



ADDENDUM (FOR CHINA) TO THE GENERAL TERMS AND CONDITIONS OF NEXTEER AUTOMOTIVE

Operating under the following legal entities:

Nexteer Automotive (Suzhou) Co., Ltd.
Nexteer Lingyun Driveline (Wuhu) Co., Ltd.
Nexteer Lingyun Driveline (Zhuozhou) Co., Ltd.
Nexteer Automotive Systems (Liuzhou) Co., Ltd.
Chongqing Nexteer Steering Systems Co., Ltd.

[Effective October 1, 2015]

This Agreement between Buyer and Seller constitutes an addendum to the Contract referred in Section 1 of the General Terms and Conditions of Nexteer Automotive. It governs all purchase orders and/or long term contracts entered into between Buyer and Seller related to any Goods and/or Services to be provided by Seller to Buyer. All capitalized undefined terms used in this Addendum shall have the meanings given to them in the General Terms and Conditions of Nexteer Automotive.

Seller and Buyer now desire to amend the Contract in the respects, but only in the respects, hereinafter set forth.

1. 3R Regulation

- (a) Section 7.1 General of the General Terms and Conditions of Nexteer Automotive is hereby amended to include the following:

“Seller warrants and guarantees to Buyer, its successors, assigns and customers, that Goods and/or Services of Seller shall have no failure, safety performance fault, or repeated quality issue and shall not cause a failure in any of Buyer’s products that would lead to a safety performance fault, or quality issue as specified in the *Regulation Governing the Liability for Repair, Replacement and Return of Household Automotive Products* (effective as of 2013/10/01 or any amendment thereafter) , for the duration of two (2) years or fifty thousand (50,000) KM mileage from the date of sale of Buyer’s customer’s new vehicle incorporating Goods and/or Services of Seller, which would trigger Buyer’s customer’s liability for the replacement or return of such a vehicle or vehicles for its end-user(s). In addition, within twenty-four (24) hours after Seller’s receipt of Buyer customer’s after-market quality complaint related to Seller’s Goods and/or Services, Seller shall respond and react in a timely manner.”

- (b) Section 7.3 Remedies and Damages of the General Terms and Conditions of Nexteer Automotive is hereby amended to include the following:

“If Seller’s Goods and/or Services fail to conform to the additional warranty as set forth by the Addendum in Section 7.1 above, Seller shall reimburse Buyer for all damages (including reasonable attorney and professional fees), losses, costs, expenses of Buyer and/or its customer arising from or in connection with Buyer’s customer’s liability for the replacement



or return of such a vehicle or vehicles for its end-user(s), less any reasonable vehicle usage compensation fee paid to Buyer's customer and the residual value of the vehicle(s)."

2. Governing law and Jurisdiction

Section 26 Governing Law and Jurisdiction of the General Terms and Conditions of Nexteer Automotive shall be replaced in its entirety by the following:

"(a) Governing Law. This Contract (including the Nexteer General Terms and Conditions) shall be governed by and construed in accordance with the laws of China, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any choice of law provisions that require application of any other law.

(b) Jurisdiction. Seller and Buyer agree that any disputes arising from, out of, or in connection with this Contract shall be submitted to arbitration in Beijing, China in accordance with the Arbitration Rules of the China International Economic and Trade Arbitration Commission (the "CIETAC") then in force. Prior to such submission, the parties shall endeavor through friendly consultations to settle the dispute. Such consultations shall begin immediately after one party has delivered to the other party a notice requesting such consultation. If within thirty (30) days following the date on which such notice is given the dispute cannot be settled through consultations, then the dispute shall be submitted to arbitration as aforesaid.

Unless otherwise agreed by Seller and Buyer, the arbitration tribunal shall consist of three (3) arbitrators to be appointed in accordance with the CIETAC Rules. Unless otherwise agreed by Seller and Buyer, the language of the arbitration shall be English. Seller and Buyer acknowledge and confirm that the arbitration award shall be final and binding upon Seller and Buyer, not subject to any appeal, and shall deal with the question of costs of arbitration and all matters related thereto, and the immunity power, if any, is waived. Judgment upon the arbitration award may be entered in any court having jurisdiction over the party against whom enforcement is sought or such party's property. The foregoing, however, shall not preclude the parties from applying any preliminary or injunctive remedies available under applicable laws for any purpose, including, but not limited to, securing the subsequent enforcement of an arbitration award. Each party shall be responsible for its respective legal expenses arising from the negotiation and execution of this Contract. However, the prevailing party in arbitration proceedings shall be entitled to an award of reasonable cost, including, but not limited to, attorney's fees arising from the arbitration proceedings, and the specific amount of such compensation shall be determined by the arbitrator(s)."

3. Anti-Corruption and Business Ethics

The General Terms and Conditions of Nexteer Automotive are amended to include the following provisions as Section 35 Anti-Corruption and Business Ethics:

"(a) In carrying out the responsibilities described in the Contract, each party warrants and agrees to comply fully with and to cause its employees, directors, officers, agents or any person acting on its behalf to comply fully with all applicable laws and regulations, including without limitation the anti-bribery laws and regulations in all relevant jurisdictions, the U.S. Foreign Corrupt Practices Act, the Prevention of Bribery Ordinance (POBO) of Hong Kong and PRC Anti-commercial bribery laws and Criminal Law.



(b) It is understood and agreed by the parties hereto, that in providing Goods or performing Services under the Contract, or in connection therewith, neither party nor any person acting on its behalf has given, promised to give, offered to give, or will give, promise to give, or offer to give, any loan, gift, donation, payment, or other items of value directly or indirectly, whether in cash or in kind, to or for the benefit of any government official and/or political party, to obtain or retain business or to secure any improper advantage.

(c) In the event any government official, or anyone acting or purporting to act on behalf of any government official, directly or indirectly requests or solicits any sum of money or anything of value from either party in connection with the subject matter of the Contract, the affected party shall immediately advise the other of such request or solicitation.

(d) Seller acknowledges, agrees, and warrants that they understand, and will comply with Buyer's Code of Conduct and Gifts, Entertainment and Anti-Corruption Policy. Seller agrees that at the request and discretion of Buyer, Seller will certify compliance with Buyer's Gifts, Entertainment and Anti-Corruption Policy. Seller agrees that it will seek clarification and/or training from Buyer to the extent that it has questions regarding Seller's obligations under applicable Buyer policies.

(e) Each party agrees that all invoices, reports, statements, and books and records that it submits will be true and accurate in all respects, and will fully and accurately describe services rendered and the nature and recipient of expenditures and/or payments made. Each party agrees that it will not fail to reveal any material information that the other party may require to accurately prepare its own books and records. Each party agrees it will not pay or tender, directly or indirectly, any commission or finders or referral fees to any person or firm in connection with carrying out the responsibilities described in the Contract without the prior written approval of the other party.

(f) Seller warrants and agrees that the information Seller provided in the Due Diligence Questionnaire for Supplier Selection Procedure is true, accurate, and complete in all material respects. Seller further warrants and agrees to provide notice to Buyer if it learns of facts that make the information Seller provided no longer accurate.

(g) Buyer shall have the right to terminate the Contract for cause upon Seller's violation of the above provisions. Seller agrees to indemnify, defend and hold the Buyer, its affiliated companies, and their respective officers, directors, and employees harmless from any claim, liability, fine, penalty, loss, or damage that arises as a result of Seller's failure to comply with the obligations set forth in the foregoing provisions."

This Addendum shall be construed in connection with and as part of the Contract and except as modified by this Addendum, all the provisions contained in the Contract are hereby ratified and shall remain in full force and effect.

Agreed to and accepted by:

Buyer : _____

Seller : _____

Date : _____

Date : _____