

I. Scope of validity

1. These general terms and conditions of purchase shall exclusively apply to all present and future commercial orders of Hemscheidt Fahrwerktechnik GmbH & Co. KG (hereinafter called "Hemscheidt") and their processing. The applicability of the contractor's terms and conditions is expressly refuted. Other terms and conditions shall neither be accepted by silence nor by acceptance of goods/ performance.

2. If agreeing on special terms and conditions, these general terms and conditions shall be considered as secondary and supplementary.

3. Alterations or additions to these general terms and conditions of purchase and to orders based on these terms and conditions must be made in writing. This applies equally to a waiver of the written form requirement.

II. Offers / Orders

1. The preparation and submission of offers by the contractor is free of charge for Hemscheidt and is not binding until written order of Hemscheidt.

2. The order confirmation shall be made within 10 working days. After expiry of this period without any objection of the contractor, the order shall be considered as accepted. Any deviation from the order of Hemscheidt shall require Hemscheidt's prior written consent.

3. Hemscheidt may change technical details up to four weeks prior to the due delivery date. If first or type samples are made available to Hemscheidt, then the series production may only begin following Hemscheidt's express and written release.

III. Prices

1. As far as not agreed on separately, overall or individual prices are fixed prices and are valid until the end of order settlement. Subsequent increases for whatever reason are excluded.

2. The prices are stated as carriage-paid with delivery to the reception point stated by Hemscheidt, including freight, packaging and ancillary costs (DAP acc. to INCOTERMS 2010). If non-paid delivery shall be separately agreed on, then Hemscheidt shall only assume the most favorable freight costs, unless Hemscheidt has stipulated a special type of shipment.

3. If, as an exception, pricing schedules have been agreed on in a foreign currency, then the agreed price shall be based on the conversion rate of the EURO to the foreign currency in question quoted in Germany on the day of order confirmation. If this rate shall change prior to the payment due date, either side shall be allowed to demand corresponding price adjustments.

IV. Payment / Reserve of proprietary rights

1. Invoices shall be sent to Hemscheidt not until after complete fulfillment of the delivery obligations.

2. The invoice shall be settled either within 14 days with 3 percent cash discount or within 30 days without discount. The periods begin to run on receipt of the invoice but not, however, before receipt of the goods, or acceptance in the case of performances, and if documentation or similar documents form part of the performance scope, then not before their contractual submission to Hemscheidt. In case of acceptance of a precipitate (partial) delivery, nevertheless the payment periods shall begin running at the negotiated date at the earliest.

3. If down payments are agreed that are not yet balanced by any corresponding countervalue, Hemscheidt is entitled to demand the provision of an absolute bank guaranty in the same amount concurrently with performance of the

down payments. The contractor shall bear the costs of this guaranty which will be returned - as the case may be - after complete fulfillment or acceptance of the performance.

4. Payments are made by check or bank/post bank remittance at Hemscheidt's choice. The payment is made in due time if the check has been sent by post on the due date or the remittance has been instructed to the bank/post bank on the due date.

5. The contractor is not permitted to set off amounts against accounts receivable or to exercise any lien unless the claim with which the contractor is setting off or exercising a lien is uncontested or has been established by declaratory judgement. The contractor may furthermore only assign any receivables from the entire business relationship to third parties with Hemscheidt's prior express written approval.

6. Any possible reservation of proprietary rights by the contractor will be acknowledged on the condition that the title of the goods/ performances passes to Hemscheidt on payment (simple reserve of proprietary rights). The extended reserve of title and all forms of its extension shall be expressly excluded.

V. Shipment / Delivery

1. Unless stipulated otherwise, the shipment shall be made to the address stated in the order.

2. Partial deliveries, as well as passing Hemscheidt's orders to third parties (sub suppliers, subcontractors), shall only be permissible after prior written approval of Hemscheidt. Extra costs shall be borne by the contractor in every case.

3. The contractor shall bear the hazard of accidental perishing and accidental worsening (especially transport hazard) according to the agreed INCOTERMS 2010 clause DAP.

4. All goods shall be properly packed and labeled. The shipment shall be carried out with customary or with the necessary diligence according to the handling of the goods / performances. Each delivery shall contain a delivery note with the Hemscheidt order number, a packing slip, item number, and so on.

VI. Delivery dates / periods / Force Majeure

1. Agreed delivery dates and periods are binding. Hemscheidt shall be immediately notified if delivery delays are impending; this shall not, however, release the contractor from claims for damage compensation to which Hemscheidt may be entitled.

2. In case of non-fulfillment, Hemscheidt shall be entitled to assert damage compensation of 5 percent of the total gross order value and 0.5 percent of the total gross order value per started calendar week, but not more than 5 percent maximum. The evidence of a further reaching damage compensation claim to be satisfied by the contractor shall not be excluded by above provision. The contractor is equally entitled to provide evidence that no damage or a lesser damage has been incurred than the one generally asserted.

3. Force majeure and other events for which Hemscheidt shall not be answerable and which make it impossible or significantly more difficult for Hemscheidt to accept or use the goods / performances, shall release Hemscheidt from its duties of acceptance and payment for the duration of these hindrances.

VII. Long Term Supplier Declaration

1. On request of Hemscheidt the contractor issues a Long Term Supplier Declaration according to VO (EG) 1207/2001 concerning

the characteristics of origin of the sold goods, and - at Hemscheidt's demand - he shall make the investigation of this evidence of origin possible by the customs administration and shall issue the necessary information thereto and provide any possibly required confirmations.

2. The contractor shall compensate the damage which occurs because the origin stated by him is inaccurate and/or is not acknowledged by the responsible authority as a result of erroneous certification or for lack of subsequent investigation possibility. This liability does not, however, arise if the contractor proves that hereby he shall not be at any fault whatsoever.

3. The contractor shall provide all documents and data which shall be necessary according to the respective customs provisions or any other relevant provisions.

VIII. Warranty / liability / insurance

1. If the goods/ performances are defective or if the contractor violates other duties from the obligatory relationship, Hemscheidt shall be entitled to the statutory rights and entitlements without restriction.

The contractor warrants for all goods/ performances worldwide that they shall comply with the demands made, that they shall be defect free, and that they shall be qualified for all intended purposes by Hemscheidt.

If works safety is endangered and/or to avoid unusually high damages to Hemscheidt or to third parties, Hemscheidt shall be entitled to remove defects and remedy damages or undertake covering purchases at the expense of the contractor without prior consultation. The contractor shall bear all costs in conjunction with the delivery of defected goods/ performances.

2. The statutory warranty period shall be 30 months beginning with further processing / commissioning of the goods/ performances, however at the longest 36 months after delivery. If a defect occurs within the first 12 months, it shall be assumed that the defect had already existed at the time of passing of risk.

3. Notwithstanding Hemscheidt's claims from section 1 above, the contractor shall herewith assign to Hemscheidt all claims to which he is entitled to against his suppliers/subcontractors due to a defect arising at Hemscheidt or due to a deviation from a guaranteed characteristic discovered by Hemscheidt. The contractor shall hand over to Hemscheidt all documents necessary to assert such claims. If Hemscheidt will not assert these assigned rights, then the contractor may demand their reassignment.

4. The contractor shall indemnify Hemscheidt against all claims brought by third parties - especially such due to product liability - that are the result of the defective nature of his partial performances having become part of Hemscheidt's product (especially delivery of basic materials and partial products) or that result from other breaches of duty from the obligatory relationship for which he is answerable.

5. For the duration of the business relation, the contractor shall provide a sufficient insurance coverage in terms of a business and product liability insurance, and coverage for recall costs at the amount of at least 2 Mio. € for each insurance case / 4 Mio. € per insurance year in case of special demand. Upon request, the contractor shall provide an insurance certificate.

IX. Manufacturing means (especially tools) and raw materials

1. Tools, models, drawings and other documents of all kinds (manufacturing means) provided by Hemscheidt or which were manufactured for Hemscheidt shall be used

exclusively to undertake Hemscheidt's orders and may not be wholly or partly made accessible to third parties without Hemscheidt's prior written approval. They shall be sent back to Hemscheidt immediately at demand, or at the latest two years following their last implementation. Any lien shall be excluded.

2. Manufacturing means and raw materials provided by Hemscheidt shall remain property of Hemscheidt. The manufacture, reworking or processing of such manufacturing means undertaken by the contractor in the fulfillment of Hemscheidt's order shall be done for Hemscheidt as manufacturer with the consequence that Hemscheidt shall acquire the title thereto. Manufacturing means shall be stored separately, maintained regularly, insured against loss and damage, labeled permanently and well readable as the property of Hemscheidt.

X. Quality / control

1. In completion of the goods/ performances, the contractor shall comply with the state-of-the-art in science and technique and shall implant and maintain a quality safety system according to ISO 9001 or a similar system and certified by an accredited authority. Furthermore, the contractor shall observe all relevant quality standards and rules, quality assurance measures provided by Hemscheidt, and all statutory law.

2. Prior to the confirmation of an order, the contractor shall analyze the specifications, drawings, and so on provided by Hemscheidt and check their completeness and correctness. The contractor shall point out any friction to Hemscheidt.

3. The contractor shall inspect the goods/ performances extensively prior to goods issue. Immediately after receipt of goods/ performances, Hemscheidt will check the delivery for identity, amount, and obvious transport damages. Discovered defects and damages will be reported within a period of 14 days after receipt of goods/ performances by Hemscheidt and - in case of a third-party-deal - within 14 days after receipt of goods/ performances at Hemscheidt's customer. Insofar, the contractor shall waive the right to objection due to late notice of defects. However, the payment of the goods/ performances shall mean no acceptance of the goods/ performances; a checking shall mean no quitclaim of any of Hemscheidt's rights.

4. As far as goods/ performances show any defects concerning the design and quality or will be delivered without the required documents, e.g. in the absence of delivery notes, first sample reports as well as in the absence of product labeling and quality control certificates, Hemscheidt shall have the right to charge a lump sum in the amount of EURO 100, - in every case of a justified defect.

5. Hemscheidt shall have the right to audit the contractor's premises at any time after prior announcement; the contractor shall assure the same right to audit with his sub suppliers.

XI. Development / industrial property rights / licenses

1. The contractor warrants that the use of the goods/ performances shall not infringe any domestic and/ or foreign patents, utility patents, copyrights, or other third party rights.

2. The contractor shall indemnify Hemscheidt from all claims, damages, lawsuits and receivables from actual and alleged breaches of rights named in section 1.

3. As far as the contractor shall have any industrial property rights to the goods/ performances, the contractor shall grant Hemscheidt the timely and locally unlimited, Status: März 2015

irrevocable and free of charge right to the purpose of use of Hemscheidt to use, maintain, provide services, and procure spare parts, and so on regarding the goods / performances.

4. If development workings shall be part of the order, they shall be covered by a single payment or they shall be compensated by the piece / unit price and that the title hereto shall pass to Hemscheidt. The contractor shall grant Hemscheidt the timely and locally unlimited, irrevocable and free of charge license with the right to grant sub-licenses regarding all of the contractor's industrial property rights which shall come to existence due to the development workings and which Hemscheidt will reasonably need for its own or a third party's use.

5. In case of development workings, an approval by Hemscheidt shall not release the contractor of his product, especially construction responsibility.

XII. Secrecy

The contractor shall keep in strict secret all information deriving from the business relationship. The contractor shall use the information provided by Hemscheidt exclusively for the purpose of each order - not for his own purposes unless Hemscheidt shall have given its prior written approval. Information which the contractor shall have legally received by third parties in a non secret way as well as freely accessible information shall not be part of the duty to secrecy.

XIII. Hemscheidt Code of Conduct

With each and every order the Hemscheidt Code of Conduct (see at www.hemscheidt.de) shall form integral part of the contract between Hemscheidt and the contractor.

The contractor shall comply with the principles of the Hemscheidt Code of Conduct and shall pass on these principles accordingly in his own supply chain.

XIV. Security in Supply the Chain

1. If the contractor is a certified Authorized Economic Operator (AEO) the contractor shall prove it by submitting a copy of the official certification to Hemscheidt.

2. Should the contractor not (yet) be a certified Authorized Economic Operator, the contractor shall have the obligation to ensure continuous compliance with the requirements specified in the Security Declaration (retrievable at www.HUBNER-germany.com) in the contractor's company and immediately send such Security Declaration to Hemscheidt with a legally binding signature. If the contractor is unable to meet, wholly or partly, the requirements stated in the Security Declaration, the contractor shall immediately inform Hemscheidt about this in writing.

3. If the certifications/declarations required in accordance with the preceding items 1 and 2 were not yet transferred to Hemscheidt it shall be transferred within two weeks of receipt of a purchase order from Hemscheidt. Should the contractor fail to do so Hemscheidt shall be entitled to rescind from the order within 2 further weeks.

4. Should the contractor, at any point in time, lose the certification of an Authorized Economic Operator or is not, or no longer, be able to meet the requirements warranted in the Security Declaration, the contractor shall immediately inform Hemscheidt in writing. The loss of the status as Authorized Economic Operator, an incorrect Security Declaration or the subsequent non-compliance with the requirements specified in the Security Declaration shall constitute cause for termination without notice by Hemscheidt. Moreover, the contractor shall bear all expenses and damages incurred by

Hemscheidt as a result of the loss of the status as Authorized Economic Operator, the incorrectness of the Security Declaration or subsequent non-compliance with the requirements stated therein.

XV. Bankruptcy

1. If the contractor shall apply for bankruptcy proceedings or if bankruptcy proceedings shall be opened against him or shall be declined in the absence of legal estate, and the contractor shall not be able to comply with his contractual duties due to these reasons, the contractor shall immediately inform Hemscheidt hereof. For the occurrence of each of these cases, the contractor grants Hemscheidt the right to copy the goods/ performances or to have them copied by a third party.

2. In the event of one of the cases stated in section 1, the contractor shall have to return all manufacturing means upon first call - preferably prior to automatic stay.

3. In the event of one of the cases stated in section 1, Hemscheidt shall have the right to terminate the business relation with immediate effect and under the exclusion of any claims of compensation.

XVI. Concluding provisions

1. Place of fulfillment for all goods/ performances is the point of reception specified by Hemscheidt, or Haan-Gruiten if such a place is not prescribed.

2. All changes and amendments of technical and commercial specifications in the business relation shall require written form.

3. Place of jurisdiction is the registered office of Hemscheidt's headquarters (Haan-Gruiten) and additionally, as the case may be, the domicile of a branch dependency of Hemscheidt registered in the commercial register which undertook the contract conclusion. However, Hemscheidt shall be entitled to bring suit against the contractor before the court of law competent for his registered office.

4. All legal relations between Hemscheidt and the contractor shall be subject to the laws of the Federal Republic of Germany to the exclusion of the uniform UN Convention on Contracts for the International Sale of Goods (CISG).

5. If a part of the contract or of these general conditions and terms of purchase shall be invalid, then the validity of the contract or of these conditions and terms shall not otherwise be affected thereby. In place of the invalid part, a new valid part shall become effective which economically equals the invalid one preferably to a large extent. The same shall apply in case of a gap.

6. In cases of doubt regarding the wording or translation, the original German language version of these General Terms and Conditions shall be valid.