all or part of the PO at any time by giving written notice to Supplier. Supplier may terminate the PO (a) upon at least 90 days prior written notice to Autocar, or (b) 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 30 days prior written notice of termination and such invoice is not paid or dispute otherwise resolved within such 30-day period. In the event of any termination of the PO, the parties will cooperate with one another to wind down and/or transition the supply to the Goods to an alternative supplier.

21. TOOLS: All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Autocar either directly or indirectly to Supplier for use in connection with the Goods, or for which Supplier has been reimbursed by Autocar (collectively, the "Tools"), will be and remain the property of Autocar. Supplier will bear the risk of loss of and damage to the Tools. Supplier will comply with the tooling provisions set forth in Autocar's Quality Manual.

22. WAIVER: Autocar's failure at any time to require performance by Supplier of any provision of the PO 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 PO constitute a waiver of any succeeding breach of the same or any other provision. Any waiver of any of the terms of the PO or these Terms must be in writing signed by Autocar.

23. WARRANTY: Supplier expressly warrants to Autocar and Autocar's customers that during the one-year period commencing on the date that the Goods are delivered to Autocar (the "Warranty Period"), the Goods will: (a) conform to Autocar's specifications, quality control standards, instructions, drawings, samples, descriptions and designs; (b) be merchantable; (c) not be defective in design (unless Autocar's design), materials or workmanship; (d) be fit and sufficient for the particular purposes and uses intended by Autocar and its customers; (e) be new and made without any used or remanufactured materials; and (f) not be encumbered by any lien, security interest or other encumbrance (collectively, the "Warranty"). Supplier will reimburse Autocar for costs incurred relating to Warranty claims, including replacement Goods, a labor allowance to repair or replace the defective Goods at Autocar's standardized labor rate (\$85.00, subject to periodic increase by Autocar), 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 Goods. Supplier will pay Warranty claims by check or wire transfer as directed by Autocar, within ten days of Supplier's receipt of Warranty claims, or Autocar may offset such amounts against any amounts due from Autocar to Supplier. Supplier will establish and maintain quality and control procedures necessary to ensure efficient and proper handling of Warranty claims. For all emissions system parts and components, Supplier will comply with the Emissions System Components Warranty set forth in Autocar's Quality Manual.