

General Terms and Conditions of Purchase (of Services)

Date: May 18, 2018

1. Scope

1.1 This General Terms and Conditions of Purchase (hereinafter referred to as the "General Conditions") apply to all the transactions conducted by ZF (China) Investment Co., Ltd. and its affiliates in China (hereinafter referred to as "ZF") as the purchaser. The aforementioned affiliates refer to those companies whose equities of not less than 50% are held directly or indirectly by ZF (China) Investment Co., Ltd.

2. Purchase Order

2.1 Only a written purchase order issued by ZF with ZF's seal (hereinafter referred to as the "Purchase Order") will be considered and deemed valid. A scanned copy thereof with the seal or signature sent via e-mail or the Purchase Order sent by fax/post shall be deemed as a written purchase order. Electronic purchase order is valid if and to the extent that it is used and executed for performing other separate agreement concluded between the supplying party (hereinafter referred to as the "Supplier") and ZF.

2.2 Oral agreement made directly or by telephone is valid conditional upon and subject to subsequent confirmation and issuance of relevant written Purchase Order.

2.3 After the Purchase Order is accepted, the General Conditions will be incorporated into the Purchase Order by reference and become an integral part of the contract arising from or in relation to the Purchase Order. The General Conditions also apply to all the supply contracts concluded between the Supplier and ZF in the future, even if the two parties fail to make any explicit agreement on the application of the General Conditions to such future contracts. If the General Conditions conflict with the Purchase Order, any separate contract made at any time between the two parties, or the global framework agreement applicable to the two parties, they shall be in compliance with the following priorities: (1) the separate contract between the two parties (whether a framework agreement or a separate purchase agreement); (2) the Purchase Order; (3) the General Conditions; (4) the global framework agreement not separately concluded by the two parties but binding upon them. The instruments mentioned in the above (1), (2), (3), and (4) are hereinafter collectively referred to as the "Agreement".

2.4 ZF expressly disclaims the Supplier's standard or special sales terms and conditions, no matter they are imparted before or after the issuance of the purchase order. Except as expressly approved by ZF in writing, such Supplier's sales terms and conditions shall not be taken as a part of the Agreement. For the avoidance of doubt, the General Conditions shall apply even if ZF accepts the Supplier's delivery or pays the Supplier without reservation after noticing the conflict or deviation between Supplier's sales terms & conditions and the General Conditions.

3. Acceptance of Purchase Order

3.1 The Supplier shall seal or cause its duly authorized representative to sign and confirm the Purchase Order immediately after receiving it from ZF. If the Supplier fails to render the written confirmation of the Purchase Order within two (2) working days after issuance thereof, the Purchase Order will come into force automatically and shall be performed by the Supplier, failing which, the Supplier shall be liable for its breach in accordance with the Agreement.

3.2 Any modification of or supplement to the Purchase Order shall be listed separately in Supplier's written reply to ZF, which shall be regarded as rejection of the Purchase Order and Supplier's new offer.

3.3 Except as otherwise provided and agreed, the offer made by the Supplier shall be irrevocably binding upon the Supplier within 90 days after ZF's receipt thereof.

4. **Price**

4.1 The contract price agreed upon by the two parties is a fixed price and shall be indicated in RMB or the foreign currency specified in the Purchase Order.

4.2 Unless otherwise specified, all costs and expenses in relation to the services, including without limitation taxes, etc. shall be included in the service fees, and the Supplier shall not charge any additional expenses from ZF or require ZF to reimburse any additional expenses.

5. **Delivery**

5.1 Time is clearly defined as being critical to the Agreement. The Supplier shall, according to the date of delivery as specified in the Agreement, accomplish the services within the business place designated by ZF in light of the requirement of the Agreement (including without limitation the delivery and performance of all the necessary documents and Deliverables in relation to such services)

5.2 Unless otherwise specified, the failure of the Supplier to perform its obligations of delivery according to the date of delivery as specified in the Agreement shall be deemed as late performance, and ZF does not have to send a default notice or grant a grace period.

5.3 In case of late performance, the Supplier shall, in any case, pay to ZF liquidated damages equaling to 0.3% the total value of the Purchase Order for each calendar day overdue. If such liquidated damages does not suffice to compensate for the losses ZF has suffered from or in connection with such default (including without limitation any liquidated damages or compensations ZF has to pay to any third party due to the Supplier's failure to make delivery according to the agreed date of delivery), the Supplier shall further pay to ZF the difference between the liquidated damages and the above-mentioned losses, and all such remedies shall not affect the rights and remedies granted to ZF under applicable laws and regulations or the Agreement. Besides, upon giving a notice of such default, ZF has the right to take correctional measures by itself or through a third party, and the expenses arising therefrom shall be borne by the Supplier.

5.4 Regarding remediation through the engagement of third parties, if the Supplier is in possession of documents required by ZF or the third party concerned for the performance of the contractual obligations, the Supplier shall transfer such documents promptly to ZF free of charge.

5.5 It is hereby clarified that, ZF's acceptance of late delivery or performance without reserving the rights in an express manner does not mean ZF's waiver of any rights or remedies granted against late delivery or performance under relevant laws and regulation or the Agreement.

5.6 If, for any reason, the Supplier finds it will be hard to meet the time of delivery or ZF' other requirements, it shall promptly give to ZF a written notice stating such circumstance and the expected duration thereof. ZF can, at its own discretion and without a waiver of other rights under relevant laws, regulations or the Agreement, decide to (1) allow late delivery or performance; or (2)

require the Supplier to accelerate the delivery. Upon occurrence of such circumstance, the Supplier shall take all the necessary measures, including without limitation, additional human resource, overtime or night working, shift operation, working on weekends and national holidays, so as to meet the original deadline. ZF does not bear any additional expenses arising from the taking of such additional measures.

6. Deliverables

As part of the services, the Supplier shall deliver to ZF the deliverables specified in the Agreement, and all reports, information, materials and other work products obtained by the Supplier and its agent(s), personnel and/or subcontractor(s) due to the services provided (hereinafter referred to as "Deliverables"). The Supplier understands and agrees that the Supplier's Deliverables shall all be deemed as the "work made for hire" as defined by the copyright laws of the People's Republic of China, and that its property rights, ownership and all exclusive rights shall belong to ZF. Upon request by ZF, the Supplier shall sign all necessary documents to transfer the above rights to ZF, thereby protecting ZF's rights towards services, Deliverables and all unfinished work.

7. Insurance

In accordance with all the applicable laws and regulations and with reference to the general standards of the companies engaged in similar activities in the industry, the Supplier shall, at its own expenses, purchase and maintain appropriate and adequate insurance for the business type it is engaged in, from a reputable insurance company. Without affecting the above provisions, the Supplier shall purchase and maintain minimum, comprehensive and general insurance. Upon ZF's written request, the Supplier shall provide the insurance policy to ZF to prove the insurance coverage.

8. Payment

- 8.1 Payment shall be made in accordance with the terms and conditions specified in the Agreement. ZF's payment shall not imply ZF's acceptance over the Deliverables, nor waiver of any guarantee, demand or right of claim under the Agreement.
- 8.2 The Supplier shall, within the period designated by ZF, send the relevant invoice to the address as specified in the Purchase Order. The invoice shall correspond to the Purchase Order, and it is not allowed to issue one invoice for multiple Purchase Orders. The invoice shall indicate the order number, order items and other details as determined by ZF from time to time. The invoice issued by the Supplier shall meet the applicable requirements in respect of VAT or business tax. If the Supplier fails to provide to ZF the relevant invoice within sixty (60) calendar days after expiration of the aforesaid period designated by ZF, it shall be deemed that the Supplier has waived its creditor's right under the Agreement.

9. Guarantee

- 9.1. The Supplier declares and undertakes:
- (1) The Supplier shall perform the service for ZF' purchase by proper technique professionally and efficiently, and exercise the proper diligence and care, and the service level shall be equivalent to the best industry standard and practice. The Supplier confirms that its failure to perform the service in a professional manner constitute substantial breach of the Agreement.
 - (2) The Supplier, as a competent subject for rendering service to ZF, has the qualification and capabilities for performing all the obligations under the Agreement and its rendition of service to ZF will not breach any contract signed by the Supplier with any third party.
 - (3) The Supplier has the full right, ownership and power to perform and render its service and deliver

the Deliverables to ZF, and the Deliverables shall be free and clear of any lien, encumbrance, claim or security interests of any kind.

- (4) In rendering the service, the Supplier shall abide by all the applicable laws, regulation, codes, rules, orders and relevant standards in effect, and the Supplier shall, during the service rendition, hold all the necessary approvals, permits or qualification in relation to the service rendition.
- (5) There are no litigation, arbitration or other disputes with the Supplier as a party and likely to adversely affect the performance of the Agreement according to reasonable anticipation.
- (6) The service thus rendered shall meet the business purpose or any other special purposes in accordance with the Agreement or as notified by ZF to the Supplier in other manners.
- (7) The service and/or Deliverables will not impair or infringe the copyright, trademark, patent, trade secret or other rights of any third party.
- (8) Without the prior written consent of ZF, the Supplier shall not subcontract the whole or part of the purchase order to any third party.
- (9) The actual service of the Supplier shall, in all respects, conform to the Supplier's representations in quotation, statement, description and service promotion, and conform to the standards and requirements as agreed upon in the Agreement.
- (10) If the service or Deliverables contain any software, or the Supplier is required to enter ZF's information system, the Supplier declares and undertakes that it has taken and will continue to take reasonable commercial measures, so as to ensure that the service or Deliverables are free of any virus, malicious code, program or other internal viruses (such as computer worm, time bomb or other similar viruses) (hereinafter referred to as "Malicious Codes") which will: (i) impair, damage or alter the service or Deliverables, (ii) affecting ZF's capability to utilize or benefit from the service or Deliverables, (iii) divulge, damage, impair or alter, in any way, the data or other information obtained through the service or Deliverables, or (iv) damage, impair or alter in any way ZF's information system or data, or any data or other information obtained through such information system. If ZF reasonably suspects or the Supplier knows that there exist Malicious Codes affecting ZF, the Supplier shall promptly give a written notice to ZF.

9.2. Liabilities and Remedies

- (1) The Supplier shall timely and fully indemnify, hold harmless and defend ZF from and against any and all claims, direct and indirect losses and damages which ZF suffers from the breach by the Supplier of the provision of Article 9.1, including without limitation the liabilities of compensation to any third party, the paid liquidated damages or any government punishment.
- (2) The Supplier promises to remedy the breach of contract within a reasonable period as confirmed by ZF (not exceeding fifteen (15) calendar days in any circumstances). The Supplier shall bear all the expenses incurred by its remedial actions, especially personnel costs and travel expenses.
- (3) If the Supplier offers late remedies or cannot correct its breach after such remedial actions, ZF has the right to seek the service from a third party and the expenses arising therefrom shall be borne by the Supplier.
- (4) If any claim is made by any third party to ZF in relation to the service and Deliverables, ZF has the right to ask the Supplier to make full compensation for all the damages and/or expenses arising therefrom.

10. Third party's rights

If any third party's rights (including without limitation patent right, license, trademark right and other IP rights) is infringed due to the Supplier's reason, the Supplier shall compensate ZF for any claims, damages and expenses suffered by ZF therefrom, and defend and hold ZF harmless from said losses and damages. Under such circumstance, ZF may, at its own discretion, decide to instruct the Supplier to acquire the rights for ZF to go on using such services, or to make replacement or adjustment in a manner acceptable to ZF, thereby avoiding infringement

11. Personnel of the Supplier

- 11.1 The Supplier shall appoint at least one person as the main representative of the Supplier since the effective date of the Purchase Order. The main representative of the Supplier shall: (1) be fully responsible for and coordinate the performance of the Supplier's obligations under the Agreement, and (2) be authorized to deal with all the matters in relation to the provision of the services, on behalf of the Supplier.
- 11.2 The Supplier shall always be the employer of its personnel, agents and representatives (hereinafter referred to as "Supplier Personnel") performing the obligations under the Agreement and the Supplier shall perform all the employer responsibilities under applicable laws and regulations. The Supplier shall (1) select and engage its personnel legally, including compliance with all applicable laws in connection therewith, (2) pay the remuneration and other welfares to its personnel according to applicable laws; (3) pay or withhold all required payroll taxes and mandated insurance premiums; (4) purchase occupational injury insurance for its personnel according to laws, and (5) fulfill the employer's obligations with respect to unemployment compensation. ZF shall not be held liable for any personal injuries or property damages suffered by the Supplier Personnel during the performance of the Agreement for any reasons not attributable to ZF, including without limitation occupational injury and accidental injury.
- 11.3 The Supplier and its personnel, agents, as well as personnel of the approved subcontractor, shall, when they are within any ZF's site or facility, (1) follow ZF's general requirements, standards and rules regarding safety, health, personal and occupational behavior, and (2) follow other business etiquette. The Supplier shall be responsible for all the behavior of the Supplier Personnel during the performance of the Agreement, and shall make full compensation for any damage to ZF's property or any personal injuries to ZF's personnel, representative, customers or any visitors in ZF's site or facilities, due to the reasons attributable to the Supplier or the Supplier Personnel.
- 11.4 If, for any reasons relating to the Supplier's rendition of service(including without limitation the disqualification of relevant persons or their interference to ZF's operation), ZF asks the Supplier to remove its agent, personnel or subcontractor, the Supplier shall immediately remove and replace them, without the need for ZF to bear any costs. However, except otherwise provided for, the Supplier shall maintain the full rights to engage and dismiss its employees, subcontractors and agent, and bear all the responsibilities for such behavior.

12. Materials Provided to the Supplier

- 12.1 All services-related specifications, drawings, diagrams, models and so on provided by ZF to the Supplier (hereinafter referred to as "Materials") shall be ZF's property, and ZF shall reserve all the rights in relation to the Materials (including copyrights). The Supplier shall not use, copy or disclose to any third party such Materials for any purpose other than the Agreement. The Supplier guarantees that it will treat as confidential information and keep strictly confidential, the Agreement, the above-mentioned Materials and all the other information it obtains in relation to ZF due to the Agreement or its business relationship with ZF. The Supplier must use at least the same degree of care to prevent disclosure of such ZF's confidential information as it employs to avoid unauthorized disclosure, publication or dissemination of its own information of a similar nature. In the event of any disclosure or loss of, or inability to account for, any of ZF's confidential information, the Supplier will notify ZF immediately.
- 12.2 All Materials (or any other materials, information or documents for which a contribution to the costs has been agreed or charged to ZF) shall be handled and stored in an appropriate manner

by the Supplier, shall be distinguished from the other materials of the Supplier by storing them separately free of charge and shall be insured by the Supplier against destruction. The drawings and patterns remain the property of ZF and shall be identified as property of "ZF". The Supplier shall not make any use of the information disclosed in the Materials and, upon ZF's request, confirm that all copies of the Materials have been destroyed and the information is not retained in any form whatsoever.

12.3 The Supplier shall indemnify and hold ZF harmless from and against any loss or damage suffered by ZF due to the Supplier's breach of the Clause 12.

13. Promotional Materials

The Supplier may only refer to its business relations with ZF in advertising, publicity or similar materials with the express written authorization of ZF. Any use of ZF's name with ZF's permission shall comply with ZF's instructions issued in this regard. The Supplier undertakes to send ZF a courtesy copy free of charge prior to publication.

14. Termination

14.1 Except otherwise agreed upon, ZF has the right to terminate the Agreement and the whole or part of the Purchase Order by giving a fifteen (15) days' written notice to the Supplier without any liabilities from ZF, no matter the reason is stated or not.

14.2 ZF has the right to terminate the Agreement and the whole or part of the Purchase Order immediately without a prior written notice in the following cases:

- (1) The Supplier breaches the Agreement in any way;
- (2) Fails to perform any duties or obligations under the Agreement, and the Supplier fails to remedy the breach of contract within fifteen (15) days after receiving the written termination notice from ZF, or the Supplier receives at least three-time notice from ZF regarding the breach of contract or any duties or obligations within any one (1) year period, regardless of whether the Supplier has made remedies.
- (3) The Supplier becomes the object of bankruptcy proceedings or other voluntary bankruptcy petitions in connection with insolvency, receivership, liquidation or any composition signed for the benefit of the creditors, or ceases or claims to cease the business; or
- (4) If (i) the normal operation or the ownership or control power of the Supplier changes; (ii) the whole or substantial assets of the Supplier or any of its affiliates, departments or companies supplying the services are sold, transferred or otherwise disposed of, and ZF believes that such circumstance will negatively influence the Supplier's provision of the services.

14.3 Except otherwise instructed by ZF, the Supplier shall, immediately upon receipt of termination notice, (i) stop the work as instructed in the notice, (ii) stop subcontracting or ordering any material, service or facility, excluding those as necessary for performing the continued portion of the Purchase Order (if any), (iii) terminating all the subcontracting in relation to the purchase of the services; (iv) return to ZF all the films, magnetic tapes, documents, reports, evaluations, plans, specifications, drawings, programs, worksheets and materials provided by ZF to the Supplier or developed by the Supplier during the supply of the services, and the Supplier shall not copy or abstract such information or materials, nor keep any copies or abstracts previously made, and (v) deliver to ZF all the work or Deliverables done before the date of termination. Upon termination, the Supplier shall submit to ZF a final settlement statement on all the work done as of the date of termination, to ZF for confirmation. The Supplier will get paid only for the service rendered and the expenses incurred before the date of termination.

15. Liability for Breach of Contract

- 15.1 In case of the Supplier' breach of any terms or conditions of the Agreement, ZF reserves the right, in any form and at its own discretion, to terminate, cancel, alter or amend the Agreement and the Purchase Order in whole or in part.
- 15.2 Except as otherwise provided in this Agreement, if the Supplier fails to perform any of its obligations, commitments or warranties under this Agreement or if the Supplier's representation under this Agreement is untrue, inaccurate or misleading, the Supplier shall be deemed to have breached this Agreement. The Supplier shall be liable to ZF for all losses and damages caused by the breach, including but not limited to reasonable attorney fees and arbitration fees.

16. Corporate Social Responsibilities

- 16.1 The Supplier shall not utilize child laborers, prisoners or any other forced or involuntary labor force, nor misuse labor force or conduct any commercial corruption, or engage in abusive employment or corrupt business practices, in the performance of services for ZF. The Supplier shall cause its subcontractors, to the extent subcontracting is permitted under the General Conditions, to comply, and to require their respective personnel to comply, with the provisions of this Article 16.
- 16.2 Without prejudice to the above, ZF shall have the right to require the Supplier to demonstrate that it complies with international corporate social responsibility / social accountability (hereinafter referred to as "CSR") standards, including by:
- (1) requiring the Supplier to submit a certificate of CSR compliance issued by an internationally accredited body (such as SA8000 certification).
 - (2) requiring the Supplier to make a CSR self-assessment report and send a copy thereof to ZF; and/or
 - (3) conducting or commissioning, upon reasonable notice to the Supplier, a compliance audit in the Supplier's premises

17 NO Bribery & Legal Compliance

The Supplier guarantees that the Supplier and its personnel shall abide by all the applicable laws and reasonable trade practices and ZF's business partner principles (https://www.zf.com/corporate/en_de/company/corporate_governance/compliance_the_right_way/compliance_principles/principles.html), including any statute applicable to unreasonable or illegal payment, gift, cash gift or bribery. As for the purchase of the services under the Agreement, the Supplier shall urge its relevant personnel not to pay, or promise or allow to pay any money or valuable articles (including any gift or treat) directly or indirectly to any persons (including any official, employee, or representative of any government authority, institution, department, political party or multilateral organization, or any individual), for the purposes or possibilities of:

- (1) Influencing the action or decision of said person, including the decision not to perform its duties;
- (2) Inducing the person to do or not to do any things against its legal duties; or
- (3) Inducing the person to utilize its personal influence.

If the Supplier breaches this provision, ZF has the right to terminate the Agreement and the whole or part of the Purchase Order immediately.

18 General Provisions

18.1 Force Majeure

- (1) A failure to perform obligations by either party shall not constitute a default by such party, or give rise to any claim for damages against it, if, and to the extent that, such failure of performance is caused by Force Majeure. If a party is unable to perform its duties under this Agreement due to Force Majeure, the other party shall be discharged from its obligations hereunder.
- (2) The party affected by Force Majeure shall give notice thereof to the other party in writing, promptly upon detection of the impediment constituting Force Majeure and its effect. If such Force Majeure persists for over a period of more than 1 month after the above-mentioned notice, the party not affected by Force Majeure may terminate the Agreement by written notice to be sent to the other party.
- (3) The Supplier acknowledges that if the Supplier is affected by Force Majeure, it shall distribute its supplyable services, firstly to ZF.

18.2 Transfer

Without ZF's prior written consent, the Supplier shall not transfer any of its rights and obligation under the Agreement. ZF has the right to transfer any of its rights and obligations under the Agreement without the Supplier's consent, if: (i) the transfer is made to an entity controlling ZF or being controlled by ZF or under common control with ZF by any third party; or (ii) the transfer is made when ZF is undergoing control change (direct or indirect), or merger, recapitalization, consolidation, other business combination or the sales of all or substantial assets.

18.3 Offset

ZF shall be entitled at any time to set off any and all amounts owed by the Supplier or an affiliate of the Supplier to ZF or any of its affiliates on the Purchase Order or any other orders.

18.4 Records retention

The Supplier shall maintain accurate and full records (hereinafter referred to as "Records") to prove that it has performed its obligations in accordance with the Agreement. All Records shall be available, for inspection, copying, and audit by ZF or its designee during the Supplier's normal business hours upon reasonable notice, for a period of five (5) years after the expiration or termination of this Agreement, for the purpose of verifying the Supplier's compliance with the Agreement and applicable law.

18.5 Non-Exclusivity

Both parties agree that the purchase of the services from the Supplier is not exclusive, and that ZF has the right at its discretion at any time to engage other parties to supply it with similar services.

18.6 Applicable Laws and Dispute Resolution

- (1) The Agreement between the Supplier and ZF shall be governed by and construed in accordance with the Laws of PRC, without regard to the principles of conflict of laws thereunder.
- (2) Any dispute arising from or in connection with the Agreement that cannot be amicably settled by ZF and the Supplier shall be submitted to Shanghai International Economic and Trade Arbitration Commission for arbitration in Shanghai.

18.7 Notice

- (1) All the notices, requests, demands and other communications between the Supplier and ZF (hereinafter referred to as "Notices") shall be made in written form, and may be delivered personally, sent by facsimile or mailed by registered or certified mail, postage prepaid, to the address designated by the party in accordance with the provisions of this section.
- (2) All Notices shall be deemed delivered when actually received if personally delivered, on the next business day following the day that they are sent by facsimile, or on the fifth working day after having been placed in the mail, addressed in accordance this section.

18.8 Severability

If any provision or provisions of the General Conditions shall, for any reason, be deemed unenforceable or in violation of law, such unenforceability or violation shall not affect the remaining provisions of the General Conditions, which shall continue in full force and effect and be binding upon the parties hereto.

18.9 Headings

The headings of the sections and paragraphs of the General Conditions herein are for the parties' convenient reference only and shall not define or limit any of the terms or provisions hereof.

18.10 Legal Relations between Both Parties

The General Conditions or Purchase Order shall not be construed as establishing any agency, partnership, joint venture, or other similar legal relations between both parties, and neither party may claim to be the agent, partner or joint venture party of the other party. Both parties are and shall be independent contracting parties. Neither party has right to create any obligations for the other party, except otherwise provided.

18.11 Further Undertakings

The Supplier shall sign and deliver any and all additional and reasonable documents, instruments and other undertakings, and take any and all necessary acts and actions to perform its obligations under the Agreement.

18.12 Language Version

The General Conditions is executed in both of Chinese and English, and if there is any discrepancy between the two language versions, the Chinese version shall prevail.