UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission file number 000-54799

HYSTER-YALE MATERIALS HANDLING, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**31-1637659**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5875 LANDERBROOK DRIVE, SUITE 300, CLEVELAND, OHIO	**44124-4069**
(Address of principal executive offices)	(Zip code)

(440) 449-9600
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **YES** ☑ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
YES ☑ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ **NO** ☑

Number of shares of Class A Common Stock outstanding at October 26, 2018 : 12,675,586
Number of shares of Class B Common Stock outstanding at October 26, 2018 : 3,885,136

HYSTER-YALE MATERIALS HANDLING, INC.
TABLE OF CONTENTS

			Page Number
Part I.	**FINANCIAL INFORMATION**		
	Item 1	Financial Statements	
		Unaudited Condensed Consolidated Balance Sheets	2
		Unaudited Condensed Consolidated Statements of Operations	3
		Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)	4
		Unaudited Condensed Consolidated Statements of Cash Flows	5
		Unaudited Condensed Consolidated Statements of Changes in Equity	6
		Notes to Unaudited Condensed Consolidated Financial Statements	7
	Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
	Item 3	Quantitative and Qualitative Disclosures About Market Risk	37
	Item 4	Controls and Procedures	37
Part II.	**OTHER INFORMATION**		
	Item 1	Legal Proceedings	38
	Item 1A	Risk Factors	38
	Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	38
	Item 3	Defaults Upon Senior Securities	38
	Item 4	Mine Safety Disclosures	38
	Item 5	Other Information	38
	Item 6	Exhibits	38
	Signatures		39

PART I
FINANCIAL INFORMATION
Item 1. Financial Statements

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	SEPTEMBER 30 2018	DECEMBER 31 2017
	(In millions, except share data)	
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 121.9**	$ 220.1
Accounts receivable, net	**463.6**	453.0
Inventories, net	**506.4**	411.9
Prepaid expenses and other	**55.6**	46.4
Total Current Assets	**1,147.5**	1,131.4
Property, Plant and Equipment, Net	**287.8**	265.4
Intangible Assets, Net	**77.7**	56.1
Goodwill	**106.6**	59.1
Deferred Income Taxes	**15.5**	16.6
Investment in Unconsolidated Affiliates	**62.4**	81.9
Other Non-current Assets	**54.9**	37.4
Total Assets	**$ 1,752.4**	$ 1,647.9
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 433.2**	$ 385.8
Accounts payable, affiliates	**18.2**	18.1
Revolving credit facilities	**2.2**	6.1
Current maturities of long-term debt	**84.4**	68.4
Accrued payroll	**41.8**	51.7
Other current liabilities	**190.2**	162.3
Total Current Liabilities	**770.0**	692.4
Long-term Debt	**209.9**	216.2
Self-insurance Liabilities	**28.5**	33.5
Pension Obligations	**9.9**	11.1
Deferred Income Taxes	**19.1**	13.0
Other Long-term Liabilities	**125.3**	109.3
Total Liabilities	**1,162.7**	1,075.5
Stockholders' Equity		
Common stock:		
Class A, par value $0.01 per share, 12,668,848 shares outstanding (2017 - 12,562,817 shares outstanding)	**0.1**	0.1
Class B, par value $0.01 per share, convertible into Class A on a one-for-one basis, 3,886,820 shares outstanding (2017 - 3,899,503 shares outstanding)	**0.1**	0.1
Capital in excess of par value	**318.7**	323.8
Treasury stock	**(24.5)**	(31.5)
Retained earnings	**413.6**	389.1
Accumulated other comprehensive loss	**(150.5)**	(116.1)
Total Stockholders' Equity	**557.5**	565.5
Noncontrolling Interests	**32.2**	6.9
Total Equity	**589.7**	572.4
Total Liabilities and Equity	**$ 1,752.4**	$ 1,647.9

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
	(In millions, except per share data)			
Revenues	**$ 782.9**	$ 691.1	**$ 2,336.7**	$ 2,089.7
Cost of sales	**665.0**	569.7	**1,960.5**	1,720.5
Gross Profit	**117.9**	121.4	**376.2**	369.2
Operating Expenses				
Selling, general and administrative expenses	**105.7**	103.3	**334.0**	311.0
Operating Profit	**12.2**	18.1	**42.2**	58.2
Other (income) expense				
Interest expense	**3.6**	6.2	**11.6**	10.6
Income from unconsolidated affiliates	**(2.2)**	(2.0)	**(7.4)**	(6.0)
Other	**0.6**	(2.0)	**(1.5)**	(4.9)
	2.0	2.2	**2.7**	(0.3)
Income Before Income Taxes	**10.2**	15.9	**39.5**	58.5
Income tax provision (benefit)	**(4.7)**	(0.8)	**4.0**	7.3
Net Income	**14.9**	16.7	**35.5**	51.2
Net (income) loss attributable to noncontrolling interests	**0.5**	(0.2)	**0.4**	(0.2)
Net Income Attributable to Stockholders	**$ 15.4**	$ 16.5	**$ 35.9**	$ 51.0
Basic Earnings per Share	**$ 0.93**	$ 1.00	**$ 2.17**	$ 3.10
Diluted Earnings per Share	**$ 0.93**	$ 1.00	**$ 2.16**	$ 3.09
Dividends per Share	**$ 0.3100**	$ 0.3025	**$ 0.9225**	$ 0.9000
Basic Weighted Average Shares Outstanding	**16.555**	16.457	**16.534**	16.442
Diluted Weighted Average Shares Outstanding	**16.601**	16.526	**16.586**	16.502

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
	(In millions)			
Net Income	**$ 14.9**	$ 16.7	**$ 35.5**	$ 51.2
Other comprehensive income (loss)				
Foreign currency translation adjustment	**(8.3)**	10.0	**(26.7)**	30.5
Unrealized gain on available-for-sale securities	**—**	1.4	**—**	2.8
Current period cash flow hedging activity	**(3.3)**	—	**(6.8)**	7.0
Reclassification of hedging activities into earnings	**(0.3)**	0.6	**(1.5)**	1.3
Current period pension adjustment	**0.5**	1.1	**1.2**	1.1
Reclassification of pension into earnings	**0.8**	0.7	**2.2**	2.1
Comprehensive Income	**$ 4.3**	$ 30.5	**$ 3.9**	$ 96.0
Other comprehensive (income) loss attributable to noncontrolling interests				
Net (income) loss attributable to noncontrolling interests	**0.5**	(0.2)	**0.4**	(0.2)
Foreign currency translation adjustment attributable to noncontrolling interests	**0.1**	(0.1)	**1.2**	(0.5)
Comprehensive Income Attributable to Stockholders	**$ 4.9**	$ 30.2	**$ 5.5**	$ 95.3

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017
	(In millions)	
Operating Activities		
Net income	**$ 35.5**	$ 51.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**32.4**	31.7
Amortization of deferred financing fees	**1.3**	1.0
Deferred income taxes	**1.1**	(5.1)
Stock-based compensation	**2.5**	5.6
Dividends from unconsolidated affiliates	**22.2**	2.8
Other non-current liabilities	**(7.7)**	(12.9)
Other	**6.9**	3.1
Working capital changes, excluding the effect of business acquisitions:		
Accounts receivable	**56.3**	(0.8)
Inventories	**(87.4)**	(52.7)
Other current assets	**(6.0)**	1.7
Accounts payable	**35.7**	124.3
Other current liabilities	**(0.5)**	7.4
Net cash provided by operating activities	**92.3**	157.3
Investing Activities		
Expenditures for property, plant and equipment	**(24.7)**	(25.1)
Proceeds from the sale of assets	**5.4**	1.1
Investments in equity securities	**—**	(5.6)
Business acquisitions, net of cash acquired	**(78.0)**	(1.0)
Net cash used for investing activities	**(97.3)**	(30.6)
Financing Activities		
Additions to long-term debt	**43.7**	246.2
Reductions of long-term debt	**(110.6)**	(50.7)
Net change to revolving credit agreements	**(4.6)**	(112.6)
Cash dividends paid	**(15.3)**	(14.8)
Cash dividends paid to noncontrolling interest	**(0.3)**	(0.3)
Financing fees paid	**(0.6)**	(4.8)
Purchase of treasury stock	**(0.6)**	—
Other	**—**	(0.1)
Net cash provided by (used for) financing activities	**(88.3)**	62.9
Effect of exchange rate changes on cash	**(4.9)**	5.4
Cash and Cash Equivalents		
Increase (decrease) for the period	**(98.2)**	195.0
Balance at the beginning of the period	**220.1**	43.2
Balance at the end of the period	**$ 121.9**	$ 238.2

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

						Accumulated Other Comprehensive Income (Loss)						
	Class A Common Stock	Class B Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Foreign Currency Translation Adjustment	Deferred Gain on AFS Securities	Deferred Gain (Loss) on Cash Flow Hedging	Pension Adjustment	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	(In millions)											
Balance, December 31, 2016	$ 0.1	$ 0.1	$ (36.9)	$ 319.6	$ 360.3	$ (92.0)	$ —	$ (12.2)	$ (75.2)	$ 463.8	$ 6.6	$470.4
Stock-based compensation	—	—	—	5.6	—	—	—	—	—	5.6	—	5.6
Stock issued under stock compensation plans	—	—	5.1	(5.1)	—	—	—	—	—	—	—	—
Net income	—	—	—	—	51.0	—	—	—	—	51.0	0.2	51.2
Cash dividends	—	—	—	—	(14.8)	—	—	—	—	(14.8)	(0.3)	(15.1)
Current period other comprehensive income	—	—	—	—	—	30.5	2.8	7.0	1.1	41.4	—	41.4
Reclassification adjustment to net income	—	—	—	—	—	—	—	1.3	2.1	3.4	—	3.4
Acquisition of a business	—	—	—	—	—	—	—	—	—	—	0.3	0.3
Foreign currency translation on noncontrolling interest	—	—	—	—	—	—	—	—	—	—	0.5	0.5
Balance, September 30, 2017	$ 0.1	$ 0.1	$ (31.8)	$ 320.1	$ 396.5	$ (61.5)	$ 2.8	$ (3.9)	$ (72.0)	$ 550.4	$ 7.3	$557.7
Balance, December 31, 2017	**$ 0.1**	**$ 0.1**	**$ (31.5)**	**$ 323.8**	**$ 389.1**	**$ (58.5)**	**$ 2.8**	**$ (1.5)**	**$ (58.9)**	**$ 565.5**	**$ 6.9**	**$572.4**
Cumulative effect of change in accounting	—	—	—	—	**3.9**	—	**(2.8)**	—	—	**1.1**	—	**1.1**
Stock-based compensation	—	—	—	**2.5**	—	—	—	—	—	**2.5**	—	**2.5**
Stock issued under stock compensation plans	—	—	**7.6**	**(7.6)**	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	**(0.6)**	—	—	—		—	—	**(0.6)**	—	**(0.6)**
Net income (loss)	—	—	—	—	**35.9**	—	—	—	—	**35.9**	**(0.4)**	**35.5**
Cash dividends	—	—	—	—	**(15.3)**	—	—	—	—	**(15.3)**	**(0.3)**	**(15.6)**
Current period other comprehensive income (loss)	—	—	—	—	—	**(26.7)**	—	**(6.8)**	**1.2**	**(32.3)**	—	**(32.3)**
Reclassification adjustment to net income	—	—	—	—	—	—	—	**(1.5)**	**2.2**	**0.7**	—	**0.7**
Acquisition of business	—	—	—	—	—	—	—	—	—	—	**27.2**	**27.2**
Foreign currency translation on noncontrolling interest	—	—	—	—	—	—	—	—	—	—	**(1.2)**	**(1.2)**
Balance, September 30, 2018	**$ 0.1**	**$ 0.1**	**$ (24.5)**	**$ 318.7**	**$ 413.6**	**$ (85.2)**	**$ —**	**$ (9.8)**	**$ (55.5)**	**$ 557.5**	**$ 32.2**	**$589.7**

See notes to unaudited condensed consolidated financial statements.

HYSTER-YALE MATERIALS HANDLING, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Tabular Amounts in Millions, Except Per Share and Percentage Data)

Note 1—Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hyster-Yale Materials Handling, Inc., a Delaware corporation, and the accounts of Hyster-Yale's wholly owned domestic and international subsidiaries and majority-owned joint ventures (collectively, "Hyster-Yale" or the "Company"). All intercompany accounts and transactions among the consolidated companies are eliminated in consolidation.

The Company, through its wholly owned operating subsidiary, Hyster-Yale Group, Inc. ("HYG"), designs, engineers, manufactures, sells and services a comprehensive line of lift trucks and aftermarket parts marketed globally primarily under the Hyster ® and Yale ® brand names, mainly to independent Hyster ® and Yale ® retail dealerships. Lift trucks and component parts are manufactured in the United States, Northern Ireland, Mexico, the Netherlands, Italy, Vietnam, the Philippines, Japan, Brazil and China.

The Company also operates Bolzoni S.p.A. ("Bolzoni"). Bolzoni is a leading worldwide producer of attachments, forks and lift tables marketed under the Bolzoni ® , Auramo ® and Meyer ® brand names. Bolzoni products are manufactured in Italy, China, Germany, Finland and the United States. Through the design, production and distribution of a wide range of attachments, Bolzoni has a strong presence in the market niche of lift-truck attachments and industrial material handling.

The Company also operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on fuel cell stacks and engines.

On June 1, 2018, the Company completed the acquisition of a 75% majority interest in Zhejiang Maximal Forklift Co., Ltd. ("Maximal"). Maximal is a Chinese manufacturer of utility and standard lift trucks and specialized material handling equipment involved in the design, manufacture, service and distribution of Class 1 electric and Class 5 internal combustion engine counterbalance utility and standard platforms, and Class 2 and Class 3 electric warehouse products for both the local China and global markets under the Maximal and SAMUK brands. Maximal also designs and produces specialized products in the port equipment and rough terrain forklift markets. The results of Maximal are included in the JAPIC segment since the date of acquisition. See Note 15 to the unaudited condensed consolidated financial statements for additional information.

Investments in Sumitomo NACCO Forklift Co., Ltd. (“SN”), a 50% -owned joint venture, and HYG Financial Services, Inc. ("HYGFS"), a 20% -owned joint venture, are accounted for by the equity method. SN operates manufacturing facilities in Japan, the Philippines and Vietnam from which the Company purchases certain components, service parts and lift trucks. Sumitomo Heavy Industries, Ltd. ("Sumitomo") owns the remaining 50% interest in SN. Each stockholder of SN is entitled to appoint directors representing 50% of the vote of SN’s board of directors. All matters related to policies and programs of operation, manufacturing and sales activities require mutual agreement between the Company and Sumitomo prior to a vote of SN’s board of directors. HYGFS is a joint venture with Wells Fargo Financial Leasing, Inc. (“WF”), formed primarily for the purpose of providing financial services to independent Hyster ® and Yale ® lift truck dealers and National Account customers in the United States. National Account customers are large customers with centralized purchasing and geographically dispersed operations in multiple dealer territories. In September 2018, the Company and WF extended the vendor-financing relationship to continue to operate HYGFS through 2023. The Company’s percentage share of the net income or loss from these equity investments is reported on the line “Income from unconsolidated affiliates” in the “Other (income) expense” portion of the unaudited condensed consolidated statements of operations.

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position of the Company as of September 30, 2018 and the results of its operations for the three and nine months ended September 30, 2018 and 2017 , and the results of its cash flows and changes in equity for the nine months ended September 30, 2018 and 2017 have been included. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 .

The accompanying unaudited condensed consolidated balance sheet at December 31, 2017 has been derived from the audited financial statements at that date but does not include all of the information or notes required by U.S. generally accepted accounting principles for complete financial statements.

Note 2—Recently Issued Accounting Standards

The following table provides a brief description of recent accounting pronouncements adopted January 1, 2018. Unless otherwise noted, the adoption of these standards did not have a material effect on the Company's financial position, results of operations, cash flows or related disclosures.

Standard	Description
Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) (Subsequent ASUs have been issued in 2015, 2016 and 2017 to update or clarify this guidance)	The new guidance is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. See Note 3 for additional information.
ASU No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities	The guidance requires equity investments previously accounted for under the cost method of accounting to be measured at fair value and recognized in net income. In addition, the guidance defines measurement and presentation of financial instruments. The Company recorded a cumulative adjustment to retained earnings for deferred gains related to equity investments in third parties as of January 1, 2018 of $3.6 million. Subsequent changes in the fair value of these investments are recognized directly in earnings.
ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments	The guidance clarifies the classification of certain types of cash receipts and cash payments. In addition, the guidance provides for the application of the predominance principle when certain cash receipts and payments have aspects of more than one class of cash flows.
ASU No. 2016-16, Income Taxes (Topic 740)	The guidance allows for recognition of current and deferred income taxes for an intra-entity transfer of an asset other than inventory. The guidance allows for more accurate representation of the economics of an intra-entity asset transfer which will require income tax consequences of the transfer, including income taxes payable or paid.
ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash	The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.
ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business	The guidance clarifies the definition of a business to assist entities in evaluating whether transactions should be accounted for as acquisitions or disposals of businesses.
ASU 2017-05, Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition	The guidance clarifies the scope and accounting of a financial asset that meets the definition of an "in-substance nonfinancial asset" and defines the term, "in-substance nonfinancial asset," in addition to partial sales of nonfinancial assets.
ASU 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement	The guidance requires that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. As of January 1, 2018, the Company presents the components of net benefit cost, other than service cost, in other (income) expense for its pension plans. Service cost for the Company's pension plans continues to be reported in operating profit. Accordingly, the Company has reclassified $0.2 million of expense and $1.4 million of income related to the components of net benefit cost, other than service cost, to other (income) expense for the three and nine months ended September 30, 2017, respectively, in the unaudited condensed consolidated statements of operations.
ASU No. 2018-05, Income Taxes (Topic 740)	The guidance codifies Staff Accounting Bulletin No. 118 regarding the application of US GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Cuts and Jobs Act (the "Tax Reform Act"). See Note 5 for additional details regarding the status of the Company's provisional amounts recorded as a result of the Tax Reform Act.

Table of Contents

The following table provides a brief description of recent accounting pronouncements not yet adopted:

Standard	Description	Required Date of Adoption	Effect on the financial statements or other significant matters
ASU No. 2016-02, Leases (Topic 842)(Subsequent ASUs have been issued in 2017 and 2018 to update or clarify this guidance)	The guidance requires lessees (with the exception of short-term leases) to recognize, at the commencement date, a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.	January 1, 2019	The Company's evaluation process of the new standard includes, but is not limited to, evaluating its current lease portfolio, identifying relevant contracts and attributes affected by the standard and determining the required accounting upon adoption. In addition, the Company expects to implement new processes and controls regarding asset financing transactions and financial reporting. The Company continues to evaluate its global leasing portfolio and train relevant personnel. In addition, the Company continues abstraction of key attributes within lease contracts and started a system-related implementation required for the new standard during the third quarter of 2018. This evaluation and implementation will continue throughout 2018. The Company plans to adopt the standard as of January 1, 2019 using the optional transition method that allows for the cumulative effect adjustment to be recorded without restating prior periods. While the Company's evaluation of practical expedients and the effect on its financial position, results of operations, cash flows and related disclosures is ongoing; the Company anticipates the adoption will materially affect the consolidated balance sheets and will require changes to the Company's systems and processes.
ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	The guidance makes targeted changes to the hedge accounting model intended to facilitate financial reporting that more closely reflects an entity's risk management activities and to simplify the application of hedge accounting. Changes include expanding the types of risk management strategies eligible for hedge accounting, easing the documentation and effectiveness assessment requirements, changing how ineffectiveness is measured and changing the presentation and disclosure requirements for hedge accounting activities.	January 1, 2019	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	The guidance provides an election to reclassify the stranded tax effects resulting from the Tax Reform Act from OCI to retained earnings. In addition, the guidance requires new disclosures regarding the election to adopt and the manner in which tax effects remaining in OCI are released.	January 1, 2019	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU 2018-07, Compensation-Stock Compensation (Topic 718)	The guidance addresses the accounting for non-employee share-based payment transactions.	January 1, 2019	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326)	The guidance eliminates the probable initial recognition threshold and requires an entity to reflect its current estimate of all expected credit losses. The guidance also requires additional disclosures in certain circumstances.	January 1, 2020	The Company is currently evaluating the alternative methods of adoption and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment	The guidance removes the second step of the two-step test for the measurement of goodwill impairment. The guidance allows for early adoption for impairment testing dates after January 1, 2017.	January 1, 2020	The Company is currently evaluating the timing of adoption and the effect on its current impairment testing process.

Standard	Description	Required Date of Adoption	Effect on the financial statements or other significant matters
ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement	The guidance removes, modifies or adds certain disclosures relating to fair value measurements.	January 1, 2020	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.
ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract	The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting agreement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.	January 1, 2021	The Company is currently evaluating the guidance and the effect on its financial position, results of operations, cash flows and related disclosures.

Note 3—Revenue

Adoption of the new revenue standard: On January 1, 2018, the Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("new revenue standard"). The new revenue standard was applied to all open revenue contracts using the modified-retrospective method as of January 1, 2018. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company does not expect the impact of the adoption of the new standard to be material to net income on an ongoing basis.

As of January 1, 2018, the cumulative effect on the Company's unaudited condensed consolidated balance sheet for the adoption of the new revenue standard was as follows:

	Balance at December 31, 2017	Adjustments due to New Revenue Standard	Balance at January 1, 2018
Accounts receivable, net	$ 453.0	$ 0.5	$ 453.5
Inventories, net	411.9	(0.3)	411.6
Prepaid expenses and other	46.4	1.1	47.5
Other current liabilities	162.3	1.0	163.3
Retained earnings	389.1	0.3	389.4

In accordance with the adoption of the new revenue standard, the effect of adoption on the September 30, 2018 unaudited condensed consolidated income statement and balance sheet was as follows:

	THREE MONTHS ENDED SEPTEMBER 30, 2018			NINE MONTHS ENDED SEPTEMBER 30, 2018		
	As Reported	Amount before the new revenue standard	Change Higher/(Lower)	As Reported	Amount before the new revenue standard	Change Higher/(Lower)
Revenues	$ 782.9	$ 780.7	$ 2.2	$ 2,336.7	$ 2,334.1	$ 2.6
Cost of sales	665.0	662.9	2.1	1,960.5	1,958.0	2.5
Gross profit	117.9	117.8	0.1	376.2	376.1	0.1
Operating profit	12.2	12.1	0.1	42.2	42.1	0.1
Income before income taxes	10.2	10.1	0.1	39.5	39.4	0.1
Income tax provision (benefit)	(4.7)	(4.7)	—	4.0	4.0	—
Net income attributable to stockholders	15.4	15.3	0.1	35.9	35.8	0.1

	SEPTEMBER 30, 2018		
	As Reported	Amount before the new revenue standard	Change Higher/(Lower)
Accounts receivable, net	$ 463.6	$ 463.4	$ 0.2
Inventories, net	506.4	506.6	(0.2)
Prepaid expenses and other	55.6	57.5	(1.9)
Other current liabilities	190.2	192.5	(2.3)
Retained earnings	413.6	413.2	0.4

The Company has elected to apply the practical expedient to reflect the aggregate effect of all modifications when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price. The Company does not disclose the value of unsatisfied performance obligations for revenue contracts with an original expected length of one year or less.

Accounting policy: Revenue is recognized when obligations under the terms of a contract with the customer are satisfied which occurs when control of the trucks, parts, or services are transferred to the customer. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services. The satisfaction of performance obligations under the terms of a revenue contract generally gives rise for the right to payment from the customer. The Company's standard payment terms vary by the type and location of the customer and the products or services offered. Generally, the time between when revenue is recognized and when payment is due is not significant. Given the insignificant days between revenue recognition and receipt of payment, financing components do not exist between the Company and its customers. Taxes collected from customers are excluded from revenue. The estimated costs of product warranties are recognized as expense when the products are sold. See Note 11 for further information on product warranties.

The majority of the Company's sales contracts contain performance obligations satisfied at a point in time when title and risks and rewards of ownership have transferred to the customer. Revenue for service contracts are recognized as the services are provided.

The Company also records variable consideration in the form of estimated reductions to revenues for customer programs and incentive offerings, including special pricing agreements, promotions and other volume-based incentives. Lift truck sales revenue is recorded net of estimated discounts. The estimated discount amount is based upon historical experience and trend analysis for each lift truck model. In addition to standard discounts, dealers can also request additional discounts that allow them to offer price concessions to customers. From time to time, the Company offers special incentives to increase market share or dealer stock and offers certain customers volume rebates if a specified cumulative level of purchases is obtained.

For contracts with customers that include multiple performance obligations, judgment is required to determine whether performance obligations specified in these contracts are distinct and should be accounted for as separate revenue transactions for recognition purposes. For such arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are generally determined based on the prices charged to customers or using expected cost plus margin. Impairment losses recognized on receivables or contract assets were not significant for the three and nine months ended September 30, 2018 .

The Company generally expenses sales commissions when incurred because the amortization period would have been one year or less. These costs are reported on the line “Selling, general and administrative expenses” in the unaudited condensed consolidated statement of operations.

The Company pays for shipping and handling activities regardless of when control is transferred and has elected to account for shipping and handling as activities to fulfill the promise to transfer the good, rather than a promised service. These costs are reported on the line “Cost of sales” in the unaudited condensed consolidated statements of operations.

The following table disaggregates revenue by category:

	THREE MONTHS ENDED SEPTEMBER 30, 2018						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 307.0	$ 139.0	$ 55.2	$ —	$ —	$ —	$ 501.2
Direct customer sales	77.6	3.1	—	—	—	—	80.7
Aftermarket sales	96.2	25.9	8.7	—	—	—	130.8
Other	23.1	4.2	0.8	46.6	1.0	(5.5)	70.2
Total Revenues	$ 503.9	$ 172.2	$ 64.7	$ 46.6	$ 1.0	$ (5.5)	$ 782.9

	NINE MONTHS ENDED SEPTEMBER 30, 2018						
	Lift truck business						
	Americas	EMEA	JAPIC	Bolzoni	Nuvera	Elims	Total
Dealer sales	$ 889.5	$ 463.8	$ 143.1	$ —	$ —	$ —	$ 1,496.4
Direct customer sales	233.7	6.0	—	—	—	—	239.7
Aftermarket sales	275.5	79.6	27.1	—	—	—	382.2
Other	72.7	11.7	1.5	150.3	1.7	(19.5)	218.4
Total Revenues	$ 1,471.4	$ 561.1	$ 171.7	$ 150.3	$ 1.7	$ (19.5)	$ 2,336.7

Dealer sales are recognized when the Company transfers control based on the shipping terms of the contract, which is generally when the truck is shipped from the manufacturing facility to the dealers. The majority of direct customer sales are to National Account customers. In these transactions, the Company transfers control and recognizes revenue when it delivers the product to the customer according to the terms of the contract. Aftermarket sales represent parts sales, extended warranty and maintenance services. For the sale of aftermarket parts, the Company transfers control and recognizes revenue when parts are shipped to the customer. When customers are given the right to return eligible parts and accessories, the Company estimates the expected returns based on an analysis of historical experience. The Company adjusts estimated revenues at the earlier of when the most likely amount of consideration expected to be received changes or when the consideration becomes fixed. The Company recognizes revenue for extended warranty and maintenance agreements based on the standalone selling price over the life of the contract, which reflects the costs to perform under these contracts and corresponds with, and thereby depicts, the transfer of control to the customer. Bolzoni revenue is primarily the sale of attachments to customers. In these transactions, the Company transfers control and recognizes revenue according to the shipping terms of the contract. In all revenue transactions, the Company receives cash equal to the invoice price and amount of consideration received and the revenue recognized may vary with changes in marketing incentives.

Deferred Revenue: The Company defers revenue for transactions that have not met the criteria for recognition at the time payment is collected, including extended warranties and maintenance contracts. In addition, for certain products, services and customer types, the Company collects payment prior to the transfer of control to the customer.

	Deferred Revenue
Balance, December 31, 2017	$ 51.6
Customer deposits and billings	40.1
Revenue recognized	(35.7)
Balance, September 30, 2018	$ 56.0

The table above includes $6.1 million of revenue which has been deferred related to battery box replacement ("BBR") units. Revenue on these units has been deferred because the BBRs are new technology and the design of the product continues to evolve. Currently, the Company does not have sufficient data available to be able to reasonably estimate all of the future costs related to the sale of BBR units, such as warranty costs. When the Company is able to reasonably estimate the total future costs related to these sales, it will be able to appropriately recognize the revenue and warranty reserves.

Note 4—Business Segments

The Company's reportable segments for the lift truck business include the following three management units: the Americas, EMEA and JAPIC. Americas includes operations in the United States, Canada, Mexico, Brazil, Latin America and its corporate headquarters. EMEA includes operations in Europe, the Middle East and Africa. JAPIC includes operations in the Asia and Pacific regions, including China, as well as the equity earnings of SN operations. Certain amounts are allocated to these geographic management units and are included in the segment results presented below, including product development costs, corporate headquarter's expenses and certain information technology infrastructure costs. These allocations among geographic management units are determined by senior management and not directly incurred by the geographic operations. In addition, other costs are incurred directly by these geographic management units based upon the location of the manufacturing plant or sales units, including manufacturing variances, product liability, warranty and sales discounts, which may not be associated with the geographic management unit of the ultimate end user sales location where revenues and margins are reported. Therefore, the reported results of each segment for the lift truck business cannot be considered stand-alone entities as all segments are inter-related and integrate into a single global lift truck business.

On June 1, 2018, the Company completed the acquisition of the majority interest in Maximal, which is included in the JAPIC segment from the date of acquisition. Given the timing and complexity of the acquisition, the presentation of Maximal in the consolidated financial statements, including the allocation of the purchase price, is preliminary and will likely change in future periods, perhaps significantly as fair value estimates of the assets acquired and liabilities assumed are refined during the measurement period. The Company will complete the purchase price allocation no later than the second quarter of 2019. See Note 15 to the unaudited condensed consolidated financial statements for additional information.

The Company reports the results of both Bolzoni and Nuvera as separate segments. Intercompany sales between Nuvera, Bolzoni and the lift truck business have been eliminated.

Financial information for each reportable segment is presented in the following table:

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Revenues from external customers				
Americas	**$ 503.9**	$ 447.8	**$ 1,471.4**	$ 1,346.7
EMEA	**172.2**	165.6	**561.1**	500.6
JAPIC	**64.7**	38.9	**171.7**	124.9
Lift truck business	**740.8**	652.3	**2,204.2**	1,972.2
Bolzoni	**46.6**	44.3	**150.3**	127.8
Nuvera	**1.0**	0.3	**1.7**	3.3
Eliminations	**(5.5)**	(5.8)	**(19.5)**	(13.6)
Total	**$ 782.9**	$ 691.1	**$ 2,336.7**	$ 2,089.7
Gross profit (loss)				
Americas	**$ 76.4**	$ 83.6	**$ 241.3**	$ 251.2
EMEA	**23.5**	20.5	**74.4**	66.6
JAPIC	**3.8**	4.4	**14.4**	14.1
Lift truck business	**103.7**	108.5	**330.1**	331.9
Bolzoni	**14.4**	13.5	**48.2**	39.7
Nuvera	**(0.3)**	(0.4)	**(1.9)**	(1.9)
Eliminations	**0.1**	(0.2)	**(0.2)**	(0.5)
Total	**$ 117.9**	$ 121.4	**$ 376.2**	$ 369.2

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Operating profit (loss)				
Americas	**$ 25.5**	$ 28.6	**$ 71.4**	$ 85.9
EMEA	**0.1**	(1.7)	**2.4**	1.5
JAPIC	**(6.2)**	(2.6)	**(10.5)**	(5.5)
Lift truck business	**19.4**	24.3	**63.3**	81.9
Bolzoni	**1.7**	2.1	**7.6**	4.9
Nuvera	**(9.0)**	(8.1)	**(28.5)**	(28.1)
Eliminations	**0.1**	(0.2)	**(0.2)**	(0.5)
Total	**$ 12.2**	$ 18.1	**$ 42.2**	$ 58.2
Net income (loss) attributable to stockholders				
Americas	**$ 21.6**	$ 22.7	**$ 52.2**	$ 67.0
EMEA	**0.2**	(1.7)	**2.5**	1.6
JAPIC	**(3.1)**	(1.3)	**(4.3)**	(2.8)
Lift truck business	**18.7**	19.7	**50.4**	65.8
Bolzoni	**1.4**	1.9	**5.4**	3.3
Nuvera	**(6.4)**	(4.9)	**(20.6)**	(16.9)
Eliminations	**1.7**	(0.2)	**0.7**	(1.2)
Total	**$ 15.4**	$ 16.5	**$ 35.9**	$ 51.0

Note 5—Income Taxes

The income tax provision includes U.S. federal, state and local, and foreign income taxes and is based on the application of a forecasted annual income tax rate applied to the current quarter's year-to-date pre-tax income or loss. In determining the estimated annual effective income tax rate, the Company analyzes various factors, including projections of the Company's annual earnings, taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, the Company's ability to use tax credits and net operating loss carryforwards and capital loss carryforwards, and available tax planning alternatives. Discrete items, including the effect of changes in tax laws, tax rates and certain circumstances with respect to valuation allowances or the tax effect of other unusual or nonrecurring transactions or adjustments are reflected in the period in which they occur as an addition to, or reduction from, the income tax provision, rather than included in the estimated effective annual income tax rate.

A reconciliation of the consolidated federal statutory to reported income tax rate is as follows:

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Income before income taxes	**$ 10.2**	$ 15.9	**$ 39.5**	$ 58.5
Statutory taxes (21% in 2018 and 35% in 2017)	**$ 2.1**	$ 5.6	**$ 8.3**	$ 20.5
Interim adjustment	**(0.2)**	(0.1)	**0.3**	0.2
Permanent adjustments	**(1.1)**	(1.4)	**(0.4)**	(6.7)
Discrete items	**(5.5)**	(4.9)	**(4.2)**	(6.7)
Income tax provision (benefit)	**$ (4.7)**	$ (0.8)	**$ 4.0**	$ 7.3
Reported income tax rate	**n.m.**	n.m.	**10.1%**	12.5%

During the third quarter of 2018, the Company recognized a discrete tax benefit of $5.5 million as a result of filing the Company’s 2017 tax returns, which reflected the final determination of the U.S. federal transition tax and resulted in a favorable adjustment of $4.8 million to the provisional tax amounts previously recorded, and other favorable return to provision items of $0.7 million , primarily related to U.S. federal tax credits.

During the second quarter of 2018, the Company recognized a discrete tax charge of $1.1 million as a result of non-deductible acquisition costs related to the closing of the Maximal transaction.

During the third quarter of 2017, the Company settled various federal obligations in Brazil through the utilization of its federal net operating loss carryforwards for which a valuation allowance was previously provided. As a result of the utilization of deferred tax assets, the Company released the associated valuation allowance previously provided of $4.7 million.

In addition, during the first nine months of 2017, the Company recognized a net discrete tax benefit of $4.4 million from an internal sale of a subsidiary between consolidated companies resulting in the repatriation of non-U.S. accumulated earnings taxed at higher rates, partially offset by a $1.6 million valuation allowance provided against deferred tax assets in China where the Company has determined that such deferred tax assets no longer meet the more likely than not standard for realization.

The Company has evaluated the guidance regarding the Tax Reform Act issued to date, and will continue to monitor additional guidance issued through the end of 2018 and the filing of its 2017 state tax returns, at which time the amount of the one-time transition tax and the impact of the change in tax rate on cumulative deferred taxes will be finalized. The Company's estimate of the U.S. federal transition tax was reduced from $32.7 million to $27.9 million as a result of the interpretation of updated guidance issued and further refinement of earlier estimates. The Company does not expect the final amounts to materially differ from the provisional amount recorded through the third quarter of 2018.

The Company has considered the provisions of the Tax Reform Act in computing its 2018 estimated effective annual income tax rate. Accordingly, the estimated effective income tax rate for the nine months ended September 30, 2018 includes favorable items related to the reduced U.S. federal tax rate of 21% and a deduction for foreign-derived intangible income, or FDII, offset by unfavorable items related to the global intangible low-taxed income, or GILTI, non-deductible expenses primarily related to compensation, as well as an increase in state income taxes, net of the federal benefit.

Note 6—Reclassifications from OCI

The following table summarizes reclassifications out of accumulated other comprehensive income (loss) ("OCI") as recorded in the unaudited condensed consolidated statements of operations:

Details about OCI Components	**Amount Reclassified from OCI**				**Affected Line Item in the Statement Where Net Income Is Presented**
	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30		
	2018	2017	**2018**	2017	
Gain (loss) on cash flow hedges:					
Interest rate contracts	**$ 0.1**	$ —	**$ —**	$ —	Interest expense
Foreign exchange contracts	**0.2**	(0.5)	**2.3**	(2.0)	Cost of sales
Total before tax	**0.3**	(0.5)	**2.3**	(2.0)	Income before income taxes
Tax expense (benefit)	**—**	(0.1)	**(0.8)**	0.7	Income tax provision (benefit)
Net of tax	**$ 0.3**	$ (0.6)	**$ 1.5**	$ (1.3)	Net income
Amortization of defined benefit pension items:					
Actuarial loss	**$ (1.1)**	$ (1.1)	**$ (3.0)**	$ (3.3)	(a)
Prior service credit	**—**	—	**0.2**	0.2	(a)
Total before tax	**(1.1)**	(1.1)	**(2.8)**	(3.1)	Income before income taxes
Tax expense	**0.3**	0.4	**0.6**	1.0	Income tax provision (benefit)
Net of tax	**$ (0.8)**	$ (0.7)	**$ (2.2)**	$ (2.1)	Net income
Total reclassifications for the period	**$ (0.5)**	$ (1.3)	**$ (0.7)**	$ (3.4)	

(a) These OCI components are included in the computation of net pension cost (see Note 8 for additional details).

Note 7—Financial Instruments and Derivative Financial Instruments

Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturities of these instruments. The fair values of revolving credit agreements and long-term debt, excluding capital leases, were determined using current rates offered for similar obligations taking into account company credit risk. This valuation methodology is Level 2 as defined in the fair value hierarchy. At September 30, 2018 , the fair value and carrying value of revolving credit agreements and long-term debt, excluding capital leases, was $278.4 million and $277.9 million , respectively. At December 31, 2017 , the fair value and carrying value of revolving credit agreements and long-term debt, excluding capital leases, was $272.2 million and $270.9 million , respectively.

Derivative Financial Instruments

The Company uses forward foreign currency exchange contracts to partially reduce risks related to transactions denominated in foreign currencies. These contracts hedge firm commitments and forecasted transactions relating to cash flows associated with sales and purchases denominated in non-functional currencies. The Company offsets fair value amounts related to foreign currency exchange contracts executed with the same counterparty. Changes in the fair value of forward foreign currency exchange contracts that are effective as hedges are recorded in OCI. Deferred gains or losses are reclassified from OCI to the unaudited condensed consolidated statements of operations in the same period as the gains or losses from the underlying transactions are recorded and are generally recognized in cost of sales. The ineffective portion of derivatives that are classified as hedges is immediately recognized in earnings and is also generally recognized in cost of sales.

The Company periodically enters into foreign currency exchange contracts that do not meet the criteria for hedge accounting. These derivatives are used to reduce the Company's exposure to foreign currency risk related to forecasted purchase or sales transactions or forecasted intercompany cash payments or settlements. Gains and losses on these derivatives are generally recognized in cost of sales.

The Company periodically enters into forward foreign currency contracts that are designated as net investment hedges of the Company's net investment in its foreign subsidiaries. For derivative instruments that are designated and qualified as a hedge of a net investment in foreign currency, the gain or loss is reported in other comprehensive income as part of the cumulative translation adjustment to the extent it is effective. The Company utilizes the forward-rate method of assessing hedge effectiveness. Any ineffective portion of net investment hedges would be recognized in the unaudited condensed consolidated statement of operations in the same period as the change.

The Company uses cross-currency swaps, which hedge the variability of expected future cash flows that are attributable to foreign currency risk of certain intercompany loans. These agreements include initial and final exchanges of principal and associated interest payments from fixed euro denominated to fixed U.S.-denominated amounts. Changes in the fair value of cross-currency swaps that are effective as hedges are recorded in OCI. Deferred gains or losses are reclassified from OCI to the unaudited condensed consolidated statements of operations in the same period as the gains or losses from the underlying transactions are recorded and are generally recognized in other (income) expense and interest expense. The ineffective portion of derivatives that are classified as hedges is immediately recognized in earnings and is also generally recognized in other (income) expense.

The Company uses interest rate swap agreements to partially reduce risks related to floating rate financing agreements that are subject to changes in the market rate of interest. Terms of the interest rate swap agreements require the Company to receive a variable interest rate and pay a fixed interest rate. The Company's interest rate swap agreements and its variable rate financings are predominately based upon the one or three-month LIBOR. Changes in the fair value of interest rate swap agreements that are effective as hedges are recorded in OCI. Deferred gains or losses are reclassified from OCI to the unaudited condensed consolidated statements of operations in the same period as the gains or losses from the underlying transactions are recorded and are generally recognized in interest expense. The ineffective portion of derivatives that are classified as hedges is immediately recognized in earnings and included on the line "Other" in the "Other (income) expense" section of the unaudited condensed consolidated statements of operations.

Cash flows from hedging activities are reported in the unaudited condensed consolidated statements of cash flows with the same classification as the hedged item, generally as a component of cash flows from operations.

The Company measures its derivatives at fair value on a recurring basis using significant observable inputs. This valuation methodology is Level 2 as defined in the fair value hierarchy. The Company uses a present value technique that incorporates yield curves and foreign currency spot rates to value its derivatives and also incorporates the effect of the Company's and its counterparties' credit risk into the valuation.

The Company does not currently hold any nonderivative instruments designated as hedges or any derivatives designated as fair value hedges.

Foreign Currency Derivatives: The Company held forward foreign currency exchange contracts with total notional amounts of $ 1.1 billion at September 30, 2018 , primarily denominated in euros, U.S. dollars, Japanese yen, British pounds, Swedish kroner, Mexican pesos, Chinese renminbi, Brazilian real and Australian dollars. The Company held forward foreign currency exchange contracts with total notional amounts of $ 860.2 million at December 31, 2017 , primarily denominated in euros, U.S. dollars, Japanese yen, British pounds, Swedish kroner, Mexican pesos and Australian dollars. The fair value of these contracts approximated a net liability of $ 17.9 million and $ 2.1 million at September 30, 2018 and December 31, 2017 , respectively.
Forward foreign currency exchange contracts that qualify for hedge accounting are generally used to hedge transactions expected to occur within the next 36 months. The mark-to-market effect of forward foreign currency exchange contracts that are considered effective as hedges has been included in OCI. Based on market valuations at September 30, 2018 , $ 0.6 million of the amount of net deferred loss included in OCI at September 30, 2018 is expected to be reclassified as expense into the unaudited condensed consolidated statement of operations over the next twelve months, as the transactions occur.

Interest Rate Derivatives: The Company holds certain contracts that hedge interest payments on its $200.0 million term loan (the "Term Loan") borrowings and one and three-month LIBOR borrowings. The following table summarizes the notional amounts, related rates, excluding spreads, and remaining terms of interest rate swap agreements at September 30, 2018 and December 31, 2017 :

Notional Amount		**Average Fixed Rate**		
September 30 2018	December 31 2017	**September 30 2018**	December 31 2017	**Term at September 30, 2018**
$ 100.0	$ 100.0	**1.47%**	1.47%	Extending to December 2018
$ 56.5	$ 56.5	**1.94%**	1.94%	Extending to November 2022
$ 83.5	$ 83.5	**2.20%**	2.20%	December 2018 to May 2023

The Company does not apply hedge accounting to the interest rate derivatives which expire December 2018. The fair value of all interest rate swap agreements was a net asset of $4.2 million and $ 0.8 million at September 30, 2018 and December 31, 2017 , respectively. The mark-to-market effect of interest rate swap agreements that are considered effective as hedges has been included in OCI. Based on market valuations at September 30, 2018 , $2.0 million of the amount included in OCI is expected to be reclassified as income in the unaudited condensed consolidated statement of operations over the next twelve months, as cash flow payments are made in accordance with the interest rate swap agreements.

The following table summarizes the fair value of derivative instruments reflected on a gross basis by contract as recorded in the unaudited condensed consolidated balance sheets:

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	**SEPTEMBER 30 2018**	DECEMBER 31 2017	**Balance Sheet Location**	**SEPTEMBER 30 2018**	DECEMBER 31 2017
Derivatives designated as hedging instruments						
Cash Flow Hedges						
Interest rate swap agreements						
Current	Prepaid expenses and other	**$ 0.7**	$ —	Prepaid expenses and other	$ —	$ 0.1
Long-term	Other non-current assets	**3.3**	0.7	Other non-current assets	—	—
	Other long-term liabilities	—	—	Other long-term liabilities	—	0.1
Foreign currency exchange contracts						
Current	Prepaid expenses and other	**1.8**	8.3	Prepaid expenses and other	**0.8**	4.0
	Other current liabilities	**5.2**	2.8	Other current liabilities	**10.1**	4.3
Long-term	Other non-current assets	**0.5**	3.9	Other non-current assets	**0.4**	1.3
	Other long-term liabilities	**1.4**	0.5	Other long-term liabilities	**13.9**	7.7
Total derivatives designated as hedging instruments		**$ 12.9**	$ 16.2		**$ 25.2**	$ 17.5
Derivatives not designated as hedging instruments						
Cash Flow Hedges						
Interest rate swap agreements						
Current	Prepaid expenses and other	**$ 0.2**	$ 0.4	Prepaid expenses and other	**$** —	$ —
Long-term	Other long-term liabilities	—	—	Other long-term liabilities	—	0.1
Foreign currency exchange contracts						
Current	Prepaid expenses and other	—	0.8	Prepaid expenses and other	**0.1**	0.4
	Other current liabilities	**0.6**	0.1	Other current liabilities	**2.1**	0.8
Long-term	Other non-current assets	—	—	Other long-term liabilities	—	—
Total derivatives not designated as hedging instruments		$ 0.8	$ 1.3		$ 2.2	$ 1.3
Total derivatives		**$ 13.7**	$ 17.5		**$ 27.4**	$ 18.8

The following table summarizes the offsetting of the fair value of derivative instruments on a gross basis by counterparty as recorded in the unaudited condensed consolidated balance sheets:

	Derivative Assets as of September 30, 2018				**Derivative Liabilities as of September 30, 2018**			
	Gross Amounts of Recognized Assets	**Gross Amounts Offset**	**Net Amounts Presented**	**Net Amount**	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset**	**Net Amounts Presented**	**Net Amount**
Cash Flow Hedges								
Interest rate swap agreements	**$ 4.2**	**$ —**	**$ 4.2**	**$ 4.2**	**$ —**	**$ —**	**$ —**	**$ —**
Foreign currency exchange contracts	**1.0**	**(1.0)**	—	—	**18.9**	**(1.0)**	**17.9**	**17.9**
Total derivatives	**$ 5.2**	**$ (1.0)**	**$ 4.2**	**$ 4.2**	**$ 18.9**	**$ (1.0)**	**$ 17.9**	**$ 17.9**

	Derivative Assets as of December 31, 2017				Derivative Liabilities as of December 31, 2017			
	Gross Amounts of Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Amount	Gross Amounts of Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Amount
Cash Flow Hedges								
Interest rate swap agreements	$ 1.0	$ (0.2)	$ 0.8	$ 0.8	$ 0.2	$ (0.2)	$ —	$ —
Foreign currency exchange contracts	7.3	(7.3)	—	—	9.4	(7.3)	2.1	2.1
Total derivatives	$ 8.3	$ (7.5)	$ 0.8	$ 0.8	$ 9.6	$ (7.5)	$ 2.1	$ 2.1

The following table summarizes the pre-tax impact of derivative instruments as recorded in the unaudited condensed consolidated statements of operations:

Derivatives designated as hedging instruments	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)				Location of Gain or (Loss) Reclassified from OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from OCI into Income (Effective Portion)				Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)			
	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30			THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30			THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017		**2018**	2017	**2018**	2017		**2018**	2017	**2018**	2017
Cash Flow Hedges														
Interest rate swap agreements	**$ 0.7**	$ (0.2)	**$ 3.4**	$ (0.6)	Interest expense	**$ 0.1**	$ —	**$ —**	$ —	Other	**$ —**	$ —	**$ —**	$ —
Foreign currency exchange contracts	**(4.5)**	1.5	**(13.0)**	15.2	Cost of sales	**0.2**	(0.5)	**2.3**	(2.0)	Cost of sales	**—**	(0.1)	**$ —**	$ (0.1)
Total	**$ (3.8)**	$ 1.3	**$ (9.6)**	$ 14.6		**$ 0.3**	$ (0.5)	**$ 2.3**	$ (2.0)		**$ —**	$ (0.1)	**$ —**	$ (0.1)

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative			
		THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
		2018	2017	**2018**	2017
Cash Flow Hedges					
Interest rate swap agreements	Other	**$ —**	$ 0.1	**$ 0.3**	$ —
Foreign currency exchange contracts	Cost of sales	**(0.2)**	(0.2)	**(1.4)**	1.5
Total		**$ (0.2)**	$ (0.1)	**$ (1.1)**	$ 1.5

Note 8—Retirement Benefit Plans

The Company maintains various defined benefit pension plans that provide benefits based on years of service and average compensation during certain periods. The Company's policy is to make contributions to fund these plans within the range allowed by applicable regulations. Plan assets consist primarily of publicly traded stocks and government and corporate bonds.

Pension benefits for employees covered under the Company's U.S. and U.K. plans are frozen. Only certain grandfathered employees in the Netherlands still earn retirement benefits under a defined benefit pension plan. All other eligible employees of the Company, including employees whose pension benefits are frozen, receive retirement benefits under defined contribution retirement plans.

During the third quarter of 2018 , the Company recognized a settlement loss of $0.2 million resulting from lump-sum distributions exceeding the total projected interest cost for the plan year for one of its U.S. pension plans. The Company remeasured the plan as of September 30, 2018 using a discount rate of 4.10% compared to the December 31, 2017 discount rate of 3.40% . As a result of the remeasurement, the funded status of the plan increased by $1.2 million and accumulated other comprehensive income increased by $1.8 million ($1.2 million net of tax).

During the second quarter of 2018, the Company recognized a settlement loss of $0.7 million resulting from lump-sum distributions exceeding the total projected interest cost for the plan year for one of its U.S. pension plans. The Company remeasured the plan as of June 30, 2018 using a discount rate of 4.05% compared to the December 31, 2017 discount rate of 3.40% . As a result of the remeasurement, the funded status of the plan increased by $0.3 million and accumulated other comprehensive income increased by $1.0 million ($0.7 million net of tax).

During the third quarter of 2017, the Company recognized a settlement loss of $1.0 million resulting from lump-sum distributions exceeding the total projected interest cost for the plan year for one of its U.S. pension plans. The Company
remeasured the plan as of September 30, 2017 using a discount rate of 3.50% compared to the December 31, 2016 discount rate of 3.75% . As a result of the remeasurement, the funded status of the plan increased by $0.8 million and accumulated other comprehensive income increased by $1.8 million ($1.2 million net of tax).

The components of pension (income) expense are set forth below:

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
U.S. Pension				
Interest cost	**$ 0.6**	$ 0.6	**$ 1.9**	$ 2.0
Expected return on plan assets	**(1.2)**	(1.2)	**(3.7)**	(3.7)
Settlement loss	**0.2**	1.0	**0.9**	1.0
Amortization of actuarial loss	**0.5**	0.4	**1.4**	1.3
Amortization of prior service credit	**—**	—	**(0.2)**	(0.2)
Total	**$ 0.1**	$ 0.8	**$ 0.3**	$ 0.4
Non-U.S. Pension				
Service cost	**$ 0.1**	$ —	**$ 0.2**	$ 0.1
Interest cost	**0.9**	1.0	**3.0**	3.0
Expected return on plan assets	**(2.6)**	(2.3)	**(8.0)**	(6.8)
Amortization of actuarial loss	**0.6**	0.7	**1.6**	2.0
Total	**$ (1.0)**	$ (0.6)	**$ (3.2)**	$ (1.7)

Note 9—Inventories

Inventories are summarized as follows:

	SEPTEMBER 30 2018	DECEMBER 31 2017
Finished goods and service parts	**$ 236.9**	$ 193.7
Work in process	**47.6**	19.9
Raw materials	**271.3**	239.0
Total manufactured inventories	**555.8**	452.6
LIFO reserve	**(49.4)**	(40.7)
Total inventory	**$ 506.4**	$ 411.9

Inventories are stated at the lower of cost or market for last-in, first-out (“LIFO”) inventory or lower of cost or net realizable value for first-in, first-out (“FIFO”) inventory. At September 30, 2018 and December 31, 2017 , 50% and 49% , respectively, of total inventories were determined using the LIFO method, which consists primarily of manufactured inventories, including service parts, in the United States. The FIFO method is used with respect to all other inventories. An actual valuation of inventory under the LIFO method can be made only at the end of the year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must be based on management's estimates of expected year-end inventory levels and costs. Because these estimates are subject to change and may be different than the actual inventory levels and costs at the end of the year, interim results are subject to the final year-end LIFO inventory valuation.

Note 10—Current and Long-Term Financing

On March 14, 2018, the Company entered into an amendment to the Term Loan. As a result of the amendment, among other things, the floating rate margin under the Term Loan, which can be a base rate or Eurodollar rate, as defined in the Term Loan, is 2.25% for base rate loans and 3.25% for Eurodollar rate loans.

The Company incurred fees and expenses of $0.6 million in the first nine months of 2018 related to the amendment, which were deferred and are being amortized as interest expense over the term of the applicable debt agreements. Fees related to the Term Loan are presented as a direct deduction of the corresponding debt.

Note 11—Product Warranties

The Company provides a standard warranty on its lift trucks, generally for twelve months or 1,000 to 2,000 hours . For certain series of lift trucks, the Company provides a standard warranty of one to two years or 2,000 or 4,000 hours . For certain components in some series of lift trucks, the Company provides a standard warranty of two to three years or 4,000 to 6,000 hours . The Company estimates the costs which may be incurred under its standard warranty programs and records a liability for such costs at the time product revenue is recognized.

In addition, the Company sells separately priced extended warranty agreements for its lift trucks, which generally provide a warranty for an additional two to five years or up to 2,400 to 10,000 hours . The specific terms and conditions of those warranties vary depending upon the product sold and the country in which the Company does business. Revenue received for the sale of extended warranty contracts is deferred and recognized in the same manner as the costs incurred to perform under the warranty contracts.

The Company also maintains a quality enhancement program under which it provides for specifically identified field product improvements in its warranty obligation. Accruals under this program are determined based on estimates of the potential number of claims and the cost of those claims based on historical and anticipated costs.

The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Factors that affect the warranty liability include the number of units sold, historical and anticipated rates of warranty claims and the cost per claim.

Changes in the Company's current and long-term warranty obligations, including deferred revenue on extended warranty contracts, are as follows:

		2018
Balance at December 31, 2017	$	51.0
Current year warranty expense		28.2
Change in estimate related to pre-existing warranties		(0.9)
Payments made		(21.5)
Foreign currency effect		(0.8)
Balance at September 30, 2018	**$**	**56.0**

Note 12—Contingencies

Various legal and regulatory proceedings and claims have been or may be asserted against the Company relating to the conduct of its businesses, including product liability, environmental and other claims. These proceedings and claims are incidental to the ordinary course of business. Management believes that it has meritorious defenses and will vigorously defend the Company in these actions. Any costs that management estimates will be paid as a result of these claims are accrued when the liability is considered probable and the amount can be reasonably estimated. Although the ultimate disposition of these proceedings is not presently determinable, management believes, after consultation with its legal counsel, that the likelihood is remote that costs will be incurred materially in excess of accruals already recognized.

Note 13—Guarantees

Under various financing arrangements for certain customers, including independent retail dealerships, the Company provides recourse or repurchase obligations such that it would be obligated in the event of default by the customer. Terms of the third-party financing arrangements for which the Company is providing recourse or repurchase obligations generally range from one to five years. Total amounts subject to recourse or repurchase obligations at September 30, 2018 and December 31, 2017 were $168.9 million and $203.5 million , respectively. As of September 30, 2018 , losses anticipated under the terms of the recourse or repurchase obligations were not significant and reserves have been provided for such losses based on historical experience in the accompanying unaudited condensed consolidated financial statements. The Company generally retains a security interest in the related assets financed such that, in the event the Company would become obligated under the terms of the recourse or repurchase obligations, the Company would take title to the assets financed. The fair value of collateral held at September 30, 2018 was approximately $232.6 million based on Company estimates. The Company estimates the fair value of the collateral using information regarding the original sales price, the current age of the equipment and general market conditions that influence the value of both new and used lift trucks. The Company also regularly monitors the external credit ratings of the entities for which it has provided recourse or repurchase obligations. As of September 30, 2018 , the Company did not believe there was a significant risk of non-payment or non-performance of the obligations by these entities; however, there can be no assurance that the risk may not increase in the future. In addition, the Company has an agreement with WF to limit its exposure to losses at certain eligible dealers. Under this agreement, losses related to $50.0 million of recourse or repurchase obligations for these certain eligible dealers are limited to 7.5% of their original loan balance, or $9.5 million as of September 30, 2018 . The $50.0 million is included in the $168.9 million of total amounts subject to recourse or repurchase obligations at September 30, 2018 .

Generally, the Company sells lift trucks through its independent dealer network or directly to customers. These dealers and customers may enter into a financing transaction with HYGFS or other unrelated third parties. HYGFS provides debt and lease financing to both dealers and customers. On occasion, the credit quality of a customer or credit concentration issues within WF may require the Company to provide recourse or repurchase obligations of the lift trucks purchased by customers and financed through HYGFS. At September 30, 2018 , approximately $141.1 million of the Company's total recourse or repurchase obligations of $168.9 million related to transactions with HYGFS. In connection with the joint venture agreement, the Company also provides a guarantee to WF for 20% of HYGFS' debt with WF, such that the Company would become liable under the terms of HYGFS' debt agreements with WF in the case of default by HYGFS. At September 30, 2018 , loans from WF to HYGFS totaled $1.2 billion . Although the Company's contractual guarantee was $235.8 million , the loans by WF to HYGFS are secured by HYGFS' customer receivables, of which the Company guarantees $141.1 million . Excluding the HYGFS receivables guaranteed by the Company from HYGFS' loans to WF, the Company's incremental obligation as a result of this guarantee to WF is $215.7 million , which is secured by 20% of HYGFS' customer receivables and other secured assets of $283.4 million . HYGFS has not defaulted under the terms of this debt financing in the past, and although there can be no assurances, the Company is not aware of any circumstances that would cause HYGFS to default in future periods.

The following table includes the exposure amounts related to the Company's guarantees at September 30, 2018 :

	HYGFS	Total
Total recourse or repurchase obligations	$ 141.1	$ 168.9
Less: exposure limited for certain dealers	50.0	50.0
Plus: 7.5% of original loan balance	9.5	9.5
	100.6	128.4
Incremental obligation related to guarantee to WF	215.7	215.7
Total exposure related to guarantees	$ 316.3	$ 344.1

Note 14—Equity Investments

The Company maintains an interest in one variable interest entity, HYGFS. HYGFS is a joint venture with WF formed primarily for the purpose of providing financial services to independent Hyster ® and Yale ® lift truck dealers and National Account customers in the United States and is included in the Americas segment. The Company does not have a controlling financial interest or have the power to direct the activities that most significantly affect the economic performance of HYGFS. Therefore, the Company is not the primary beneficiary and uses the equity method to account for its 20% interest in HYGFS. The Company does not consider its variable interest in HYGFS to be significant.

The Company has a 50% ownership interest in SN, a limited liability company which was formed primarily to manufacture and distribute Sumitomo-branded lift trucks in Japan and export Hyster ® - and Yale ® -branded lift trucks and related components and service parts outside of Japan. The Company purchases products from SN under agreed-upon terms. The Company's ownership in SN is also accounted for using the equity method of accounting and is included in the JAPIC segment.

The Company's percentage share of the net income or loss from its equity investments in HYGFS and SN is reported on the line "Income from unconsolidated affiliates" in the "Other (income) expense" section of the unaudited condensed consolidated statements of operations. The Company's equity investments are included on the line "Investment in Unconsolidated Affiliates" in the unaudited condensed consolidated balance sheets. At September 30, 2018 and December 31, 2017 , the Company's investment in HYGFS was $19.1 million and $35.2 million , respectively. The Company's investment in SN was $39.1 million and $36.8 million at September 30, 2018 and December 31, 2017 , respectively. Bolzoni's investment in unconsolidated affiliates was $0.4 million and $0.5 million at September 30, 2018 and December 31, 2017 , respectively. The Company received dividends of $20.1 million and $2.4 million from HYGFS in the first nine months of 2018 and 2017, respectively. The Company received dividends of $2.1 million and $0.4 million from SN in the first nine months of 2018 and 2017, respectively.

The Company has an equity investment in a third party valued using a quoted market price in an active market, or Level 1 in the fair value hierarchy. The Company's investment as of September 30, 2018 was $3.8 million , which includes a $2.5 million and $5.5 million loss for the three and nine months ended September 30, 2018 , respectively and is included on the line "Other" in the "Other (income) expense" section of the unaudited condensed consolidated statements of operations.

Summarized financial information for HYGFS and SN is as follows:

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Revenues	**$ 103.1**	$ 94.1	**$ 308.6**	$ 272.1
Gross profit	**$ 29.9**	$ 29.5	**$ 93.2**	$ 84.6
Income from continuing operations	**$ 8.3**	$ 7.5	**$ 27.0**	$ 20.7
Net income	**$ 8.3**	$ 7.5	**$ 27.0**	$ 20.7

Note 15—Acquisition

On December 6, 2017, the Company's indirect wholly owned subsidiary, Hyster-Yale Acquisition Holding Ltd. ("Acquisition Co."), entered into an Equity Transfer Agreement (“ETA”) with KNSN Pipe & Pile Company Limited (“KNSN”), pursuant to which Acquisition Co. agreed to purchase 75% of the equity interest of Zhejiang Maximal Forklift Co., Ltd. (“Maximal”) from KNSN for an aggregate purchase price of $90.0 million . After the closing under the ETA, the remaining 25% of the equity interest of Maximal is owned by senior management of Maximal, through Y-C Hong Kong Holding Company Limited (“HK Holding Co.”). Maximal is a manufacturer of utility and standard lift trucks and specialized materials handling equipment founded in 2006 in the Hangzhou, Zhejiang Province of China .

Under the terms of the ETA, upon the closing, the Company paid $81.0 million to a jointly-controlled bank account under the name of KNSN, and KNSN is only allowed to use such amount to repay intercompany indebtedness owed by KNSN to Maximal and to remove existing related-party guarantees provided by Maximal. Any balance amount remaining after fulfilling the specified purposes will belong to KNSN. The Maximal balance sheet as of June 1, 2018 includes $65.7 million of receivables from KNSN included in other receivables in the table below which were collected during June 2018 in accordance with the ETA. The proceeds were used by Maximal to repay $59.9 million of short-term debt during June 2018. In addition, upon the closing of the acquisition, the Company paid $9.0 million to an escrow account, which will be released to KNSN in two installments. The first installment of $2.7 million will be released on the second anniversary of the closing and the second installment of $6.3 million will be released on the third anniversary of the closing subject to a number of conditions. KNSN is obligated to indemnify the Company from and against any breach of representations and warranties and any liabilities and losses associated with the pre-closing operations of Maximal. In addition, the cash consideration paid was finalized with KNSN during September 2018 and the Company paid an additional $3.2 million of consideration for the working capital, cash and debt adjustments.

In addition, the Company signed an incentive agreement with Mr. Jin Hong Lu, a key member of senior management of Maximal and the majority shareholder of KNSN. Pursuant to this agreement, the Company will pay $10.0 million to Mr. Lu by the third anniversary of the closing under the ETA, provided that Mr. Lu, his immediate family members and any affiliates fully comply with the non-competition, conflict of interest, non-solicitation, and compliance covenants set forth in the agreement. The Company has recorded $1.1 million related to the incentive agreement as of September 30, 2018.

Pursuant to the terms of the ETA, Mr. Lu signed and issued a Guarantee and Undertaking Letter for the benefit of the Company, guaranteeing KNSN’s performance of all terms under the ETA. In the case of any breach of the ETA by KNSN, Mr. Lu shall be liable and shall indemnify the Company against any losses arising from such breach in accordance with the ETA and applicable laws.

On June 1, 2018, the Company completed the acquisition of a 75% equity interest of Maximal for $74.7 million , net of cash acquired of $15.3 million . Given the timing and complexity of the Maximal acquisition, the allocation of the purchase price is preliminary and will likely change in future periods, perhaps significantly as fair value estimates of the assets acquired and liabilities assumed are refined during the measurement period. The Company is in the process of obtaining a third-party valuation of the assets acquired and liabilities assumed; thus the provisional measurements are subject to change. The Company will complete the purchase price allocation no later than the second quarter of 2019.

The following table summarizes the preliminary estimated fair values of the assets acquired and the liabilities assumed of Maximal as of June 1, 2018:

Cash	$	15.3
Accounts receivable		13.2
Other receivables		68.9
Inventories		22.1
Property, plant and equipment		38.6
Intangible Assets		22.9
Other assets		13.3
Total assets acquired	$	194.3
Accounts payable		20.3
Short-term debt		77.6
Long-term deferred tax liabilities		9.7
Other liabilities		18.4
Total liabilities assumed	$	126.0
Noncontrolling interest		28.2
Net assets acquired	$	40.1
Initial purchase price		93.2
Goodwill	$	53.1

Acquired Intangible Assets		**Preliminary Fair Value**	**Preliminary Weighted-Average Useful Lives (Years)**
Distribution network	$	12.2	20
Patents		5.6	7
Trademarks		5.1	20
Total	**$**	**22.9**	

The assignment of acquired goodwill to reporting units has not been determined. The $53.1 million of goodwill has been included in the JAPIC segment . The results of Maximal’s operations have been included in the unaudited condensed consolidated financial statements since the acquisition date and are reflected in the JAPIC segment.

The Company recognized $0.5 million of acquisition-related costs, which are included in the Americas segment during both the third quarter of 2018 and 2017, and $2.9 million and $1.9 million during the first nine months of 2018 and 2017, respectively. These costs are included in the line “Selling, general and administrative expenses” in the unaudited condensed consolidated statements of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
(Tabular Amounts in Millions, Except Per Share and Percentage Data)

Hyster-Yale Materials Handling, Inc. ("Hyster-Yale" or the "Company") and its subsidiaries, including its operating company Hyster-Yale Group, Inc. ("HYG"), is a leading, globally integrated, full-line lift truck manufacturer. The Company offers a broad array of solutions aimed at meeting the specific materials handling needs of its customers, including attachments and hydrogen fuel cell power products, telematics, automation and fleet management services, as well as an array of other power options for its lift trucks. The Company, through HYG, designs, engineers, manufactures, sells and services a comprehensive line of lift trucks, attachments and aftermarket parts marketed globally primarily under the Hyster ® and Yale ® brand names, mainly to independent Hyster ® and Yale ® retail dealerships. The materials handling business historically has been cyclical because the rate of orders for lift trucks fluctuates depending on the general level of economic activity in the various industries and countries its customers serve. Lift trucks and component parts are manufactured in the United States, Northern Ireland, Mexico, the Netherlands, Italy, Vietnam, the Philippines, Japan, Brazil and China.

The Company also operates Bolzoni S.p.A. ("Bolzoni"). Bolzoni is a leading worldwide producer of attachments, forks and lift tables marketed under the Bolzoni Auramo ® and Meyer ® brand names. Bolzoni products are manufactured in Italy, China, Germany, Finland and the United States. Through the design, production and distribution of a wide range of attachments, Bolzoni has a strong presence in the market niche of lift-truck attachments and industrial material handling.

The Company also operates Nuvera Fuel Cells, LLC ("Nuvera"). Nuvera is an alternative-power technology company focused on fuel cell stacks and engines.

On June 1, 2018, the Company completed the acquisition of the majority interest in Zhejiang Maximal Forklift Co., Ltd. ("Maximal"). Maximal is a Chinese manufacturer of utility and standard lift trucks and specialized material handling equipment involved in the design, manufacture, service and distribution of Class 1 electric and Class 5 internal combustion engine counterbalance utility and standard platforms, and Class 2 and Class 3 electric warehouse products for both the local China and global markets under the Maximal and SAMUK brands. Maximal also designs and produces specialized products in the port equipment and rough terrain forklift markets. The results of Maximal are included in the JAPIC segment since the date of acquisition.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Please refer to the discussion of Critical Accounting Policies and Estimates as disclosed on pages 14 through 18 in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. Critical Accounting Policies and Estimates have not materially changed since December 31, 2017. See Note 2 and Note 3 to the unaudited condensed consolidated financial statements for a discussion of the new accounting pronouncements adopted on January 1, 2018.

Table of Contents

FINANCIAL REVIEW

The results of operations for the Company were as follows:

	THREE MONTHS ENDED SEPTEMBER 30		Favorable / (Unfavorable)	NINE MONTHS ENDED SEPTEMBER 30		Favorable / (Unfavorable)
	2018	2017	% Change	**2018**	2017	% Change
Lift truck unit shipments (in thousands)						
Americas	**16.0**	14.0	14.3 %	**45.7**	42.3	8.0 %
EMEA	**6.5**	6.5	— %	**21.4**	20.8	2.9 %
JAPIC	**3.1**	1.5	106.7 %	**7.2**	4.4	63.6 %
	25.6	22.0	16.4 %	**74.3**	67.5	10.1 %
Revenues						
Americas	**$ 503.9**	$ 447.8	12.5 %	**$ 1,471.4**	$ 1,346.7	9.3 %
EMEA	**172.2**	165.6	4.0 %	**561.1**	500.6	12.1 %
JAPIC	**64.7**	38.9	66.3 %	**171.7**	124.9	37.5 %
Lift truck business	**740.8**	652.3	13.6 %	**2,204.2**	1,972.2	11.8 %
Bolzoni	**46.6**	44.3	5.2 %	**150.3**	127.8	17.6 %
Nuvera	**1.0**	0.3	n.m.	**1.7**	3.3	n.m.
Eliminations	**(5.5)**	(5.8)	n.m.	**(19.5)**	(13.6)	n.m.
	$ 782.9	$ 691.1	13.3 %	**$ 2,336.7**	$ 2,089.7	11.8 %
Gross profit (loss)						
Americas	**$ 76.4**	$ 83.6	(8.6)%	**$ 241.3**	$ 251.2	(3.9)%
EMEA	**23.5**	20.5	14.6 %	**74.4**	66.6	11.7 %
JAPIC	**3.8**	4.4	(13.6)%	**14.4**	14.1	2.1 %
Lift truck business	**103.7**	108.5	(4.4)%	**330.1**	331.9	(0.5)%
Bolzoni	**14.4**	13.5	6.7 %	**48.2**	39.7	21.4 %
Nuvera	**(0.3)**	(0.4)	n.m.	**(1.9)**	(1.9)	n.m.
Eliminations	**0.1**	(0.2)	n.m.	**(0.2)**	(0.5)	n.m.
	$ 117.9	$ 121.4	(2.9)%	**$ 376.2**	$ 369.2	1.9 %
Selling, general and administrative expenses						
Americas	**$ 50.9**	$ 55.0	7.5 %	**$ 169.9**	$ 165.3	(2.8)%
EMEA	**23.4**	22.2	(5.4)%	**72.0**	65.1	(10.6)%
JAPIC	**10.0**	7.0	(42.9)%	**24.9**	19.6	(27.0)%
Lift truck business	**84.3**	84.2	(0.1)%	**266.8**	250.0	(6.7)%
Bolzoni	**12.7**	11.4	(11.4)%	**40.6**	34.8	(16.7)%
Nuvera	**8.7**	7.7	(13.0)%	**26.6**	26.2	(1.5)%
	$ 105.7	$ 103.3	(2.3)%	**$ 334.0**	$ 311.0	(7.4)%

	THREE MONTHS ENDED SEPTEMBER 30		Favorable / (Unfavorable)	NINE MONTHS ENDED SEPTEMBER 30		Favorable / (Unfavorable)
	2018	2017	% Change	**2018**	2017	% Change
Operating profit (loss)						
Americas	**$ 25.5**	$ 28.6	(10.8)%	**$ 71.4**	$ 85.9	(16.9)%
EMEA	**0.1**	(1.7)	(105.9)%	**2.4**	1.5	60.0 %
JAPIC	**(6.2)**	(2.6)	(138.5)%	**(10.5)**	(5.5)	(90.9)%
Lift truck business	**19.4**	24.3	(20.2)%	**63.3**	81.9	(22.7)%
Bolzoni	**1.7**	2.1	(19.0)%	**7.6**	4.9	55.1 %
Nuvera	**(9.0)**	(8.1)	(11.1)%	**(28.5)**	(28.1)	(1.4)%
Eliminations	**0.1**	(0.2)	n.m.	**(0.2)**	(0.5)	n.m.
	$ 12.2	$ 18.1	(32.6)%	**$ 42.2**	$ 58.2	(27.5)%
Interest expense	**$ 3.6**	$ 6.2	41.9 %	**$ 11.6**	$ 10.6	(9.4)%
Other income	**$ (1.6)**	$ (4.0)	(60.0)%	**$ (8.9)**	$ (10.9)	(18.3)%
Net income (loss) attributable to stockholders						
Americas	**$ 21.6**	$ 22.7	(4.8)%	**$ 52.2**	$ 67.0	(22.1)%
EMEA	**0.2**	(1.7)	111.8 %	**2.5**	1.6	56.3 %
JAPIC	**(3.1)**	(1.3)	(138.5)%	**(4.3)**	(2.8)	(53.6)%
Lift truck business	**18.7**	19.7	(5.1)%	**50.4**	65.8	(23.4)%
Bolzoni	**1.4**	1.9	26.3 %	**5.4**	3.3	63.6 %
Nuvera	**(6.4)**	(4.9)	(30.6)%	**(20.6)**	(16.9)	(21.9)%
Eliminations	**1.7**	(0.2)	n.m.	**0.7**	(1.2)	n.m.
	$ 15.4	$ 16.5	(6.7)%	**$ 35.9**	$ 51.0	(29.6)%
Diluted earnings per share	**$ 0.93**	$ 1.00	(7.0)%	**$ 2.16**	$ 3.09	(30.1)%
Reported income tax rate	**n.m.**	n.m.		**10.1%**	12.5%	

Following is the detail of the Company's unit shipments, bookings and backlog of unfilled orders placed with its manufacturing and assembly operations for new lift trucks, reflected in thousands of units. As of September 30, 2018 , substantially all of the Company's backlog is expected to be sold within the next twelve months.

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Unit backlog, beginning of period	**41.7**	35.3	**33.8**	30.7
Unit shipments	**(25.6)**	(22.0)	**(74.3)**	(67.5)
Unit bookings	**26.2**	21.8	**82.8**	71.9
Unit backlog, end of period	**42.3**	35.1	**42.3**	35.1

The following is the detail of the approximate sales value of the Company's lift truck unit bookings and backlog, reflected in millions of dollars. The dollar value of bookings and backlog is calculated using the current unit bookings and backlog and the forecasted average sales price per unit.

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Bookings, approximate sales value	**$ 560**	$ 520	**$ 1,900**	$ 1,645
Backlog, approximate sales value	**$ 1,090**	$ 860	**$ 1,090**	$ 860

Third Quarter of 2018 Compared with Third Quarter of 2017

The following table identifies the components of change in revenues for the third quarter of 2018 compared with the third quarter of 2017 :

	Revenues
2017	$ 691.1
Increase (decrease) in 2018 from:	
Unit volume and product mix	50.8
Maximal revenues	19.0
Parts	11.1
Price	10.0
Other	2.5
Bolzoni revenues	2.3
Foreign currency	(3.9)
2018	**$ 782.9**

Revenues increased 13.3% to $782.9 million in the third quarter of 2018 from $691.1 million in the third quarter of 2017 . The increase was mainly due to higher unit and parts volumes, the acquisition of Maximal and improved pricing in the lift truck business.

Revenues in the Americas increased primarily as a result of increased unit and parts volumes, as well as increased pricing. Revenues increased primarily from higher sales in all truck classes.

EMEA's revenues increased mainly as a result of higher parts revenue and shipments of higher-priced Class 5 internal combustion engine lift trucks, including Big Trucks, partially offset by an overall reduction in new unit shipments and a shift in sales to lower-priced Class 1 electric-rider and Class 3 warehouse trucks.

Revenues in JAPIC increased primarily as a result of the acquisition of Maximal and higher unit shipments of Class 5 internal combustion engine lift trucks, including Big Trucks, and Class 2 warehouse trucks.

Bolzoni's revenues increased in the third quarter of 2018 compared with the third quarter of 2017, mainly as a result of higher volume in the EMEA market.

The following table identifies the components of change in operating profit for the third quarter of 2018 compared with the third quarter of 2017 :

	Operating Profit
2017	$ 18.1
Increase (decrease) in 2018 from:	
Lift truck gross profit	(4.5)
Nuvera operations	(0.9)
Bolzoni operations	(0.4)
Lift truck selling, general and administrative expenses	(0.1)
2018	**$ 12.2**

The Company recognized operating profit of $12.2 million in the third quarter of 2018 compared with $18.1 million in the third quarter of 2017 . The decrease in operating profit was mainly due to lower lift truck gross profit. The decrease in the lift truck gross profit was primarily attributable to higher material and manufacturing costs, partially offset by improved pricing and higher unit shipments in the third quarter of 2018. In addition, lift truck gross profit in the third quarter of 2018 includes $4.0 million of unfavorable one-time purchase accounting adjustments related to the acquisition of Maximal. Lift truck selling, general and administrative expenses in the third quarter of 2018 include an additional $2.0 million of post-acquisition expenses related to earn-out incentives and the amortization of the write-up of acquired assets to fair market value related to Maximal.

Operating profit in the Americas decreased in the third quarter of 2018 compared with the third quarter of 2017 primarily as a result of lower gross profit, partially offset by lower selling, general and administrative expenses. The decrease in gross profit was mainly attributable to $17.2 million of material and freight cost inflation, including import tariffs, net of price increases of $8.8 million, as well as manufacturing inefficiencies caused by supplier parts shortages and weather-related shutdowns. The Americas implemented price increases during the first half of the year to offset higher than planned material cost inflation and aluminum and steel tariffs, but the third-quarter operating results continue to reflect the lag between when price increases went into effect and when they are fully realized since customer orders in backlog are generally price protected. Selling, general and administrative expenses decreased mainly from lower employee-related costs for incentive compensation estimates, partially offset by higher sales costs to support the Company's strategic initiatives and Maximal acquisition-related costs.

EMEA's operating profit in the third quarter of 2018 improved compared with the third quarter of 2017. Higher gross profit from a shift in sales mix to higher-margin Class 5 and Class 1 trucks, favorable currency movements of $1.5 million and improved pricing was partially offset by higher material and manufacturing costs and an increase in selling, general and administrative expenses, including higher sales costs to support the Company's strategic initiatives.

JAPIC's operating loss in the third quarter of 2018 increased compared with the third quarter of 2017 primarily due to the acquisition of Maximal. Maximal's results for the third quarter of 2018 include $4.0 million of one-time purchase accounting adjustments and $0.9 million of amortization related to tangible and intangible assets acquired. Maximal contributed $1.1 million to JAPIC's operating profit before purchase accounting in the third quarter of 2018.

Nuvera's operating loss increased in the third quarter of 2018 from the third quarter of 2017 primarily due to an increase in development and production start-up expenses.

The Company recognized net income attributable to stockholders of $15.4 million in the third quarter of 2018 compared with $16.5 million in the third quarter of 2017 . The decrease was primarily the result of lower operating profit and unfavorable mark-to-market adjustments on an equity investment in a third-party, partially offset by a favorable tax adjustment related to the Tax Cuts and Jobs Act (the “Tax Reform Act”) in the third quarter of 2018 compared with the third quarter of 2017. See Note 5 to the unaudited condensed consolidated financial statements for additional information on income tax expense.

First Nine Months of 2018 Compared with First Nine Months of 2017

The following table identifies the components of change in revenues for the first nine months of 2018 compared with the first nine months of 2017 :

	Revenues
2017	$ 2,089.7
Increase (decrease) in 2018 from:	
Unit volume and product mix	115.1
Foreign currency	40.8
Parts	27.7
Maximal revenues	26.2
Bolzoni revenues	22.5
Unit price	17.3
Other	(2.6)
2018	**$ 2,336.7**

Revenues increased 11.8% to $2,336.7 million in the first nine months of 2018 from $2,089.7 million in the first nine months of 2017 . The increase was mainly due to higher unit and parts volume, favorable currency movements and improved pricing to offset material cost increases in the lift truck business. In addition, increased Bolzoni revenues and the acquisition of Maximal contributed to the improvement in revenues.

Revenues in the Americas increased primarily as a result of increased unit shipments. Revenues increased primarily from higher sales of Class 5 internal combustion engine lift trucks, including the XT/MX standard truck and Big Trucks. In addition, increased parts volume and improved pricing to offset material cost increases also contributed to the increase in America's revenues.

EMEA's revenues increased mainly as a result of favorable currency movements of $42.5 million from the translation of sales into U.S. dollars and increased unit and parts volume.

Revenues in JAPIC increased primarily as a result of the acquisition of Maximal, higher unit and parts volume, and favorable currency movements of $3.3 million from the translation of sales into U.S. dollars.

Bolzoni's revenues increased mainly as a result of favorable foreign currency movements of $11.5 million and higher volume in the EMEA market.

The following table identifies the components of change in operating profit for the first nine months of 2018 compared with the first nine months of 2017 :

		Operating Profit
2017	$	58.2
Increase (decrease) in 2018 from:		
Lift truck selling, general and administrative expenses		(16.8)
Lift truck gross profit		(1.5)
Nuvera operations		(0.4)
Bolzoni operations		2.7
2018	**$**	**42.2**

The Company recognized operating profit of $42.2 million in the first nine months of 2018 compared with $58.2 million in the first nine months of 2017 . The decrease in operating profit was mainly due to an increase in lift truck selling, general and administrative expenses primarily related to employee-related costs for sales and development of new products. Lift truck gross profit decreased mainly as a result of higher material and manufacturing costs, partially offset by improved pricing and higher unit and parts shipments in the first nine months of 2018.

Operating profit in the Americas decreased primarily as a result of lower gross profit and higher selling, general and administrative expenses. The decrease in gross profit was mainly due to material and freight cost inflation and tariffs, net of price increases, as well as a shift in mix to lower-margin products. The Americas implemented price increases during the first half of the year to offset higher than planned material cost inflation and aluminum and steel tariffs but the operating results continue to reflect the lag between when price increases went into effect and when they are fully realized since customer orders in backlog are generally price protected. Selling, general and administrative expenses increased mainly from higher employee-related costs for sales and development of new products, as well as higher acquisition-related expenses.

EMEA's operating profit increased mainly due to higher gross profit from favorable currency movements of $9.9 million and improved pricing, which was partially offset by higher material and manufacturing cost inflation and an increase in selling, general and administrative expenses, including $3.0 million of unfavorable foreign currency movements and higher sales costs to support the Company's strategic initiatives.

The operating loss in JAPIC increased mainly as a result of increased selling, general and administrative expenses primarily from expenses incurred at Maximal since the date of acquisition and unfavorable foreign currency movements of $0.8 million.

Bolzoni's operating profit improved primarily due to higher gross profit, partially offset by higher selling, general and administrative expenses.

Nuvera's operating loss increased in the first nine months of 2018 from the first nine months of 2017 primarily due to an increase in development and production start-up expenses.

The Company recognized net income attributable to stockholders of $35.9 million in the first nine months of 2018 compared with $51.0 million in the first nine months of 2017 . The decrease was primarily the result of lower operating profit, unfavorable mark-to-market adjustments on an equity investment in a third-party, and the change in discrete tax adjustments in the first nine months of 2018 compared with the first nine months of 2017. See Note 5 to the unaudited condensed consolidated financial statements for additional information on income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following tables detail the changes in cash flow for the nine months ended September 30 :

	2018	2017	Change
Operating activities:			
Net income	$ 35.5	$ 51.2	$ (15.7)
Depreciation and amortization	32.4	31.7	0.7
Dividends from unconsolidated affiliates	22.2	2.8	19.4
Working capital changes, excluding the effect of business acquisitions	(1.9)	79.9	(81.8)
Other	4.1	(8.3)	12.4
Net cash provided by operating activities	**92.3**	**157.3**	**(65.0)**
Investing activities:			
Expenditures for property, plant and equipment	(24.7)	(25.1)	0.4
Business acquisitions, net of cash acquired	(78.0)	(1.0)	(77.0)
Proceeds from the sale of assets	5.4	1.1	4.3
Investments in equity securities	—	(5.6)	5.6
Net cash used for investing activities	**(97.3)**	**(30.6)**	**(66.7)**
Cash flow before financing activities	**$ (5.0)**	**$ 126.7**	**$ (131.7)**

Net cash provided by operating activities decreased $65.0 million in the first nine months of 2018 compared with the first nine months of 2017, primarily as a result of the change in working capital items partially offset by increased dividends from unconsolidated affiliates mainly due to the one-time benefit at HYGFS resulting from the Tax Reform Act. The change in working capital was primarily attributable to accounts payable in the Americas returning to normalized levels in the first nine months of 2018 following an unplanned systems-related acceleration of supplier payments in December 2016.

The change in net cash used for investing activities during the first nine months of 2018 compared with the first nine months of 2017 is mainly the result of the acquisition of Maximal in the second quarter of 2018.

	2018	2017	Change
Financing activities:			
Net increases (decreases) of long-term debt and revolving credit agreements	$ (71.5)	$ 82.9	$ (154.4)
Cash dividends paid	(15.3)	(14.8)	(0.5)
Financing fees paid	(0.6)	(4.8)	4.2
Other	(0.9)	(0.4)	(0.5)
Net cash provided by (used for) financing activities	**$ (88.3)**	**$ 62.9**	**$ (151.2)**

The change in net cash provided by (used for) financing activities of $151.2 million in the first nine months of 2018 compared with the first nine months of 2017 was primarily related to the repayment of debt at Maximal and the Term Loan (as defined below) in the first nine months of 2018. The increase in the first nine months of 2017 was due to borrowings under the Term Loan, partially offset by repayments of borrowings under the Facility (as defined below) during the first nine months of 2017, primarily due to the unplanned systems-related acceleration of supplier payments in December 2016.

Financing Activities

The Company has a $200.0 million secured, floating-rate revolving credit facility (the "Facility") that expires in April 2022. There were no borrowings outstanding under the Facility at September 30, 2018 . The availability under the Facility at September 30, 2018 was $196.0 million , which reflects reductions of $4.0 million for letters of credit and other restrictions. The Facility consists of a U.S. revolving credit facility of $120.0 million and a non-U.S. revolving credit facility of $80.0 million . The Facility can be increased up to $300.0 million over the term of the agreement in minimum increments of $10.0 million subject to certain conditions. The obligations under the Facility are generally secured by a lien on the working capital assets of the borrowers in the Facility, which include but are not limited to, cash and cash equivalents, accounts receivable and inventory and a second lien on the Term Loan Collateral (defined below). The approximate book value of assets held as collateral under the Facility was $1.0 billion as of September 30, 2018 .

Borrowings bear interest at a floating rate based on a base rate or LIBOR, as defined in the Facility, plus an applicable margin. The applicable margins, effective September 30, 2018 , for U.S. base rate loans and LIBOR loans were 0.25% and 1.25% , respectively. The applicable margin, effective September 30, 2018 , for non-U.S. base rate loans and LIBOR loans was 1.25% . The applicable LIBOR interest rates under the Facility on September 30, 2018 were 3.50% and 1.25% , respectively, for the U.S. and non-U.S. facility including the applicable floating rate margin. The Facility also required the payment of a fee of 0.350% per annum on the unused commitment as of September 30, 2018 .

The Facility includes restrictive covenants, which, among other things, limit additional borrowings and investments of the Company and its subsidiaries subject to certain thresholds, as defined in the Facility, and limits the payment of dividends. If availability for both total and U.S. revolving credit facilities on a pro forma basis, is greater than fifteen percent and less than or equal to twenty percent, the Company may pay dividends subject to achieving a minimum fixed charge coverage ratio of 1.00 to 1.00, as defined in the Facility. If the availability is greater than twenty percent for both total and U.S. revolving credit facilities on a pro forma basis, the Company may pay dividends without any minimum fixed charge coverage ratio requirement. The Facility also requires the Company to achieve a minimum fixed charge coverage ratio in certain circumstances in which total excess availability is less than ten percent of the total commitments under the Facility or excess availability under the U.S. revolving credit facility is less than ten percent of the U.S. revolver commitments, as defined in the Facility. At September 30, 2018 , the Company was in compliance with the covenants in the Facility.

The Company also has a $200.0 million term loan (the "Term Loan"), which matures in May 2023. The Term Loan requires quarterly principal payments on the last business day of each March, June, September and December in an amount equal to $2.5 million. Payments commenced in September 2017 and the final principal repayment is due on May 30, 2023. The Company may also be required to make mandatory prepayments, in certain circumstances, as provided in the Term Loan. At September 30, 2018 , there was $187.5 million of principle outstanding under the Term Loan which has been reduced in the unaudited condensed consolidated balance sheet by $3.3 million for discounts and unamortized deferred financing fees.

The obligations under the Term Loan are generally secured by a first priority lien on the present and future shares of capital stock, material real property, fixtures and general intangibles consisting of intellectual property (collectively, the "Term Loan Collateral") and a second priority lien on the collateral of the U.S. borrowers in the Facility. The approximate book value of assets held as collateral under the Term Loan was $625 million as of September 30, 2018 .

Borrowings under the Term Loan bear interest at a floating rate, which can be a base rate or Eurodollar rate, as defined in the Term Loan, plus an applicable margin. The applicable margin, as provided in the Term Loan, is 2.25% for U.S. base rate loans and 3.25% for Eurodollar loans. The interest rate on the amount outstanding under the Term Loan at September 30, 2018 was 5.49% . In addition, the Term Loan includes restrictive covenants, which, among other things, limit additional borrowings and investments of the Company subject to certain thresholds, as provided in the Term Loan. The Term Loan limits the payment of regularly scheduled dividends and other restricted payments to $50.0 million in any fiscal year, unless the consolidated total net leverage ratio, as defined in the Term Loan, does not exceed 1.75 to 1.00 at the time of the payment. At September 30, 2018 , the Company was in compliance with the covenants in the Term Loan.

The Company incurred fees and expenses of $0.6 million in 2018 related to the amendment of the Facility and Term Loan. These fees were deferred and are being amortized as interest expense over the term of the applicable debt agreements. Fees related to the Term Loan are presented as a direct deduction of the corresponding debt.

The Company had other debt outstanding, excluding capital leases, of approximately $93.7 million at September 30, 2018 . In addition to the excess availability under the Facility, the Company had remaining availability of $41.0 million related to other non-U.S. revolving credit agreements.

The Company believes funds available from cash on hand, the Term Loan, the Facility, other available lines of credit and operating cash flows will provide sufficient liquidity to meet its operating needs and commitments during the next twelve months and until the expiration of the Facility in April 2022.

Contractual Obligations, Contingent Liabilities and Commitments

On June 1, 2018, the Company completed the acquisition of a 75% equity interest of Maximal. Given the timing and complexity of the Maximal acquisition, the allocation of the purchase price is preliminary and will likely change in future periods, perhaps significantly as fair value estimates of the assets acquired and liabilities assumed are refined during the measurement period. The Company is in the process of obtaining a third-party valuation of the assets acquired and liabilities assumed; thus the provisional measurements are subject to change. See Note 15 to the unaudited condensed consolidated financial statements for additional information.

Since December 31, 2017 , there have been no other significant changes in the total amount of the Company's contractual obligations or commercial commitments, or the timing of cash flows in accordance with those obligations, as reported on pages 29 and 30 in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 .

Capital Expenditures

The following table summarizes actual and planned capital expenditures:

	Nine Months Ended September 30, 2018	Planned for Remainder of 2018	Planned 2018 Total	Actual 2017
Lift truck business	$ 20.9	$ 16.9	$ 37.8	$ 35.3
Bolzoni	3.1	0.5	3.6	4.7
Nuvera	0.7	2.5	3.2	1.0
	$ 24.7	$ 19.9	$ 44.6	$ 41.0

Planned expenditures for the remainder of 2018 are primarily for improvements to product development, information technology infrastructure, improvements at manufacturing locations and manufacturing equipment. The principal sources of financing for these capital expenditures are expected to be internally generated funds and bank financing.

Capital Structure

The Company's capital structure is presented below:

	SEPTEMBER 30 2018	DECEMBER 31 2017	Change
Cash and cash equivalents	**$ 121.9**	$ 220.1	$ (98.2)
Other net tangible assets	**580.0**	527.8	52.2
Intangible assets	**77.7**	56.1	21.6
Goodwill	**106.6**	59.1	47.5
Net assets	**886.2**	863.1	23.1
Total debt	**(296.5)**	(290.7)	(5.8)
Total equity	**$ 589.7**	$ 572.4	$ 17.3
Debt to total capitalization	**33%**	34%	(1)%

OUTLOOK

Consolidated Fourth Quarter Outlook

The Company expects its 2018 fourth-quarter consolidated operating profit to decrease compared with the 2017 fourth quarter as anticipated fourth-quarter improvements at Nuvera and Bolzoni are not expected to offset the anticipated decrease in the fourth-quarter operating profit at the Lift Truck business, which is expected to be lower, primarily as a result of the timing of price realization and the resulting cost/price differential and manufacturing inefficiencies. However, consolidated 2018 net income is expected to increase significantly due to the absence of unfavorable tax adjustments of $18.4 million made in the fourth quarter of 2017 and the lower effective income tax rate as a result of U.S. tax reform legislation.

Consolidated cash flow before financing activities is expected to be a significant use of cash in the fourth quarter of 2018, primarily due to anticipated increased working capital and higher capital expenditures.

Americas Outlook

The Americas market growth moderated in the 2018 third quarter, and is expected to continue to moderate in the fourth quarter of 2018. Although the market is moderating, the Company expects unit shipments, revenues and parts sales to continue to increase in the fourth quarter of 2018 compared with the prior year due to the high backlog and anticipated increased booking volumes resulting from the continued implementation of share gain initiatives. An increase in product pricing is also expected to contribute to the revenue improvement in the fourth quarter as price increases implemented on bookings earlier in the year are realized on shipments.

The 2018 fourth-quarter benefits from higher unit and parts volumes and price increases are expected to be mostly offset by the effects of material cost inflation and tariffs and a shift in mix to lower-margin products, primarily because Big Truck shipments are expected to continue to be impacted by supplier constraints affecting the Company's Nijmegen plant. However, gross profit is expected to decrease significantly due to increased manufacturing inefficiencies predominantly caused by supplier parts shortages. These challenges, combined with an expected increase in operating expenses are also expected to result in a substantial decrease in operating profit.

Late in the third quarter, the Americas announced a tariff surcharge that will go into effect for units booked during the fourth quarter of 2018 to respond to the impact of Section 301 tariffs. In addition, the Company is reviewing a number of approaches to moderate the effects of these newly enacted tariffs.

EMEA Outlook

Markets in EMEA are expected to continue to grow in the fourth quarter of 2018 compared with the prior year period but at a more moderate rate than the double digit growth seen throughout 2017 and 2018. In the remainder of 2018, unit shipments of lower-priced truck classes are expected to increase moderately compared with the prior year fourth quarter. However, despite the increase in unit shipments and the favorable effect of price increases, overall revenues are expected to be comparable to the prior year as a result of anticipated unfavorable effects of current currency rates.

Operating profit is expected to decrease in the 2018 fourth quarter compared with the prior year period as a result of material cost inflation, net of price increases, unfavorable manufacturing efficiencies caused by supplier parts shortages and the possibility of National labor-related strike days, specifically at the Company's Nijmegen plant. To support the Company's growth initiatives, the fourth quarter is expected to have higher operating expenses, particularly higher sales costs to increase the Company's sales and marketing teams and increased product development costs, both of which will contribute to the decrease in operating profit. This decrease in operating profit is expected to be partially offset by anticipated currency benefits based on current currency rates.

JAPIC Outlook

For the fourth quarter of 2018, JAPIC is expected to be comparable to the fourth quarter of 2017. Despite this market environment, JAPIC unit shipments and revenues, excluding Maximal, are expected to improve in the fourth quarter compared with the prior year. Maximal's revenues are expected to be modestly higher than the third quarter of 2018.

Despite the revenue increase, fourth-quarter operating results are expected to decrease substantially. The Company expects Maximal to generate an operating loss largely as a result of transition costs. Excluding Maximal, JAPIC operating results are expected to decrease primarily due to unfavorable manufacturing efficiencies caused by supplier parts shortages and higher sales costs to support the Company's strategic initiatives.

Overall Lift Truck Outlook

The Company remains focused on increasing unit volumes and market share over the remainder of 2018 and in future years through the continued implementation of its key strategic initiatives, which include delivering industry- and customer-focused solutions, providing low cost of ownership and enhanced productivity for customers, enhancing independent distribution, growing in emerging markets, maintaining leadership in the attachments business and providing leadership in fuel cells and their applications. The Company has realigned its sales and marketing teams and increased its sales resources to execute the Company's specific industry strategies more effectively.

To meet customer needs, the Company is developing new products in many segments that are expected to support its increased market share objectives. The Company is currently enhancing its electric and warehouse products. In October 2018, the Company launched a new EMEA retail Reach Truck, with a tilting mast, improved visibility and higher lifting heights for 1 ton to 1.4 ton retail applications. Also in October 2018, the Company introduced a new Class 3 end-rider pallet truck in the Americas targeted to low-level order picking and horizontal transport applications. In addition to the new electric trucks, in the third quarter of 2018, the Company introduced a new mast and front end for its 8- to 16-ton Class 5 Big Trucks that provides improved operator visibility. Production began on these trucks in October. The Company is also working with a customer to test a 52-ton Big Truck powered by lithium-ion batteries, and is testing an 8 to 9 ton high-performance, lithium-ion counterbalanced truck. These new products, as well as those recently launched and the introduction of other new products in the pipeline, including trucks with new Nuvera ® Fuel Cell System battery box replacements ("BBRs"), are expected to contribute to market share gains, improved revenues and enhanced operating margins.

The overall global lift truck market remained strong throughout the first three quarters of 2018 and is expected to grow only modestly in the fourth quarter of 2018. Unit shipments and unit and parts revenues in the Lift Truck business are expected to increase during the fourth quarter of 2018 compared with the same period in 2017.

Despite benefits from expected increases in unit and parts sales, as well as anticipated benefits from favorable currency effects at current rates, the Lift Truck business gross profit is expected to decrease significantly in the fourth quarter of 2018 compared with the prior year quarter. Benefits from higher unit and parts volumes and price increases are expected to be more than offset by the effects of material cost inflation and tariffs, a shift in mix to lower-margin products, primarily because Big Truck shipments are expected to continue to be impacted by supplier constraints, as well as increased manufacturing inefficiencies caused by supplier parts shortages. These challenges, combined with an expected increase in operating expenses, particularly higher sales costs to increase the Company's sales and marketing teams, increased product development costs and Maximal integration costs are also expected to result in a substantial decrease in operating profit. Nevertheless, the 2018 fourth-quarter net income is expected to increase substantially over the prior year quarter as a result of the absence of the tax adjustments made in 2017 for U.S. tax reform legislation.

The Company anticipates that commodity costs will continue to increase in the fourth quarter of 2018, although these costs, particularly for steel, remain volatile and sensitive to changes in the global economy and to tariffs. The Company has announced a tariff surcharge and will continue to monitor these costs closely and adjust pricing accordingly.

Bolzoni Outlook

As a result of anticipated growth in the EMEA market and the continued implementation of sales improvement programs, Bolzoni expects revenues in the fourth quarter of 2018 to increase significantly compared with the prior year fourth quarter.

In addition to the anticipated increase in revenues and the expected operating leverage resulting from sales growth, the continued implementation of Bolzoni's strategic programs to increase its presence in North America and to develop its industry and product solutions is expected to generate substantial growth in Bolzoni's operating profit and net income in the fourth quarter of 2018 compared with the prior year.

Nuvera Outlook

BBR unit bookings and shipments are expected to increase during the fourth quarter of 2018. In addition, due to new projects, overall, Nuvera expects lower operating and net losses in the fourth quarter of 2018.

Early in the third quarter of 2018, Nuvera finalized an agreement with Zhejiang Runfeng Hydrogen Engine Co., Ltd. to manufacture and assemble fuel cell engines designed by Nuvera for use in the Chinese “New Energy Vehicle” market. The agreement provides a product license for the exclusive manufacture of 45 kW fuel cell engines based on Nuvera's Orion ® Gen1 fuel cell stack for sale in China over the next three years. Fuel cell engines are expected to be deployed in transit buses and delivery vehicles in the cities of Ningbo, Hangzhou, Kunming and Xi’an. The agreement provides compensation to Nuvera in the form of royalty and technology services income. The agreement includes a minimum initial purchase volume after successful engine testing, with annual minimum purchases increasing significantly throughout the term of the contract. The fuel cell stacks used in these engines will be manufactured exclusively by Nuvera, initially at its facility in Billerica, Massachusetts, with localized China manufacturing expected in the 2019 to 2020 timeframe.

Nuvera is also working with a second significant Chinese company and has a signed agreement for the development of a fuel cell system for use in their internally developed electric power train. Nuvera expects significant near-term payments, which will be amortized into income over the remainder of 2018 and 2019 as the development work is completed. This agreement is an extension of an initial proof of performance review completed during the third quarter. After significant testing against both objective benchmarks and third-party systems, the Nuvera technology was selected to move forward. During 2019, this contract is expected to generate substantial income. Additional phases, if successful, would be completed over the next four years, and would result in commercial production and the non-exclusive use of Nuvera fuel cell stacks by the partner, with Nuvera retaining rights to use the stacks globally.

In addition to these activities, earlier in 2018, Nuvera and the Lift Truck business were selected to partner with the Center for Transportation and the Environment, which received an award in the second quarter of 2018 from the California Air Resources Board, to demonstrate operation of a Hyster ® 1150-CH Top Loader Big Truck using an electrified power train and Nuvera's Orion ® -based fuel cell engine for the Port of Los Angeles. This will be the first demonstration of Nuvera's plan to develop easily integrated, high-power fuel cell engines for use in OEM products.

Consolidated 2019 Perspective

On a consolidated basis, the Company's base perspective is that 2019 revenues, operating profit and net income are expected to improve over 2018.

Overall Lift Truck 2019 Perspective

Global markets in 2019 are expected to be comparable to 2018. The Company's preliminary base perspective is that anticipated benefits from expected unit and parts revenue increases driven by continued investments in the Company's strategic initiatives, will be partially offset by higher operating expenses and material cost inflation, net of price increases and tariff surcharges, resulting in an increase in both operating profit and net income in 2019 compared with 2018. However, the Company has a number of opportunities and challenges that have not yet been fully factored into its 2019 operating plan due to uncertainties in the general market environment.

At present, the Company's biggest concern is the effect of tariffs on its operations, but component shortages due to supplier constraints appear likely to become a more serious challenge to increasing volumes in 2019. However, the Company also has a number of cost saving opportunities which it is reviewing, but the effect of these opportunities are not fully calibrated at this time.

Bolzoni 2019 Perspective

Overall, the EMEA market, where Bolzoni is the strongest, is expected to grow moderately in 2019 compared with 2018. Bolzoni's revenues are expected to remain strong, but the growth rate is expected to moderate from the double digit growth experienced in 2018. Both operating profit and net income are expected to increase in 2019 compared with 2018 on improved margins.

Bolzoni has a significant opportunity to grow in the Americas market, where it has a lower market position than in EMEA. This will be a major focus in 2019 and beyond.

Nuvera 2019 Perspective

The Company expects demand for fuel cell stacks and systems, as well as BBRs used on lift trucks, to increase significantly in 2019. The Company is also encouraged by the amount of interest from third parties, particularly in China, wanting to partner with Nuvera through various types of arrangements. Nuvera believes this interest can be a significant and profitable near-term growth opportunity.

Nuvera continues to expect its cost base to decrease due to substantial cost reductions on future purchases of core components, and expects to continue to leverage improved designs and higher volumes throughout its supply chain to generate further cost reductions in 2019. However, recently implemented tariffs on imported components may partially offset these reductions.

Production of BBRs at Nuvera's Billerica, Massachusetts facility will be phased out and transferred to the Lift Truck business. Manufacturing of BBR products at the Lift Truck business' plant in Greenville, North Carolina is expected to begin in 2019 and ramp up at prudent rates.

With the phase out of BBR production in Billerica, Nuvera will focus on the design, manufacturing and sales and marketing of fuel cell stacks and engines. The growing demand for engines used in BBRs is expected to be reinforced by the recently extended federal fuel cell tax credit. As Nuvera ramps up production of fuel cell stacks and engines and leverages the partnership opportunities, its losses are expected to moderate substantially during 2019, especially in the second half of the year. As noted in previous releases, the Company has had a target to achieve break-even by late 2019. In light of the additional business opportunities in China within the non-forklift truck markets, as well as additional costs to be incurred associated with these opportunities, the Company is currently assessing the appropriateness of this target.

EFFECTS OF FOREIGN CURRENCY

The Company operates internationally and enters into transactions denominated in foreign currencies. As a result, the Company is subject to the variability that arises from exchange rate movements. The effects of foreign currency fluctuations on revenues, operating profit and net income are addressed in the previous discussions of operating results. See also Item 3, "Quantitative and Qualitative Disclosures About Market Risk," in Part I of this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS

The statements contained in this Form 10-Q that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are made subject to certain risks and uncertainties, which could cause actual results to differ materially from those presented. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Among the factors that could cause plans, actions and results to differ materially from current expectations are, without limitation: (1) reduction in demand for lift trucks, attachments and related aftermarket parts and service on a global basis, (2) delays in delivery or increases in costs, including transportation costs or the imposition of tariffs, of raw materials or sourced products and labor or changes in or unavailability of quality suppliers, (3) the successful commercialization of Nuvera's technology, (4) customer acceptance of pricing, (5) the political and economic uncertainties in the countries where the Company does business, (6) the ability of dealers, suppliers and end-users to obtain financing at reasonable rates, or at all, as a result of current economic and market conditions, (7) exchange rate fluctuations and monetary policies and other changes in the regulatory climate in the countries in which the Company operates and/or sells products, (8) delays in manufacturing and delivery schedules, (9) bankruptcy of or loss of major dealers, retail customers or suppliers, (10) customer acceptance of, changes in the costs of, or delays in the development of new products, (11) introduction of new products by, or more favorable product pricing offered by, competitors, (12) product liability or other litigation, warranty claims or returns of products, (13) the effectiveness of the cost reduction programs implemented globally, including the successful implementation of procurement and sourcing initiatives, (14) changes mandated by federal, state and other regulation, including tax, health, safety or environmental legislation, (15) unfavorable effects of geopolitical and legislative developments on global operations, including without limitation, the United Kingdom's exit from the European Union, the entry into new trade agreements and the imposition of tariffs and/or economic sanctions, and (16) the Company may not be able to successfully integrate Maximal’s operations and employees.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See pages 34, 35 and F-26 through F-29 of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 for a discussion of the Company's derivative hedging policies and use of financial instruments. There have been no material changes in the Company's market risk exposures since December 31, 2017 .

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures: An evaluation was carried out under the supervision and with the participation of the Company's management, including the principal executive officer and the principal financial officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, these officers have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. Management has excluded Maximal from its assessment of the Company's disclosure controls and procedures because the Company acquired a majority interest in Maximal on June 1, 2018. As of September 30, 2018, Maximal constituted 10% of the Company's total assets.

Changes in internal control over financial reporting: During the third quarter of 2018 , there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company acquired a majority interest in Maximal on June 1, 2018 and is currently in the process of integrating Maximal's processes and internal controls.

PART II
OTHER INFORMATION

Item 1 Legal Proceedings

None

Item 1A Risk Factors

There have been no material changes from risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 in the Section entitled "Risk Factors."

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

Not applicable

Item 5 Other Information

None

Item 6 Exhibits

The following exhibits are filed as part of this report:

Exhibit Number*	Description of Exhibits
10.1	Third Amended and Restated Joint Venture and Shareholders Agreement between Wells Fargo Financial Leasing, Inc. and Hyster-Yale Group, Inc., dated September 17, 2018 is attached hereto.
10.2	Second Amended and Restated Recourse and Indemnity Agreement, dated September 17, 2018, by and between Wells Fargo Financial Leasing, Inc., HYG Financial Services, Inc. and Hyster-Yale Group, Inc. is attached hereto.
10.3	First Amended and Restated Guarantee Agreement, dated September 17, 2018, by Hyster-Yale Materials Handling, Inc. in favor of Wells Fargo Financial Leasing, Inc. is attached hereto.
10.4	First Amended and Restated Guarantee Agreement, dated September 17, 2018, by Hyster-Yale Group, Inc. in favor of Wells Fargo Financial Leasing, Inc. is attached hereto.
31(i)(1)	Certification of Alfred M. Rankin, Jr. pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
31(i)(2)	Certification of Kenneth C. Schilling pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
32	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Alfred M. Rankin, Jr. and Kenneth C. Schilling
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Numbered in accordance with Item 601 of Regulation S-K.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Hyster-Yale Materials Handling, Inc.

Date: October 30, 2018

/s/ Kenneth C. Schilling

Kenneth C. Schilling

Senior Vice President and Chief Financial Officer (principal financial and accounting officer)

Exhibit 10.1

THIRD AMENDED AND RESTATED
JOINT VENTURE AND SHAREHOLDERS AGREEMENT

BETWEEN

WELLS FARGO FINANCIAL LEASING, INC.

AND

HYSTER-YALE GROUP, INC.

DATED SEPTEMBER 17, 2018

THIRD AMENDED AND RESTATED JOINT VENTURE AND SHAREHOLDERS AGREEMENT

THIS THIRD AMENDED AND RESTATED JOINT VENTURE AND SHAREHOLDERS AGREEMENT (" **Agreement** "), dated September 17, 2018 (the " **Restatement Effective Date** ") is by and between HYSTER-YALE GROUP, INC., a Delaware corporation with offices at 5875 Landerbrook Drive, Suite 300, Mayfield Heights, OH 44124 (" **Hyster-Yale** "), and WELLS FARGO FINANCIAL LEASING, INC., an Iowa corporation with offices at 5000 Riverside Drive, Suite 300E, Irving, TX 75039 (" **Wells Fargo** ").

BACKGROUND

Hyster-Yale and its subsidiaries are in the business of manufacturing forklift trucks, forklift truck attachments, fuel cells and other equipment, including without limitation, Hyster, Yale, Utilev, Bolzoni, Auramo, Meyer and Nuvera brand name equipment (collectively, the " **Hyster-Yale Equipment** ") that is sold and distributed by Hyster-Yale and its subsidiaries and its dealers (" **Dealers** ").

Wells Fargo is in the business of, among other things, providing financing on equipment similar to the Hyster-Yale Equipment.

Hyster-Yale and Wells Fargo have now determined to revise the nature of their relationship to best provide (a) certain types of financing to the Dealers and to the customers of Hyster-Yale and the Dealers (" **Customers** ") for (i) all types and brands of Hyster-Yale Equipment, (ii) certain other equipment sold by Dealers (" **Allied Equipment** ") and (iii) equipment sold by non-Dealers to certain Customers deemed by Hyster-Yale to be strategic customers (" **Strategic Equipment** ") and (b) other forms of financing either expressly sanctioned in the By-Laws of HYG Financial Services, Inc. or as approved by the Board of Directors of HYG Financial Services, Inc.

In conjunction therewith, Hyster-Yale and Wells Fargo have determined to amend and restate the Second Amended and Restated Joint Venture and Shareholders Agreement dated November 21, 2013, as such has been amended from time to time (the " **Current Shareholders Agreement** "), and certain of the ancillary agreements related to the operation of the HYG Financial Services, Inc. Therefore, this Third Amended and Restated Joint Venture and Shareholders Agreement amends and restates the Current Shareholders Agreement and sets forth the terms and conditions on which Hyster-Yale and Wells Fargo shall continue to operate HYG Financial Services, Inc. (" **HYGFS** "), an entity owned twenty percent (20%) by Hyster-Yale and eighty percent (80%) by Wells Fargo.

NOW, THEREFORE, in consideration of the above premises and mutual covenants contained herein below, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Formation and Purposes .

(a) On even date herewith, Wells Fargo and Hyster-Yale each hereby agree to amend and restate the Current Shareholders Agreement with Hyster-Yale continuing to own twenty percent (20%) and Wells Fargo eighty percent (80%) of the outstanding shares of capital stock of HYGFS. On or after the date that this Agreement commences the following agreements shall be contemporaneously amended: (i) the Second Amended and Restated Corporate Name Agreement shall be amended and restated in the form of Exhibit A attached hereto; (ii) the Second Amended and Restated By-Laws of HYGFS shall be amended and restated in the form of Exhibit B attached hereto; (iii) the Financing Agreement and the related Guaranty shall be amended and restated in the form of Exhibit C attached hereto; (iv) the Second Amended and Restated Administrative Services Agreement shall be amended and restated in the form of Exhibit D attached hereto; (v) the Tax Settlement Agreement Acknowledgement shall be updated in the form of Exhibit E attached hereto; (vi) the Fourth Amended and Restated Remarketing Services Agreement shall be amended and restated in the form of Exhibit F attached hereto; and (vii) the First Amended and Restated Recourse and Indemnity Agreement shall be amended and restated in the form of Exhibit G attached hereto.

(b) Hyster-Yale and Wells Fargo hereby agree that the primary purpose of HYGFS shall be to provide the following types of financial services:

(i) origination and/or acquisition of floor plan and fleet rental financing to the Dealers with respect to their inventory of Hyster-Yale Equipment and any related trade- ins (" **Hyster-Yale Inventory Financing** ");

(ii) origination and/or acquisition of floor plan and fleet rental financing to the Dealers with respect to their inventory of new and/or used equipment other than Hyster- Yale Equipment (" **Allied Inventory Financing** ");

(iii) origination and/or acquisition of parts inventory financing to the Dealers (" **Parts Inventory Financing** "; the Hyster-Yale Inventory Financing, Allied Inventory Financing and Parts Inventory Financing being collectively referred to as " **Inventory Financing** ");

(iv) origination and/or acquisition of accounts receivable financing to the Dealers (" **Accounts Receivable Financing** "; the Inventory Financing and Accounts Receivable Financing being collectively referred to as " **Wholesale Financing** ");

(v) origination and/or acquisition of financing with respect to any vehicles, computers and/or other types of commercial equipment (other than inventory) for the Dealers (" **Commercial Equipment Financing** ");

(vi) origination and/or acquisition of leases constituting leases subject to the terms of Article 2-A of the Uniform Commercial Code (" **True Leases** ") to the Customers and Dealers with respect to Hyster-Yale Equipment, Allied Equipment or Strategic Equipment (" **Lease Financing** ");

(vii) origination and/or acquisition of secured loans, conditional sales contracts, financing leases, lease-purchase agreements or other financings (other than Lease Financings) to the Customers with respect to Hyster-Yale Equipment, Allied Equipment or Strategic Equipment (" **Money-Over-Money Financing** "; Commercial Equipment Financing, Lease Financing and Money-Over-Money Financing being collectively referred to as " **Retail Financing** "); and

(viii) any other financing offerings mutually agreed to by the Board of Directors of HYGFS, including but not limited to financing of a Dealer to facilitate the acquisition of an existing dealership or financing to facilitate Dealer or Hyster-Yale sale-leaseback transactions.

(c) Anything in Section 1(b) above to the contrary notwithstanding and subject to the provisions of Section 5(g) below, it is agreed and understood that HYGFS shall have the power and authority to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

2. Initial Capitalization of HYGFS .

(a) HYGFS has authorized capital stock consisting of One Thousand (1,000) shares of common stock, One Dollar ($1.00) par value (the " **Shares** ").

(b) On the date of this Agreement, there are One Thousand (1,000) Shares issued and outstanding, of which two hundred (200) Shares are owned by Hyster-Yale and Eight Hundred (800) Shares are owned by Wells Fargo.

(c) Hyster-Yale agrees to purchase twenty percent (20%) and Wells Fargo agrees to purchase eighty percent (80%) of the number of Shares issued by HYGFS at any time.

3. Additional Capital Contributions .

(a) After giving effect to the initial capitalization of HYGFS as described in Section 2(b) above, and subject to the debt/equity limitations set forth in Section 3(b) below, when, as and if needed (whether on the basis of actual or reasonably forecasted investments to be made) by HYGFS, Hyster-Yale and Wells Fargo agree to make additional capital contributions to HYGFS, which when added to all previous capital contributions, will not, without the consent of Hyster-Yale and Wells Fargo, exceed an aggregate capitalization of One Hundred Million Dollars ($100,000,000.00). Each such contribution to capital shall be made twenty percent (20%) by Hyster-Yale and eighty percent (80%) by Wells Fargo, but neither Hyster-Yale nor Wells Fargo shall be required to pay its proportion of any such contribution if the other does not pay its proportion thereof. Such additional capital contributions shall be payable in full to HYGFS upon receipt of written notice from Wells Fargo requesting such capital contributions. Subject to the provisions of the second sentence of this Section 3(a), it is agreed that Wells Fargo may deduct from any earnings of HYGFS any amount necessary to satisfy such additional capital contributions. No additional Shares of HYGFS may be issued in return for any additional capital contributions; provided , however , that if any additional Shares are being issued, then such Shares shall be issued to both Hyster-Yale and Wells Fargo in proportion to such additional capital contributions.

(b) It will be the financial policy of HYGFS to maintain a Debt/Equity Ratio of approximately 15:1 or such higher ratio as may be agreed to by Wells Fargo and Hyster-Yale from time to time. As used in this Agreement, the term " **Debt/Equity Ratio** " shall mean a ratio calculated as follows:

The numerator shall equal the principal amount of the Debt of HYGFS, plus interest accrued thereon; and the denominator shall equal the shareholders equity shown on HYGFS's most recent financial statements (adjusted to reflect increases or decreases in shareholders' equity that may have occurred since the date of such most recent financial statements).

As used in this Agreement, the term " **Debt** " shall mean all obligations for borrowed money of HYGFS and shall include, but not be limited to any borrowings by HYGFS from Wells Fargo.

4. Fiscal Year .

The fiscal year of HYGFS shall end on the last day of December.

5. Management of HYGFS .

(a) Board of Directors . Wells Fargo and Hyster-Yale agree that the By-Laws of HYGFS shall at all times provide for a Board of Directors consisting of seven (7) persons, each of whom shall be an employee of either Wells Fargo or Hyster-Yale, or an employee of an affiliate of either Wells Fargo or Hyster-Yale. Hyster-Yale and Wells Fargo each agrees to vote all of the Shares of HYGFS owned or held of record by it at any time so as to elect, and thereafter for the term of this Agreement to continue in office, a Board of Directors consisting of four (4) persons designated by Wells Fargo (the " **Wells Fargo Directors** "), including the chairperson, and three (3) persons designated by Hyster-Yale (the " **Hyster-Yale Directors** "). The Board of Directors will determine appropriate levels of synergy and differentiation between the programs offered for the Hyster-Yale brands. The Board of Directors will meet not less often than annually, and in any event, within two weeks of any submission to the Board of Directors for resolution as contemplated by this Agreement.

(b) Executive Committee . Hyster-Yale and Wells Fargo agree that the By-Laws of HYGFS shall at all times provide for an Executive Committee consisting of five (5) persons, three (3) of whom shall be Wells Fargo Directors (or Wells Fargo employees appointed by the Wells Fargo Directors to serve in their stead) and the other two shall be Hyster-Yale Directors (or Hyster-Yale employees appointed by the Hyster-Yale Directors to serve in their stead). The Executive Committee shall have such powers (including, without limitation, powers with respect to those matters specified in Section 5(g) below) as shall be granted to it by the Board of Directors. A quorum for all meetings of the Executive Committee shall require attendance of the majority of the members thereof, and all actions to be taken by the Executive Committee must be (i) approved by the unanimous consent of the members and (ii) recorded in writing to be made available to the Board of Directors. The Executive Committee will meet within one week of any submission to the Executive Committee for resolution as contemplated by this Agreement.

(c) Officers . Hyster-Yale and Wells Fargo agree that the By-Laws of HYGFS shall at all times provide for the following officers: a President, an Executive Vice President, Vice Presidents, a Treasurer, a Secretary and Assistant Secretaries. Subject to confirmation by the Board of Directors, four Vice Presidents (other than the Executive Vice President) will be designated by the Hyster-Yale Directors (" **Hyster-Yale Officers** "), and all other officers will be designated by the Wells Fargo Directors (" **Wells Fargo Officers** "). Hyster-Yale and Wells Fargo will each instruct the Director(s) designated by it to confirm the officers designated by the other parties.

(d) Working Committee . The By-Laws of HYGFS shall provide for a Working Committee , consisting of four persons, two of whom shall be Hyster-Yale Officers and/or Hyster-Yale employees, as applicable, and two of whom shall be Wells Fargo Officers and/or Wells Fargo employees. Subject to confirmation by the Board of Directors, the Hyster-Yale representatives on the Working Committee shall be designated by Hyster-Yale, and the Wells Fargo representatives on the Working Committee shall be designated by Wells Fargo. The Working Committee shall have the following duties:

(A) identify promotions and financing programs to support Hyster-Yale initiatives, including providing data to increase market competitiveness of new products;

(B) setting response times and target credit approval rates;

(C) monitoring credit approval target achievements and providing input for development of automated systems;

(D) reviewing competitiveness and adequacy of financing program rates; and

(E) review staffing and personnel matters, including review of sales coverage and strategy.

The Working Committee Members shall be set by the Board of Directors at a meeting of the Board of Directors. The Working Committee, by the vote of any two of its members, may refer any matter to the Executive Committee for review and resolution, which matter will be considered and resolved by the Executive Committee within two weeks of such referral.

(e) Status of Directors and Officers . All directors and officers of HYGFS will be employees of either Hyster-Yale or Wells Fargo, or employees of an affiliate of Hyster-Yale or Wells Fargo, and said directors and officers shall remain participants in any retirement or pension plan, insurance, medical or other employee benefit plans of Hyster-Yale or Wells Fargo, or any such affiliate, as the case may be; it being understood and agreed that HYGFS will not have any employees and shall not be required to adopt, or maintain in force, any such employee benefit plans.

(f) Compensation of Directors and Officers . No director or officer of HYGFS shall be entitled to any compensation from HYGFS in consideration of any services that may be from time to time rendered to HYGFS.

(g) Super-majority Provisions in By-Laws. Hyster-Yale and Wells Fargo agree that the By-Laws of HYGFS shall at all times provide that any action to be taken by HYGFS on any of the matters listed in this Section 5(g) below must be approved by either the affirmative vote of the entire Board of Directors or the unanimous consent of Hyster-Yale and Wells Fargo:

(i) entry into any business other than providing the financial services to the Dealers and the Customers as described in Section 1(b) above;

(ii) approving the annual operational plan and major variances to each such plan, approving annual financial statements, and any declaration of dividends other than those which are not in excess of current year's earning or those under Section 15(b) herein below;

(iii) guaranteeing the indebtedness or other obligation of any person or entity;

(iv) borrowing any funds, except from Wells Fargo Bank, N.A. or its affiliates;

(v) pledging, mortgaging or otherwise encumbering any assets (tangible or intangible) as security for loans or otherwise;

(vi) acquiring or disposing of any assets, or otherwise entering into any commitment, contract or transaction other than in the normal course of business;

(vii) merging or consolidating with or into any other entity;

(viii) liquidating or dissolving other than in accordance with the terms and conditions of this Agreement;

(ix) except as otherwise provided in Section 3 above, issuing any new Shares or increasing the authorized capital stock of HYGFS, or repurchasing any of the capital stock of HYGFS, or entering into any agreement for the sale, purchase or transfer of any of the Shares of HYGFS;

(x) amending or otherwise modifying the Certificate of Incorporation or By-Laws of HYGFS; or

(xi) granting any power to the Executive Committee or the Working Committee not contained in this Agreement; or

(xii) establishing any additional committee of the Board of Directors, other than the Executive Committee and Working Committee, or creating or altering the powers and/

or responsibilities of any committee of the Board of Directors, including without limitation the Executive Committee and Working Committee.

(h) Removal of Directors or Officers. If at any time Hyster-Yale or Wells Fargo shall notify the other party that the notifying party desires any director of HYGFS designated by it to be removed as a director, the other party agrees that it will take all action necessary in order to cause the removal of such director. If at any time either Hyster-Yale or Wells Fargo shall notify the other party that the notifying party desires that any officer of HYGFS designated by it be removed as an officer of HYGFS, the other party agrees that it will take all action necessary in order to cause the removal of such officer.

(i) Vacancies . Whenever any vacancy on the Board of Directors is to be filled, the party who designated the individual formerly occupying such directorship shall be entitled to designate a successor to fill such vacancy and the other party hereto agrees to take such action as is necessary to cause such individual to be elected as a member of the Board of Directors. Whenever any vacancy occurs with respect to any officer of HYGFS, the party who designated the individual formerly occupying such position shall be entitled to designate a successor to fill such vacancy, subject to confirmation by the Board of Directors, and the other party hereto agrees to take such action as is necessary to cause such individual to be elected as an officer, and to instruct the Director(s) designated by it to confirm the designation of the successor to such position.

6. Service and Financing Agreements .

On or after the date upon which this Agreement commences, Hyster-Yale and Wells Fargo agree to cause HYGFS to enter into the following restated and amended agreements (" **Other Agreements** "):

(i) a First Amended and Restated Financing Agreement with Wells Fargo in the form of Exhibit C hereto (" **Financing Agreement** ");

(ii) a Third Amended and Restated Administrative Services Agreement with Wells Fargo in the form of Exhibit D hereto (" **Administrative Services Agreement** ";

(iii) a Tax Settlement Agreement Acknowledgement with Wells Fargo & Company and Wells Fargo Bank, National Association, in the form of Exhibit E hereto (the " **Tax Settlement Agreement** "; the Financing Agreement, Administrative Services Agreement and Tax Settlement Agreement being collectively referred to as the " **Other Wells Fargo Agreements** ");

(iv) a Fifth Amended and Restated Remarketing Services Agreement with Hyster-Yale in the form of Exhibit F hereto (" **Remarketing Agreement** ");

(v) a Second Amended and Restated Recourse and Indemnity Agreement with Hyster-Yale in the form of Exhibit G hereto (" **Recourse Agreement** "); and

(vi) a Third Amended and Restated Corporate Name Agreement with Hyster- Yale in the form of Exhibit A hereto (" **Corporate Name Agreement** "; the Remarketing Agreement, Recourse Agreement and Corporate Name Agreement being collectively referred to as the " **Other Hyster-Yale Agreements** ").

To the extent that any term or provision of this Agreement is in conflict with any term or provision of the Other Agreements, the terms and provisions of such Other Agreements shall prevail.

7. Hyster-Yale Obligations.

(a) Subject to the provisions of Section 30 herein below, Hyster-Yale shall have primary responsibility for communicating with the Dealers and the Customers with respect to marketing the financial services of HYGFS (including, without limitation, training Dealer sales personnel on the use of financing as a major sales tool, providing the Dealers from time to time with finance rates and factors approved by HYGFS, assisting the Dealers in closing major financing transactions, recommending for establishment Dealer credit lines with respect to Wholesale Financing, scheduling Dealer floor plan audits, collections follow-up with Dealers in default under Wholesale Financing arrangements and generally promoting the Wholesale Financing and Retail Financing offered by HYGFS as an alternative source of financing to the Dealers and the Customers). The costs and expenses related to the provision of such services by Hyster-Yale shall not be reimbursed by HYGFS to Hyster-Yale, rather Hyster-Yale shall receive a Loan Origination Fee pursuant to the terms of Section 17(a) below and a Participation Fee (the " **Participation Fee** ") in the manner set forth in Exhibit H . Anything in the first sentence of this Section 7(a) notwithstanding, Hyster-Yale shall not make any commitment of any kind whatsoever (written, verbal, implied or otherwise) on behalf of Wells Fargo, and Hyster-Yale shall not make any commitment of any kind whatsoever (written, verbal, implied, or otherwise) on behalf of HYGFS unless such commitment is specifically authorized by the Board of Directors of HYGFS or is within the scope of authority delegated to the Working Committee of HYGFS and such commitment is approved specifically or generically by the Working Committee. Hyster-Yale hereby agrees to indemnify, defend and hold harmless Wells Fargo, HYGFS and their respective successors and assigns, from and against any and all claims, suits, actions, judgments, losses, costs and expenses (including, without limitation, reasonable attorneys' fees) arising out of or in connection with, directly or indirectly, any breach by Hyster- Yale of its obligations under the immediately preceding sentence.

(b) Hyster-Yale agrees, to the extent permitted by law, to provide information, to the extent that Wells Fargo requires such information, to perform its obligations hereunder or under any of the Other Agreements, at all times during the term hereof.

8. Wells Fargo Obligations .

(a) Wells Fargo agrees to support, assist and cooperate with Hyster-Yale in marketing the financial services of HYGFS to the Dealers and the Customers. All reasonable and documented costs and expenses related to the provision of such services by Wells Fargo shall be reimbursed to Wells Fargo by HYGFS pursuant to the terms of Section 17(d) below.

(b) Wells Fargo agrees, to the extent permitted by law, to provide information to the extent that Hyster-Yale requires such information to perform its obligations hereunder or under any of the Other Agreements, at all times during the term hereof.

(c) Anything in this Section 8 notwithstanding, Wells Fargo shall not make any commitment of any kind whatsoever (written, verbal, implied or otherwise) on behalf of Hyster- Yale unless such commitment is specifically authorized in writing by Hyster-Yale. Wells Fargo hereby agrees to indemnify, defend and hold harmless Hyster-Yale and its respective successors and assigns, from and against any and all claims, suits, actions, judgments, losses, costs and expenses (including, without limitation, reasonable attorneys' fees) arising out of or in connection with, directly or indirectly, any breach by Wells Fargo of its obligations under the immediately preceding sentence.

9. Profitability Criteria .

The profitability criteria of HYGFS shall be set by the Board of Directors annually for each full calendar year throughout the term of this Agreement. All performance criteria and/or any other metrics relevant to the performance of HYGFS will be reviewed at least once every twelve (12) calendar months to ensure that Hyster-Yale and Wells Fargo are satisfied with the performance of HYGFS.

10. Accounting Records .

(a) It shall be the responsibility of Wells Fargo to maintain the books, records and accounts of HYGFS pursuant to the same accounting principles which Wells Fargo uses for its own accounts. Consolidated unaudited quarterly and/or annual financial statements for HYGFS shall be provided to Hyster-Yale by Wells Fargo as soon as available, but no later than within seven (7) business days after the close of each quarter and calendar year.

(b) Hyster-Yale shall have the right to examine and inspect, at any and all times during normal business hours, the books, records and accounts of HYGFS, and Wells Fargo shall make available to Hyster-Yale appropriate personnel to answer any questions related thereto. Such books, records and accounts shall be maintained by Wells Fargo at such location as Wells Fargo may from time to time choose; provided however that the choice of such location shall be subject to the consent of Hyster-Yale, which consent shall not be unreasonably withheld. Wells Fargo and Hyster-Yale each acknowledges that such books, records and accounts shall be and remain the property of HYGFS.

11. Representations and Warranties.

(a) Wells Fargo hereby represents and warrants to Hyster-Yale as follows:

(i) Wells Fargo has been duly and validly organized, and is a validly existing corporation, under the laws of the State of Iowa with full power and authority to enter into this Agreement and to perform its obligations hereunder.

(ii) This Agreement has been duly authorized, executed and delivered by Wells Fargo and constitutes Wells Fargo's valid and binding agreement, enforceable against Wells Fargo in accordance with its terms.

(iii) Wells Fargo is not a party to, or threatened with any suit, action, arbitration, administrative or other proceeding or governmental investigation which might materially and adversely affect Wells Fargo, this Agreement, or any of the transactions contemplated hereby, and there is no judgment, decree, award or order outstanding against Wells Fargo which might materially and adversely affect Wells Fargo, this Agreement, or any of the transactions contemplated hereby.

(iv) The execution and delivery of this Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms of this Agreement by Wells Fargo (A) will not result in the breach of any of the terms and provisions of, or constitute a default (after notice, or passage of time, or both) under, or conflict with, any agreement or other instrument by which Wells Fargo is bound where such breach, default or conflict would have a material adverse effect on Wells Fargo's business or financial condition, (B) will not violate any judgment, decree, order, or award of any court, governmental body, or arbitrator, or any applicable law, rule or regulation where such violation would have a material adverse effect on Wells Fargo's business or financial condition, and (C) do not require the consent of any governmental authority.

(b) Hyster-Yale hereby represents and warrants to Wells Fargo as follows:

(i) Hyster-Yale has been duly and validly organized, and is a validly existing corporation, under the laws of the State of Delaware with full power and authority to enter into this Agreement and perform its obligations hereunder.

(ii) This Agreement has been duly authorized, executed and delivered by Hyster-Yale and constitutes Hyster-Yale's valid and binding agreement enforceable against Hyster-Yale in accordance with its terms.

(iii) Hyster-Yale is not a party to, or threatened with, any suit, action, arbitration, administrative or other proceeding, or governmental investigation which might materially and adversely affect Hyster-Yale, this Agreement, or any of the transactions contemplated hereby, and there is no judgment, decree, award or order outstanding against Hyster-Yale which might materially and adversely affect Hyster-Yale, this Agreement, or any of the transactions contemplated hereby.

(iv) The execution and delivery of this Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms of this Agreement by Hyster- Yale (A) will not result in the breach of any of the terms and provisions of, or constitute a default (after notice or passage of time, or both) under, or conflict with, any agreement or other instrument by which Hyster-Yale is bound where such breach, default or conflict would have a material adverse effect on Hyster-Yale's business or financial condition, (B) will not violate any judgment, decree, order, or award of any court, governmental body, or arbitrator, or any applicable law, rule or regulation where such violation would have a material adverse effect on Hyster-Yale's business or financial condition, and (C) do not require the consent of any governmental authority.

12. Indemnities.

Each party agrees to indemnify, defend and hold the other harmless from, against and in respect of any and all claims, demands, damages suffered, or losses incurred, by the party to be indemnified as a result of the failure of any representation or warranty of the indemnifying party, as set forth in Section 11 hereof, to be true and correct.

13. Litigation .

(a) In the event that any litigation and/or claim arising out of the operations conducted under this Agreement or the Other Agreements in which HYGFS, Wells Fargo, their subsidiaries and affiliates, or the directors, officers or employees of any of them, is or are involved or potentially will become involved contains solely allegations of product defect or breach of warranty with respect to any Hyster-Yale Equipment which is the object of financing provided by HYGFS, Hyster-Yale, subject to Section 13(c) hereof, will have sole control of the prosecution or defense of such claim, litigation or potential litigation. Hyster-Yale shall prepare a report for HYGFS and Wells Fargo each month of such litigation and/or claims. Such report shall include the style of the suit, the nature of the claim, the damages sought and the status of each suit.

(b) In the event that any litigation and/or claim arising out of the operations conducted under this Agreement or the Other Agreements in which HYGFS, Wells Fargo, their subsidiaries and affiliates, or the directors, officers or employees of any of them, is or are involved or potentially will become involved contains solely allegations other than of product defect or breach of warranty with respect to any Hyster-Yale Equipment, Wells Fargo, subject to Section 13(c) hereof, will have sole control of the prosecution or defense of such claim, litigation or potential litigation. Wells Fargo shall prepare a report for HYGFS and Hyster-Yale each month of such litigation and/or claims. Such report shall include the style of the suit, the nature of the claim, the damages sought and the status of each suit.

(c) The provisions of Sections 13(a) and 13(b) to the contrary notwithstanding, in the event that (i) any claim or litigation arising out of operations conducted under this Agreement or the Other Agreements in which HYGFS, Wells Fargo, their subsidiaries or affiliates, or the directors, officers or employees of any of them, is or are involved or potentially will become involved exceeds $100,000 (with respect to the amount of the claim or demand) or (ii) any claim or litigation contains both (A) allegations of product defect or breach of warranty with respect to any Hyster-Yale Equipment and (B) allegations other than product defect or breach of warranty with respect to any Hyster-Yale Equipment, both Hyster-Yale and Wells Fargo shall be entitled to participate in the prosecution and defense of such claims; provided , however , (i) Hyster-Yale shall have control of the prosecution or defense of any claims involving product defect or breach of warranty with respect to any Hyster-Yale Equipment and (ii) Wells Fargo shall have control of the prosecution or defense of all other claims.

(d) In the event that any claim or litigation is subject to indemnity by one party hereto of the other whether under this Agreement or any other agreement, the indemnitor shall have sole control of the litigation thereof (including the negotiation and consummation of any settlement of such claim or of such litigation); provided, however, that the indemnitor acknowledges in writing to the indemnitee(s) its obligation to indemnify with respect to all claims set forth in such litigation and advises in reasonable detail in writing the terms and conditions of any proposed settlement.

(e) In the event that Hyster-Yale and Wells Fargo are unable to agree on the applicability of any indemnification provision under this Agreement or any Other Agreement in connection with any such claim or litigation, then such matter shall only be settled upon terms and conditions reasonably satisfactory to both Hyster-Yale and Wells Fargo.

(f) HYGFS shall bear all reasonable and documented outside legal costs and expenses (including, without limitation, reasonable and documented attorneys' fees) arising from the prosecution or defense of any claim or litigation by or against HYGFS, its directors, officers or employees, as well as any compromise or settlement thereof, unless such claim or litigation is subject to indemnity by one party hereto whether under this Agreement or any Other Agreement and, in that case, the indemnitor shall bear all reasonable and documented outside legal costs and expenses (including, without limitation, reasonable and documented attorneys' fees) arising therefrom or from any compromise or settlement thereof.

14. Term and Termination.

(a) This Agreement shall be effective on the Restatement Effective Date, shall remain in full force and effect until December 31, 2023 (the " **Base Term** ") unless sooner terminated as hereinafter provided, and will automatically renew for additional periods of one year (each a " **Renewal Term** ") unless either party at any time not less than 180 days prior to the end of the Base Term or any Renewal Term notifies the other that the notifying party will not renew this Agreement, in which event this Agreement will expire at the end of such Base Term or Renewal Term. Anything herein to the contrary notwithstanding, either party shall have the right to terminate this Agreement without Cause during the Base Term or any Renewal Term upon at least 180 days prior written notice to the other party.

(b) Notwithstanding anything to the contrary contained in Section 14(a) hereof, this Agreement may be terminated during the Base Term or any Renewal Term for Cause (as defined below): (x) upon five days prior written notice by either party to the other in the case of events specified in clauses (i) and (ii) below; and (y) upon 30 days prior written notice by either party to the other in the case of events specified in clause (iii) below if the defaulting party fails to cure the default as specified in clause (iii) below. " **Cause** " shall be defined as follows:

(i) dissolution or liquidation of the other party or HYGFS;

(ii) insolvency of the other party or HYGFS or the voluntary institution by the other party or HYGFS of any proceeding under any statute of any governmental authority for the relief of debtors, seeking relief from or readjustment of its indebtedness, either through reorganization, composition, extension or otherwise, or the involuntary institution against the other party or HYGFS of any such proceeding which is not vacated within sixty days from the institution thereof, or the appointment of a receiver, custodian or other officer having similar powers for the other party or HYGFS or for the other party's or HYGFS's business who is not removed within sixty days after such appointment; and

(iii) any breach or violation by the other party of any obligation contained in this Agreement (including, without limitation, the exclusivity provisions of Section 19 hereof), or in any other agreement between such party and HYGFS or the other party hereto, which breach or violation is not corrected within thirty (30) days after written notice thereof.

(c) If this Agreement terminates for any reason whatsoever, the obligations of either party hereto under this Agreement and the Other Agreements shall not be affected or impaired in any manner except as specifically provided for in such agreements. Hyster-Yale and Wells Fargo agree to take such action as may be necessary to cause HYGFS to cease providing any new Wholesale Financing, Retail Financing or other financing after the effective date of the termination (including, but not limited to, calling, terminating or otherwise canceling any Wholesale Financing, Retail Financing or other financing as of such date to the extent legally permitted). Hyster-Yale and Wells Fargo further agree that, upon the effective date of such termination, they will cause HYGFS to immediately wind up its business and affairs and shall proceed to liquidate and dissolve HYGFS. Such liquidation and dissolution shall be achieved through an orderly program calculated to protect the interests of each of Hyster-Yale and Wells Fargo and shall take place over a period of time not to exceed the unexpired term of any contract for financing provided by HYGFS outstanding on the effective date of termination (which contract cannot legally be called, terminated or otherwise canceled by HYGFS) plus six months. In such event, the parties agree that they will use commercially reasonable efforts to effect the prompt liquidation and dissolution of HYGFS and to bring about the distribution of the assets of HYGFS in accordance with the provisions of this Agreement. The provisions of this Section 14(c) to the contrary notwithstanding, it is understood by the parties hereto that HYGFS shall not make distributions "in kind" except upon their prior mutual agreement.

15. Dissolution of Venture.

(a) In the event that HYGFS be dissolved and liquidated, the Company shall be wound down and the cash proceeds of such liquidation shall be applied and distributed in the following order of priority, except to the extent otherwise required by applicable provisions of law:

(i) First, to the payment of debts and liabilities of HYGFS (other than any debts and liabilities owed to either of the parties hereto) and the expenses of liquidation;

(ii) Next, to the payment of any debts and liabilities of HYGFS to either of the parties hereto; and

(iii) Finally, the balance of the assets remaining after the distributions set forth under (i) and (ii) above, pro rata to the shareholders in accordance with the Shares held by them at the time of distribution.

(b) It is understood that HYGFS shall, from time to time and as available, make interim cash distributions to the parties hereto, pro rata to the shareholders in accordance with the Shares held by them at the time of distribution.

16. Hyster-Yale's Stock Option .

(a) The provisions of Section 14(c) to the contrary notwithstanding, upon the termination of this Agreement by Wells Fargo for Cause, or by Hyster-Yale for Cause, pursuant to Section 14(b) above, then Hyster-Yale shall be entitled, at its sole option, to purchase all, but not less than all, of the Shares of HYGFS held by Wells Fargo (the " **Wells Fargo Shares** "), such purchase to be made in accordance with the provisions of this Section 16. In order to exercise its option hereunder (the " **Stock Option** "), Hyster-Yale shall give written notice to Wells Fargo to such effect no later than forty-five (45) days after Hyster-Yale has given or received written notice of termination of the kinds described above.

(b) The purchase price (" **Purchase Price** ") for the Wells Fargo Shares under the Stock Option shall be the "net book value" (as hereinafter defined) of such Wells Fargo Shares determined as of the date on which such Wells Fargo Shares are purchased and sold (the " **Purchase Date** "). For purposes of this Section 16, the "net book value" of the Wells Fargo Shares shall be determined by reference to the "net book value of HYGFS" on the Purchase Date. The "net book value of HYGFS" shall be determined in accordance with generally accepted accounting principles and the regular methods and practices used by HYGFS in keeping its books, applied on a consistent basis, except that the following provisions, even though not necessarily consistent with generally accepted accounting principles, shall apply:

(i) Goodwill, trade names, trademark, copyrights and similar intangible assets shall be of no value unless such assets shall have been acquired and paid for in cash and, in such event, the value thereof, if any, shall be taken at the amount paid therefor, less any amortization or impairment thereof;

(ii) Fixed assets, if any, consisting of, but not limited to, furniture and fixtures, shall be taken at cost less accumulated depreciation;

(iii) Real estate, if any, shall be stated at the fair market value thereof, as determined by an independent appraiser to be selected by the mutual consent of Hyster- Yale and Wells Fargo;

(iv) Money-over-money retail contracts and wholesale contracts shall be at the outstanding principal balance thereof, plus all accrued and unpaid interest, late charges and other amounts due thereunder;

(v) True leases shall be at the termination value thereof (as of the rental payment date immediately preceding the Purchase Date) and all rentals, late charges and other amounts under such leases that are due and unpaid as of the Purchase Date;

(vi) Adequate provisions for reserves for federal, state and local taxes shall be accrued and applied as a liability as of the balance sheet date;

(vii) All loss reserves shall be valued at zero;

(viii) Prepaid insurance and other prepaid expenses and charges shall be reflected as prepaid assets as of the balance sheet date; and

(ix) Adequate provisions for accounts payable and any other known liabilities of HYGFS shall be taken as a liability as of the balance sheet date.

(c) On the Purchase Date, Hyster-Yale shall make an initial payment (" **Initial Payment** ") to Wells Fargo in an amount equal to the estimated "net book value" of the Wells Fargo Shares as indicated on the books and records of Wells Fargo as of the Purchase Date and shall be paid by wire transfer of immediately available funds to an account designated by Wells Fargo.

(d) On or before the date ninety (90) days after the Purchase Date, Wells Fargo shall submit to Hyster-Yale an unaudited balance sheet of HYGFS dated as of the Purchase Date (" **Purchase Date Balance Sheet** ") which shall be prepared in accordance with generally accepted accounting principles by Wells Fargo. If requested by Hyster-Yale by written notice delivered to Wells Fargo no later than 30 days after the receipt of the Purchase Date Balance Sheet, the independent public accountants regularly engaged by HYGFS will audit (the " **Audit** "), at Hyster-Yale's sole cost and expense, the Purchase Date Balance Sheet. Such Audit shall be conducted in accordance with generally accepted audit standards and shall be sufficient to permit such accountants to render their unqualified opinion to the effect that the original Purchase Date Balance Sheet, or an adjusted Purchase Date Balance Sheet prepared by such accountants (" **Adjusted Purchase Date Balance Sheet** "), fairly presents the consolidated financial position of HYGFS on the Purchase Date in conformity with generally accepted accounting principles (except as set forth in subsection (b) above) applied on a consistent basis. The Audit shall be final, binding and conclusive on the parties. If Hyster-Yale does not request for any reason whatsoever the Audit in the time and manner required by this Section 16(d), then the original Purchase Date Balance Sheet shall be deemed final, binding and conclusive on the parties.

(e) On the date which is the thirtieth (30th) day following the date of delivery to Hyster-Yale of the Purchase Date Balance Sheet (or, alternatively, the fifth (5th) business day following the date on which the audit requested pursuant to paragraph (d) above is finalized), the Purchase Price shall be adjusted as follows:

(i) if the Purchase Price pursuant to the Purchase Date Balance Sheet exceeds the Initial Payment, Hyster-Yale shall pay to Wells Fargo the difference between said amounts (plus interest thereon at the Prime Rate that was in effect on the Purchase Date calculated from the Purchase Date); however

(ii) if the amount of the Initial Payment exceeds the Purchase Price, pursuant to the Purchase Date Balance Sheet, Wells Fargo shall pay to Hyster-Yale the difference between said amounts (plus interest thereon at the Prime Rate that was in effect on the Purchase Date calculated from the Purchase Date).

As used herein, the " **Prime Rate** " shall mean the highest rate of interest announced by any member bank of the N.Y. Clearinghouse Association as its prime or base lending rate for commercial loans of short term maturities.

(f) The Purchase Date for the Stock Option shall be on the later of (i) the effective date of termination of this Agreement or (ii) the expiration of any waiting period imposed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, if applicable. On the Purchase Date, Hyster-Yale shall pay to Wells Fargo the Initial Payment for the Wells Fargo Shares. (If post- closing it is determined that the Initial Payment was not equal to the Purchase Price, then the difference shall be reconciled between Hyster-Yale and Wells Fargo as provided in Section 16(e)). Such payment shall be made by wire transfer of Hyster-Yale to Wells Fargo against delivery of the Wells Fargo Shares in the following manner: certificates representing such Shares shall be endorsed in blank, with signatures guaranteed. THE PURCHASE BY Hyster- Yale OF THE Wells Fargo SHARES SHALL BE WITHOUT ANY RECOURSE TO, OR REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER BY, Wells Fargo, except that (i) Wells Fargo has been duly and validly organized, and is a validly existing corporation, under the laws of the State of Minnesota with full power and authority to sell the Wells Fargo Shares to Hyster-Yale, (ii) the sale of the Wells Fargo Shares has been duly authorized by Wells Fargo, and (iii) Wells Fargo has good and marketable title to the Wells Fargo Shares and has the absolute right, power and capacity to sell assign and transfer the Wells Fargo shares to Hyster-Yale free and clear of any liens, claims and encumbrances arising by, through or under Wells Fargo (other than restrictions imposed generally by state and federal securities laws with respect to unregistered securities).

(g) Anything in the foregoing to the contrary notwithstanding, the Stock Option shall be deemed null and void, and Wells Fargo shall have no duty or obligation under this Section 16 or otherwise to sell the Wells Fargo Shares to Hyster-Yale, if such sale would require such Wells Fargo Shares or the transaction to be registered under any applicable federal or state securities laws. In connection with any purchase of the Wells Fargo Shares pursuant to the Stock Option, Hyster-Yale understands and agrees that it will be required to provide Wells Fargo with representations and warranties that would reasonably be expected to be provided in substantially similar transactions.

(h) In the event that Hyster-Yale exercises its Stock Option, Hyster-Yale shall, unless Wells Fargo has terminated this Agreement without Cause, be obligated to reimburse Wells Fargo upon demand for all out-of-pocket fees, costs and expenses of any kind whatsoever incurred by Wells Fargo in connection therewith and/or in connection with its sale of the Wells Fargo Shares to Hyster-Yale (including, without limitation, any fees and disbursements of outside counsel or outside accountants and any costs related to the prepayment of any debt incurred by Wells Fargo as a result of its obligations under the Financing Agreement).

17. Staffing and Organization Expenses .

(a) Hyster-Yale shall supply front room personnel (frontroom personnel are those that primarily dedicate their time to working on Wholesale and Retail Financing prior to closing and booking), which personnel may comprise the following positions: managers, field representatives, account representatives, wholesale administrators and administrative assistants. All such personnel will be fully dedicated to HYGFS. Frontroom staffing, shall be mutually agreed upon by the parties from time to time based on the needs of HYGFS. As compensation for the frontroom staffing, Hyster-Yale shall be entitled to an annual loan origination fee (" **Loan Origination Fee** "). The Loan Origination Fee shall be the greater of (i) $750,000.00, or (ii) $750,000.00 times the Consumer Price Index ("CPI") measured on the September 30 of the year prior to the payment of the Loan Origination Fee divided by the CPI measured as of September 30, 2012. The Loan Origination Fee may be paid by HYGFS to Hyster-Yale quarterly or otherwise as HYGFS and Hyster-Yale may agree.

(b) Wells Fargo (or on behalf of Wells Fargo, Wells Fargo Bank, N.A. or subsidiaries of Wells Fargo Bank, N.A.) shall perform all administrative responsibilities with respect to all Wholesale and Retail Financing entered into by HYGFS pursuant to the terms of the Administrative Services Agreement.

(c) HYGFS will pay all reasonable external, out-of-pocket expenses incurred by Hyster-Yale and Wells Fargo in connection with the establishment of HYGFS, the qualification and licensing of HYGFS and preparation of the documentation for Wholesale and Retail Financing; provided, however, that the specific type of out-of-pocket expenses to be borne by HYGFS are mutually agreed to by Wells Fargo and Hyster-Yale in writing.

(d) HYGFS will pay or reimburse all reasonable and documented internal and external out-of-pocket expenses incurred by Wells Fargo in connection with the design, creation and publication of financing and remarketing literature, bulletins, price sheets and promotional literature, provided, however, that the specific type of out-of-pocket expenses to be borne by HYGFS are mutually agreed to by the Working Committee.

18. Trademarks .

(a) Wells Fargo hereby waives any right, title and interest in and to the trade names "NMHG," "Hyster-Yale", "Utilev", "Nuvera", "NMHG Financial Services", "HYG Financial Services", "Hyster Capital" and "Yale Financial Services" as well as any and all variations thereof, and the related trademarks. Hyster-Yale hereby grants or shall cause its subsidiaries to grant to Wells Fargo, on the same basis as Hyster-Yale or its subsidiaries, as applicable, has already granted to HYGFS under the Corporate Name Agreement, the right to use the trade names "NMHG", "Hyster-Yale", "Utilev", "Nuvera", "Bolzoni", "Auramo", "Meyer", "NMHG Financial Services", "HYG Financial Services", "Hyster Capital" and "Yale Financial Services" and the related trademarks in connection with the performance of Wells Fargo's obligations hereunder or under any of the Other Agreements.

(b) Hyster-Yale hereby waives any right, title and interest in and to the trade names "Wells Fargo", "Wells Fargo & Co.", "Wells Fargo Bank, N.A.", "Wells Fargo Financial Leasing, Inc.", "Wells Fargo Vendor Financial Services, LLC" and "Wells Fargo", as well as any and all variations thereof, and the related service marks and trademarks.

19. Exclusivity .

(a) As to Wells Fargo . With respect to Wells Fargo's operations in the United States of America, during the Term of the Program, (i) Wells Fargo and its affiliated equipment financing businesses will endeavor not to enter into any other significant financing programs with other manufacturers of forklifts (" **Hyster-Yale Competitors** "), the primary function of which is to be the exclusive source of financing for forklifts in the United States (such Hyster-Yale Competitors to be mutually determined by Wells Fargo and Hyster-Yale from time to time reasonably acting in good faith), provided that the foregoing shall not require Wells Fargo to cancel or otherwise terminate, and shall not preclude the renewal of, any such financing programs that were in place prior to March 1, 2016, and (ii) on and after March 1, 2017, all Hyster- Yale Inventory Financing and all origination and/or acquisition of true leases, secured loans, conditional sales contracts, financing leases, lease-purchase agreements or other financings of Hyster-Yale Equipment to Dealers and to Customers referred by Dealers shall be originated or acquired and booked by the Company rather than by any other Wells Fargo equipment financing business, except as otherwise agreed in writing by Hyster-Yale.

(b) As to Hyster-Yale . With respect to Hyster-Yale's operations in the United States of America, except as otherwise agreed in writing between the parties from time to time, Hyster-Yale will endeavor not to solicit, or enter into, any Retail or Wholesale Financing (or enter into any partnership, joint venture or other arrangement with any other party to provide any of the foregoing) for either Hyster-Yale or Allied Equipment, except that Hyster-Yale may make equity investments in, or general loans and other extensions of credit to or for the benefit of, Dealers from time to time which may be secured by general liens on inventory, receivables, equipment and other assets of the Dealers.

20. Confidentiality .

All information with respect to HYGFS, Hyster-Yale or Wells Fargo, or with respect to the business, operations, products and customers of HYGFS, Hyster-Yale or Wells Fargo, shall be kept confidential and shall not be disclosed to third parties, except for (i) any disclosures required by law or required to be made to any governmental agencies, or (ii) with respect to HYGFS, any disclosures to its independent certified public accounting firm or to other persons or entities that may need to know for the purpose of the business or operations of HYGFS, or (iii) any disclosures of information that was in the public domain at the time of receipt or subsequently comes into the public domain (other than as a result of an unauthorized disclosure), or (iv) disclosures of the type that are customary in the ordinary course of business (e.g., the terms of financing available from HYGFS).

21. Waiver .

Waiver by any party hereto of any breach or default by any other party of any of the terms and conditions of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived.

22. Notices .

Any notices or other communications required or permitted hereunder shall be made in writing and sufficiently given if personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Hyster-Yale:

Hyster-Yale Group, Inc.
5875 Landerbrook Drive, Suite 300 Mayfield Heights, OH 44124

Attn: General Counsel To Wells Fargo:

Wells Fargo Financial Leasing, Inc.
5000 Riverside Drive, Suite 300E
Irving, TX 75039
Attention: General Counsel – Vendor Financial Services

Either party hereto may change the address to which each such notice or communication shall be sent by giving written notice of such change of address to the other party hereto in the manner above stated.

23. Restatement and Amendment .

On the Restatement Effective Date, the Current Shareholders Agreement shall be amended and restated in its entirety by this Agreement and the Current Shareholders Agreement shall thereafter be of no further force and effect except to evidence (i) the representations and warranties of the parties hereto prior to the Restatement Effective Date and (ii) any action or omission performed or required to be performed pursuant to such Current Shareholders Agreement prior to the Restatement Effective Date. The restatements and amendments set forth herein shall not cure any breach thereof existing prior to the Restatement Effective Date. No alteration, amendment, assignment or modification of any of the terms or provisions of this Agreement shall be void unless made pursuant to an instrument in writing signed by each of the parties hereto; provided that the waiver by either party hereto of compliance with a provision hereof or of any breach or default by the other party hereto need be signed only by the party waiving such provision, breach or default.

24. Adoption by HYGFS; Legend on Certificates .

(a) Each of Hyster-Yale and Wells Fargo agrees that it will consent to and approve any amendment to the Certificate of Incorporation or By-Laws of HYGFS which may be necessary or advisable in order to conform to any of the provisions of this Agreement or any amendments hereto to the applicable laws of the State of Delaware as now or hereafter enacted, including, without limitation, the General Corporation Law of the State of Delaware. Each party further agrees to vote its Shares in HYGFS and to execute and deliver such documents as may be necessary in order to implement the provisions of the preceding sentence.

(b) Shares may be represented by a certificate or may be uncertificated. Any certificates representing the Shares shall have endorsed upon them the following legend:

The sale, assignment, transfer, pledge, encumbrance or hypothecation of the Shares represented by this Certificate are subject to compliance with the terms and conditions of a Third Amended and Restated Joint Venture and Shareholders Agreement, dated September 17, 2018 by and between Hyster-Yale Group, Inc. and Wells Fargo Financial Leasing, Inc., a copy of which is on file at the offices of HYG Financial Services, Inc.

25. Counterparts .

This Agreement may be executed in any number of counterparts each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

26. Successors and Assigns .

Neither party hereto may sell, assign, transfer, pledge, encumber or hypothecate any of its rights or obligations hereunder or any Shares without the prior written consent of the other party hereto. Any attempted sale, assignment, transfer, pledge, encumbrance or hypothecation in violation of this Section shall be void and of no force and effect. All of the terms and provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

27. Section Headings .

All sections, subsections and clauses contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

28. Governing Law and Arbitration .

This Agreement shall be construed and enforced in accordance with the laws of the State of New York. Any and all disputes, controversies or claims arising out of, or relating to, this Agreement or any of the Other Agreements shall be determined by arbitration in accordance with the Arbitration Rules of the American Arbitration Association. The number of arbitrators shall be three. One arbitrator each shall be appointed by Hyster-Yale and Wells Fargo respectively, and the third arbitrator, who shall serve as chairman of the tribunal, shall be appointed by the American Arbitration Association. The place of arbitration shall be New York City. The language of the arbitration shall be English and any arbitral award arising from any arbitration pursuant to this paragraph shall be final and binding upon all parties hereto and no party shall seek recourse to a court of law or other authorities to appeal for revision of such decision or any other ruling of the arbitrator. The cost of the arbitration shall be borne by the party who does not prevail in the arbitration proceeding or as is otherwise decided by the arbitration panel. The question of whether a dispute is governed by this arbitration clause shall itself be determined by arbitration.

29. Severability of Provisions .

If any covenant or other provision of this Agreement is invalid, unlawful, or incapable of being enforced by reason of any rule of law or public policy, all other covenants and provisions of this Agreement which can be given effect without the invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect, and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed.

30. Advertising .

Without the prior written consent of the other party hereto, neither Hyster-Yale nor Wells Fargo shall advertise in any manner the financial services of HYGFS (whether by written brochure, newspaper advertisement, radio commercial, television commercial or otherwise), even if such advertisement is intended solely for the Dealers and the Customers, except that Hyster-Yale may advertise the financial services of HYGFS without mentioning Wells Fargo and without the consent of Wells Fargo, but, if Hyster-Yale does so without the prior written consent of Wells Fargo, Hyster-Yale shall be solely responsible for any costs or liabilities arising from any such advertisement.

31. Competitiveness .

Wells Fargo will communicate pricing policies consistent with the provisions of Section 3.01 of the Administrative Services Agreement. Wells Fargo and Hyster-Yale acknowledge and agree that all rates quoted by Wells Fargo may be conditioned and subject to change by Wells Fargo, and any such changes will be communicated to Hyster-Yale prior to such changes. Different rates may apply to different financial offerings depending on size, term, product type and credit classification of the Customer. All quoted rates will be at Wells Fargo's sole discretion. Both Wells Fargo and Hyster-Yale will use commercially reasonable efforts to ensure that HYGFS offers rates and products that are competitive within the U.S. market, and any concerns that Hyster-Yale has with the rates or products offered by Wells Fargo may be addressed by the Board of Directors either independently by the Board of Directors, or upon escalation by the Working Committee or the Executive Committee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

HYSTER-YALE GROUP, INC.

By: /s/ Kenneth C. Schilling

Senior Vice President and Chief Financial Officer

WELLS FARGO FINANCIAL LEASING, INC.

By: /s/ James W. Kelly

Title: Designated Signer

Exhibit 10.2

SECOND AMENDED AND RESTATED RECOURSE AND INDEMNITY AGREEMENT

THIS SECOND AMENDED AND RESTATED RECOURSE AND INDEMNITY AGREEMENT (" **Agreement** "), dated September 17, 2018 (the " **Restatement Effective Date** ") is by and among WELLS FARGO FINANCIAL LEASING, INC., an Iowa corporation with offices at 5000 Riverside Dr., Ste. 300E, Irving, TX 75039 (" **Wells Fargo** "), HYG FINANCIAL SERVICES, INC., a Delaware corporation with offices at 5000 Riverside Dr., Ste. 300E, Irving, TX 75039 (" **HYGFS** "), and HYSTER-YALE GROUP, INC., a Delaware corporation with offices at 5875 Landerbrook Drive, Mayfield Heights, OH 44124 (" **Hyster-Yale** ").

Hyster-Yale and its subsidiaries are in the business of manufacturing forklift trucks, forklift truck attachments, fuel cells and other equipment, including without limitation, Hyster, Yale, Utilev, Bolzoni, Auramo, Meyer and Nuvera brand name equipment (collectively, the " **Hyster-Yale Equipment** ") that is sold and distributed by Hyster-Yale and its subsidiaries and its dealers (" **Dealers** ").

Wells Fargo is in the business of, among other things, providing financing for equipment similar to the Hyster-Yale Equipment.

Hyster-Yale and Wells Fargo have now determined to revise the nature of their relationship to best provide certain types of financing to the Dealers and to the customers of Hyster-Yale and/or the Dealers (" **Customers** ") for (i) all types and brands of Hyster-Yale Equipment, (ii) certain other equipment sold by Dealers (" **Allied Equipment** ") and (iii) equipment sold by non-Dealers to certain Customers deemed by Hyster-Yale to be strategic customers (" **Strategic Equipment** ") and (iv) other forms of financing either expressly sanctioned in the By-Laws of HYGFS or as approved by the Board of Directors of HYGFS.

In conjunction therewith, Hyster-Yale and Wells Fargo have determined to amend and restate that certain Second Amended and Restated Joint Venture and Shareholders Agreement dated November 21, 2013, as such has been amended from time to time, and certain of the ancillary agreements related to the operation of HYGFS, including this Agreement.

This Second Amended and Restated Recourse and Indemnity Agreement amends and restates that certain First Amended and Restated Recourse and Indemnity Agreement dated as of November 21, 2013, as such has been amended from time to time (the " **Current Recourse and Indemnity Agreement** "), and sets forth the terms and conditions on which Hyster-Yale guarantees the prompt payment and performance to Wells Fargo and HYGFS of the obligations of Dealers pursuant to loans and extensions of credit by HYGFS to such Dealers.

NOW, THEREFORE, in consideration of the above premises and the mutual promises contained herein, as well as other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

1.01 " **Base Term** " shall mean the period from the date hereof to and including December 31 , 2023 unless sooner terminated as provided herein.

1.02 " **Commercial Equipment Financing"** shall have the meaning given such term in Section (1)(b)(v) of the Shareholders Agreement.

1.03 " **Equipment** " means any Hyster-Yale Equipment, Allied Equipment or Strategic Equipment (as each of those terms is used in the Shareholders Agreement) financed by HYGFS for a Customer.

1.04 " **Eligible US Fleet Rental Financing Account** " means and includes all US Fleet Rental Financing Accounts other than any US Fleet Rental Financing Accounts constituting an "Ineligible US Fleet Rental Financing Account" approved by HYGFS in its sole discretion to qualify as Eligible US Fleet Rental Financing Accounts hereunder.

1.05 " **Eligible US Fleet Rental Financing Account Default** " means and includes any default of an obligor under an Eligible US Fleet Rental Financing Account (whether such obligor is the direct obligor or a surety) where such default is not cured by such obligor within 45 days of such obligor's receipt of notice of said default.

1.06 " **Fleet Rental Financing Account** " means and includes any loan or other extension of credit to a Dealer for the acquisition by the Dealer of Equipment, including attachments and batteries (and any related trade-ins) only if and to the extent such Equipment (and any related trade-ins) is or becomes part of such Dealer's rental fleet, but does not include any loan or other extension of credit by HYGFS to a Customer.

1.07 " **Fleet Rental Financing Equipment** " means any Equipment financed through a Fleet Rental Financing Account.

1.08 " **Ineligible Fleet Rental Financing Account** " means and includes the following: (i) Fleet Rental Financing Accounts financing property located outside of the United States; (ii) any US Fleet Rental Financing Account covered by a separate recourse arrangement; and (iii) any US Fleet Rental Financing Account that is not approved by HYGFS in its sole discretion to qualify as an Eligible US Fleet Rental Financing Account, which disapproval/ineligibility shall be communicated to Hyster-Yale in the form of periodic loss pool reports or other written notice delivered by HYGFS to Hyster-Yale.

1.09 " **Lease Financing** " shall have the meaning defined in Section (1)(b)(vi) of the Shareholders Agreement.

1.10 " **Loss Pool Balance** " means, for each Loss Pool Account, the current balance of the Loss Pool Account, as determined in accordance with Section 2.06 of this Agreement.

1.11 " **Net Book Value** " means the value of an Eligible US Fleet Rental Financing Account, as reflected on HYGFS's books and records, calculated on the basis of: (i) all accrued and unpaid sums due under such Eligible US Fleet Rental Financing Account; plus (ii) all future payments due during the remainder of the term of such Eligible US Fleet Rental Financing

Account, with each such payment discounted to its present value from the due date thereof to the date of payment of the Net Book Value at the interest rate applicable to such Eligible US Fleet Rental Financing Account.

1.12 " **Net Remarketing Proceeds** " means the proceeds actually received by Hyster-Yale upon its remarketing of Equipment, minus any applicable sales taxes and Actual Out-Of-Pocket Costs (as defined in Section 2.06(b)(2) hereof). If Hyster-Yale does not remarket the Equipment during the Remarketing Period, Net Remarketing Proceeds will be deemed to be equal to the Net Book Value paid to HYGFS and the adjustment to the applicable Loss Pool Account will be zero.

1.13 " **Person** " shall mean and include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any political subdivision thereof.

1.14 " **Remarketing Period** " means the period beginning on the date of receipt of the Net Book Value under section 2.01 below and ending one hundred eighty (180) days thereafter.

1.15 " **Retail Customer** " shall mean and include any Customer of a Dealer.

1.16 " **Sale Out of Trust** " means any conversion, disposal, sale or encumbrance (other than a permitted rental or sublease to a Retail Customer) by a Dealer of any Equipment that is the subject of a US Fleet Rental Financing Account in violation of the terms of the applicable US Fleet Rental Financing Account financing documents without the prior written consent of HYGFS.

1.17 " **Shareholders Agreement** " shall mean that certain Third Amended and Restated Joint Venture and Shareholder's Agreement dated as of the date of this Agreement, by and between Wells Fargo and Hyster-Yale.

1.18 " **US Fleet Rental Financing Account** " means and includes any Fleet Rental Financing Account financing property located in the United States.

1.19 " **Wholesale Account** " shall mean and include any loan or other extension of credit, now or hereafter, by HYGFS to either: (i) any Dealer (whether or not owned by Hyster-Yale or any of its respective affiliates or subsidiaries), or (ii) Hyster-Yale or any of its respective affiliates or subsidiaries secured by Hyster-Yale Equipment (whether or not such Hyster-Yale Equipment is purchased directly from the proceeds of any such loan or other extension of credit or is kept as inventory for sale or as part of the respective party's rental fleet), provided, however , that Wholesale Account shall not include any Commercial Equipment Financing nor any Lease Financing to Dealers or Hyster-Yale, where such assets are thereafter subleased to Retail Customers.

1.20 " **Wholesale Account Documents** " shall mean any documents evidencing any Wholesale Account.

All capitalized terms not defined herein shall have the same meanings as contained in the Shareholder's Agreement.

ARTICLE II

RECOURSE FOR WHOLESALE ACCOUNTS

2.01 Recourse for Wholesale Accounts . The following provisions shall apply with respect to all Wholesale Accounts not covered by the provisions of Section 2.06 hereof:

(a) In the event of a default under any of the Wholesale Accounts entered into by HYGFS during the Base Term (other than US Fleet Rental Financing Accounts covered by a separate recourse arrangement outside of this Agreement and Wholesale Accounts covered by the provisions of Section 2.06), Hyster-Yale will, within twenty (20) days of demand, repurchase any such Wholesale Account(s) affected by such default and pay HYGFS the amount then owed by the respective party thereto to HYGFS under the default pursuant to the terms of the respective Wholesale Account Documents (" **Repurchase Price** "). For purposes of this Section 2.01, default is defined as the occurrence of any event which would, under the terms of the Wholesale Account Documents, constitute a default. It is not contemplated that HYGFS will automatically exercise its rights to demand repurchase of any Wholesale Account(s) under this Section unless collection of such Account(s) is deemed to be unlikely. Failure on the part of HYGFS to exercise such right shall not constitute a waiver of such right. Upon receipt by HYGFS of the full amount of the Repurchase Price for any Wholesale Account(s), and provided that Hyster-Yale is not otherwise in Default under this Agreement, HYGFS will assign all of its right, title and interest in such Account(s) to Hyster-Yale (or its designee) without recourse to, or warranty (of any kind whatsoever) from HYGFS.

(b) Anything in this Agreement to the contrary notwithstanding, Hyster-Yale hereby agrees that its obligations under this Section 2.01 shall be primary, absolute, continuing and unconditional, irrespective of, and unaffected by, any of the following actions or circumstances (regardless of any notice to, or consent of, Hyster-Yale): (i) the genuineness, validity, regularity and enforceability of any Wholesale Account; (ii) any extension, renewal, amendment, change, waiver or other modification by HYGFS of any Wholesale Account; (iii) the absence of, or delay in, any action to enforce the terms of any Wholesale Account; (iv) the release of, extension of time for payment or performance by, or any other indulgence granted to the Dealer or any other person with respect to any Wholesale Account by operation of law or otherwise; (v) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any Hyster-Yale Equipment, collateral or security given in connection with any Wholesale Account, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of HYGFS's rights to any such Hyster-Yale Equipment, collateral or security; (vi) any Dealer's voluntary or involuntary bankruptcy, assignment for the benefit of creditors, reorganization, or similar proceedings affecting the Dealer or any of its assets; or (vii) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. Notwithstanding any provision to the contrary herein, Hyster-Yale shall have no obligation to repurchase any Wholesale Account pursuant to this Section 2.01 under any of the following circumstances: (x) solely with respect to Wholesale Accounts which are documented solely by HYGFS, if a Wholesale Account proves unenforceable due to the fact that the applicable Wholesale Account Documents are incomplete, (y) solely with respect to Wholesale Accounts where HYGFS is responsible for the perfection of its security interest in the respective

Hyster-Yale Equipment, if a Wholesale Account proves unenforceable due to a failure of the Wells Fargo to obtain and perfect a valid first priority security interest in such Equipment, or (z) if a Wholesale Account falls into default solely because HYGFS is in default of its obligations under the applicable Wholesale Account Documents.

(c) At least One-Hundred and Eighty (180) days prior to the expiration of the Base Term (or such longer period of time as agreed among the parties), HYGFS, Wells Fargo and Hyster-Yale shall enter into discussions with respect to the continuing need for recourse on Wholesale Accounts. In the event that HYGFS, Wells Fargo and Hyster-Yale have not reached a mutual agreement as to the provision of recourse on Wholesale Accounts for the period following the expiration of the Base Term on or before the expiration of the Base Term, HYGFS may at the expiration of the Base Term, in its sole discretion, cease providing Wholesale Accounts to Dealers. Notwithstanding any provision to the contrary herein, with respect to any and all obligations of Hyster-Yale as set forth in this Section 2.01 with respect to Wholesale Accounts which may arise during the Base Term (" **Base Term Obligations** "), those Base Term Obligations shall nevertheless continue and remain undischarged until the same are indefeasibly paid and performed in full.

2.02 Certain Waivers . With respect to Hyster-Yale's recourse obligation set forth in Section 2.01, notice of acceptance thereof and of any default by any Dealer or any other Person is hereby waived. Presentment, protest, demand, and notice of protest, demand and dishonor of any Wholesale Account, and the exercise of possessory, collection or other remedies on any Wholesale Account, are hereby waived. Notice of adverse change in any Dealer's financial condition or of any other fact which might materially increase the risk of Hyster-Yale is also waived. All settlements, compromises, accounts stated and agreed balances made in good faith between HYGFS and any Dealer shall be binding upon Hyster-Yale.

2.03 No Subrogation . Without HYGFS's prior written consent, Hyster-Yale shall not exercise any rights which it may acquire against any· Dealer or the Hyster-Yale Equipment or any other collateral or security by way of subrogation under this Agreement, nor shall Hyster-Yale seek or attempt to exercise or enforce any of HYGFS's rights or remedies against any Dealer or the Hyster-Yale Equipment or any of the collateral or security in respect of any payments made by Hyster-Yale hereunder, unless and until all of the obligations of such Dealer hereby guaranteed have been paid and performed in full. However, nothing in this Section shall be deemed to prohibit Hyster-Yale from making demand upon, or suing, any Dealer for any payment made by Hyster-Yale on behalf of such Dealer under this Agreement, so long as such demand or suit does not involve (i) any attempt to accelerate or otherwise require such Dealer to pay any amount not paid by Hyster-Yale, or (ii) any attempt to repossess, foreclose upon, or otherwise proceed against the Hyster-Yale Equipment or any other collateral or security (whether or not Hyster-Yale may also have a security interest in or lien upon the same).

2.04 Dealer Credit Lines . In consideration of the recourse set forth in this Article II, Hyster-Yale and HYGFS shall work in a timely fashion to determine, from time to time, the maximum amount of credit (" **Credit Line** ") that will be extended to each Dealer. However, it is expressly agreed and understood that it shall be no defense to Hyster-Yale's obligations under this Article II if such Credit Line is ever exceeded, unless Hyster-Yale has specifically rejected, in writing, an extension of credit to a Dealer in excess of the Credit Line previously determined by both Hyster-Yale and HYGFS.

2.05 Termination . The recourse obligation set forth in Section 2.01 may be terminated by Hyster-Yale at any time as to any Dealer upon delivery to HYGFS of a written notice of such termination, but as to all "pretermination obligations" those obligations shall nevertheless continue and remain undischarged until the same are indefeasibly paid and performed in full. For these purposes, "pretermination obligations" shall mean and include all of the Dealer's obligations under any Wholesale Account in existence, or any proposed Wholesale Account for which HYGFS may have made a commitment, on or before delivery of such written notice of termination.

2.06 Rental Fleet Financing Account Loss Pool . The following recourse provisions shall apply to all Eligible US Fleet Rental Financing Accounts. For the avoidance of doubt, the parties hereto hereby confirm: Fleet Rental Financing Accounts other than Eligible US Fleet Rental Financing Accounts, and Eligible US Fleet Rental Financing Accounts that become Ineligible US Fleet Rental Financing Accounts due to a Sale Out of Trust, shall be covered under the provisions of Section 2.01 hereof.

(a) Operation of Loss Pool Accounts .

(1) HYGFS and Hyster-Yale will establish (for notional purposes only) an initial Loss Pool Account (the " **Initial Loss Pool Account** ") for all Eligible US Fleet Rental Financing Accounts funded prior to January 1, 2008.

(2) Commencing annually on the first day of each subsequent calendar year and thereafter ending on the last day of such calendar year during the Base Term (or on the last day of the Base Term if such term expires on a day which is not the last day of such calendar year), HYGFS and Hyster-Yale will (for notional purposes only) establish a new annual loss pool account (each such account, together with the Initial Loss Pool Account, a " **Loss Pool Account** ") for all Eligible US Fleet Rental Financing Accounts funded during that calendar year.

(3) The starting Loss Pool Balance for the Initial Loss Pool Account shall be equal to seven and one half percent (7.5%) of the Net Book Value of each outstanding Eligible US Fleet Rental Financing Accounts funded prior to January 1, 2008.

(4) The starting Loss Pool Balance in each annual Loss Pool Account on January 1 of the calendar year in which such Loss Pool Account is established (other than the Initial Loss Pool Account) will be equal to $1,500,000.

(5) Unless otherwise specifically agreed by the parties, the Loss Pool Balance for an annual Loss Pool Account will remain unchanged until the aggregate Eligible US Fleet Rental Financing Accounts funded by HYGFS during such calendar year (the " **Annual Aggregate Funded Amount** ") exceeds twenty million dollars ($20,000,000). When the Annual Aggregate Funded Amount exceeds twenty million dollars ($20,000,000), HYGFS and Hyster-Yale will, simultaneously with the funding of additional Eligible US Fleet Rental Financing Accounts, increase the Loss Pool Account for such calendar year by an amount equal to seven

and one half percent (7.5%) of the Net Book Value of such funded Eligible US Fleet Rental Financing Accounts.

(6) In the event that HYGFS determines that an Eligible US Fleet Rental Financing Account Default has occurred, HYGFS may at its discretion provide Hyster-Yale with written notice of such default, including the applicable Net Book Value for such account (" **Loss Pool Default Notice** ").

(7) Within ten (10) days of its receipt of a Loss Pool Default Notice, Hyster-Yale will pay HYGFS the applicable Net Book Value associated with such Fleet Rental Financing Account causing the Loss Pool Default. Notwithstanding the foregoing, if the applicable Net Book Value exceeds the then existing applicable Loss Pool Balance, Hyster-Yale shall be required to pay only that portion of the applicable Net Book Value (the " **Partial Net Book Value** ") that does not exceed the then existing applicable Loss Pool Balance (unless Hyster-Yale, in its discretion, chooses to make a payment to HYGFS in excess of that balance). Further, if the particular Net Book Value is greater than the applicable annual Loss Pool Balance, HYGFS will be entitled to obtain the unpaid portion out of any other Loss Pool Balance (or if the Loss Pool Balance for such calendar year is still subject to increase under Section 2.06(a)(5) above, then out of the future Loss Pool Balance of such annual Loss Pool Account) and/or retain any future collections in regard to the defaulted Transaction (up to the applicable Net Book Value).

(8) The Loss Pool Balance for the Initial Loss Pool Account shall be reduced by HYGFS and Hyster-Yale to the extent that the Net Book Value of the total Eligible US Fleet Rental Financing Accounts funded prior to January 1, 2008 becomes less than the Loss Pool Balance in the Initial Loss Pool Account. The Loss Pool Balance for all other Loss Pool Account shall be reduced by HYGFS and Hyster-Yale to the extent that after the calendar year in which the Loss Pool Account is established, the total Net Book Value of the Eligible US Fleet Rental Financing Accounts for such year becomes less than the Loss Pool Balance in such year's Loss Pool Account.

(9) Provided that HYGFS has received the applicable Net Book Value from Hyster-Yale, HYGFS will transfer and assign all its right, title and interest in such Eligible US Fleet Rental Financing Account and any Equipment associated with such account to Hyster-Yale on an AS-IS, WHERE-IS basis, without representation or warranty, except that neither HYGFS nor any agent of HYGFS shall have encumbered the applicable account.

(10) Upon receipt of either the Net Book Value or the Partial Net Book Value, as the case may be, and the remarketing of the applicable Equipment pursuant to the remarketing agreement, the applicable annual Loss Pool Balance will be reduced by the difference between such Partial Net Book Value or Net Book Value, as the case may be, and the applicable Net Remarketing Proceeds. For the avoidance of doubt, no Loss Pool Account will be reduced to less than zero at any time.

(11) In no event shall the payment by Hyster-Yale of any indemnity or recourse payment, including any amount payable pursuant to Section 2.01 of this Agreement, result in a reduction of, or otherwise affect, any Loss Pool Balance.

(12) Notwithstanding the foregoing, on no more than (3) occasions (unless HYGFS shall agree in writing to a greater number) during the term of any Eligible US Fleet Rental Financing Account, Hyster-Yale, in its discretion, may choose to cure an Eligible US Fleet Rental Financing Account Default by paying the accrued and unpaid amounts (each a " **Cure Payment** ") due under such account as of the date of the corresponding Loss Pool Default Notice in lieu of paying HYGFS the applicable Net Book Value. Should an Eligible US Fleet Rental Financing Account Default occur following Hyster-Yale's making of three (3) Cure Payments, Hyster-Yale shall be required to pay the applicable Net Book Value.

(b) Remarketing of Eligible US Fleet Rental Financing Equipment

(1) Upon payment of the Net Book Value, Hyster-Yale shall obtain possession and, on a commercially reasonable efforts basis, remarket the Fleet Rental Financing Equipment during the Remarketing Period. In performing its remarketing responsibilities, Hyster-Yale will not discriminate between the Fleet Rental Financing Equipment and equipment owned by it or another party to whom Hyster-Yale may be bound to provide remarketing assistance.

(2) In attempting to remarket the Fleet Rental Financing Equipment to a third party on a commercially reasonable basis during the Remarketing Period, Hyster-Yale shall be entitled to the actual and reasonable costs of repossession, repair, refurbishment, insurance and remarketing (" **Actual Out-Of-Pocket Costs** ") which do not exceed fifteen percent (15%) of the Net Book Value of the Fleet Rental Financing Equipment being remarketed.

(3) If Hyster-Yale is able to remarket the Fleet Rental Financing Equipment to a third party during the Remarketing Period, the proceeds actually received by Hyster-Yale will be distributed in the following manner: (i) first, to Hyster-Yale, an amount equal to the Actual Out-Of-Pocket Costs; (ii) second, to HYGFS, an amount equal to the outstanding Net Book Value, to the extent not previously paid by Hyster-Yale; (iii) third, to Hyster-Yale, an amount equal to that portion of the Net Book Value that was previously paid by Hyster-Yale to HYGFS; and (iv) fourth, to any other amounts owed to HYGFS for which the Fleet Rental Financing Equipment acted as security for such other amounts owed, if any; and (v) any amount remaining after payment of the amounts described in subparagraphs (i) through (iv) shall be remitted to the applicable Dealer.

ARTICLE III
INDEMNITIES

3.01 Lender Liability . Hyster-Yale hereby agrees to indemnify, save and keep harmless HYGFS, its respective agents, employees, successors and assigns from and against any and all losses, damages, penalties, injuries, claims, actions and suits, including legal expenses and outside attorneys' fees, of whatsoever kind and nature, in contract or tort (collectively, " **Losses** ") arising out of or in connection with (i) any decision or recommendation by Hyster-Yale to limit, terminate or otherwise modify any Dealer's Credit Line, (ii) any decision or recommendation by Hyster-Yale to the effect that HYGFS should not enter into any Wholesale Account with any Dealer, (iii) any refusal by HYGFS to enter into any Wholesale Account with any Dealer by reason of Hyster-Yale's termination of the recourse set forth in Article II above with respect to such Dealer's obligations, or (iv) any termination or other modification of any Dealer's franchise by Hyster-Yale.

3.02 Product Liability and Infringement Claims . Hyster-Yale hereby also agrees to indemnify, save and keep harmless, HYGFS, its respective agents, employees, successors and assigns from and against *any* and all Losses arising out of or in connection with the manufacture, sale, delivery, use, specifications, performance, operation or condition of any Hyster-Yale Equipment and infringement claims relating to Hyster-Yale Equipment.

3.03 Defense . Hyster-Yale shall, upon written request, defend any actions based on any matter covered by the indemnities contained in Section 3.01 or 3.02 above (collectively, " **Indemnities** ").

3.04 Survival . The Indemnities shall survive the expiration or termination of this Agreement.

ARTICLE IV
COLLATERAL AUDITS

4.01 Audits . From time to time HYGFS may cause an audit to be performed as to all of the collateral or security of any Dealer for any obligation to HYGFS (" **Collateral Audit** "). Such Collateral Audit shall be conducted by a party of HYGFS's choosing, which party may be related to HYGFS or may be independent of HYGFS. At HYGFS's election, Hyster-Yale may perform Collateral Audits.

4.02 Costs . Wells Fargo shall pay the costs in connection with any Collateral Audit.

ARTICLE V
MISCELLANEOUS

5.01 Assignment . HYGFS may not assign its respective rights hereunder, without the prior written consent of Hyster-Yale. Hyster-Yale may not delegate any of its duties or obligations hereunder without the prior written consent of HYGFS.

5.02 Successors and Permitted Assigns . The respective rights and obligations of the parties set forth in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5.03 Notices . All notices permitted or required to be given hereunder shall be in writing and shall be delivered, via certified mail (return receipt requested), overnight courier, hand delivery or telefax, to the parties at the following addresses (or at such other address for a party as may be specified by like notice):

(i) If to HYGFS or Wells Fargo:

Wells Fargo Financial Leasing, Inc.

5000 Riverside Drive, Suite 300E
Irving, TX 75039
Attention: General Counsel – Vendor Financial Services

(ii) If to Hyster-Yale:

Hyster-Yale Group, Inc.
5875 Landerbrook Drive, Suite 300
Mayfield Heights, OH 44124
Attn: General Counsel

Such notices shall be deemed delivered upon receipt.

5.04 Headings. Article and Section headings used in this Agreement are for convenience of reference only and shall not be used in interpreting or construing or affecting the meaning or construction of this Agreement.

5.05 Counterparts. This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

5.06 Severability. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect or impair the validity or enforceability of the remaining provisions of this Agreement.

5.07 Further Acts. The parties agree to take such further action and to execute such further documents or instruments which are necessary and appropriate to complete or give effect to the transactions contemplated hereby.

5.08 Restatement and Amendment. On the Restatement Effective Date, the Current Recourse and Indemnity Agreement shall be amended and restated in its entirety by this Agreement and the Current Recourse and Indemnity Agreement shall thereafter be of no further force and effect except to evidence (i) the representations and warranties of the parties hereto prior to the Restatement Effective Date and (ii) any action or omission performed or required to be performed pursuant to such Current Recourse and Indemnity Agreement prior to the Restatement Effective Date. The restatements and amendments set forth herein shall not cure any breach thereof existing prior to the Restatement Effective Date. This Agreement may not be altered or varied nor its provisions waived except in a writing duly executed by Wells Fargo, HYGFS and Hyster-Yale.

5.09 Governing Law and Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. Any and all disputes, controversies or claims arising out of, or relating *to,* this Agreement or any of the Other Agreements shall be determined by arbitration in accordance with the Arbitration Rules of the American Arbitration Association. The number of arbitrators shall be three. One arbitrator each shall be appointed by Hyster-Yale and Wells Fargo respectively, and the third arbitrator, who shall serve as chairman of the tribunal, shall be appointed by the American Arbitration Association. The place of arbitration shall be New York City. The language of the arbitration shall be English and any arbitral award arising from any arbitration pursuant to this paragraph shall be final and binding upon all parties hereto and no party shall seek recourse to a court of law or other authorities to appeal for revision of such decision or any other ruling of the arbitrator. The cost of the arbitration shall be borne by the party who does not prevail in the arbitration proceeding or as is otherwise decided by the arbitration panel. The question of whether a dispute is governed by this arbitration clause shall itself be determined by arbitration.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Agreement as of the first date above written.

WELLS FARGO FINANCIAL

BY: /s/ James W. Kelly

TITLE: Designated Signer

HYG FINANCIAL SERVICES, INC.

BY: /s/ James W. Kelly

TITLE: Executive Vice President

HYSTER-YALE GROUP, INC.

BY: /s/ Kenneth C. Schilling

TITLE: Senior Vice President and Chief Financial Officer

FIRST AMENDED AND RESTATED GUARANTY AGREEMENT

THIS FIRST AMENDED AND RESTATED GUARANTY AGREEMENT (this " **Guaranty** ") is dated as of September 17, 2018, by **HYSTER-YALE MATERIALS HANDLING, INC** ., a Delaware corporation having an address at 5875 Landerbrook Dr., Suite 300, Cleveland, OH 44124 (" **Guarantor** "), in favor of **WELLS FARGO FINANCIAL LEASING, INC.** (" **Beneficiary** ") an Iowa corporation having an address at 5000 Riverside Drive, Suite 300E, Irving, TX 75039.

HYSTER-YALE GROUP, INC. (" **Hyster-Yale** "), and Beneficiary have determined to amend and restate that certain Second Amended and Restated Joint Venture and Shareholders Agreement dated November 21, 2013, as such has been amended from time to time, and certain of the ancillary agreements related to the operation of HYG FINANCIAL SERVICES, INC. To induce Beneficiary to enter into a Third Amended and Restated Joint Venture and Shareholders Agreement between Beneficiary and Hyster-Yale, dated as of the date hereof, as amended from time to time (the " **Shareholders Agreement** "), from and after the date hereof, Guarantor hereby, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance when due, of all obligations and duties of every type and description owing by Hyster-Yale to Beneficiary, including, but not limited to those arising out of or in connection with: (i) the Shareholders Agreement or any other obligation of Hyster-Yale under any of the documents that are listed on the attached Annex A (collectively, the " **JV Documents** "), or (ii) any loan, lease or other financial accommodation written in conjunction with the program established by the Shareholders Agreement where Hyster-Yale is a lessee, borrower, debtor, obligor, guarantor, or party providing recourse, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and however acquired, including, without limitation, all interest (whether or not accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or similar proceeding) (collectively, the " **Guaranteed Obligations** "). This guaranty by Guarantor hereunder constitutes a guaranty of payment and not of collection. All payments made under this Guaranty shall be in immediately available funds without deduction, set-off or counterclaim.

Beneficiary is hereby authorized, without notice to or demand upon Guarantor and without discharging or otherwise affecting the obligations of Guarantor hereunder and without incurring any liability hereunder, from time to time, to do each of the following: (a)(i) modify, amend, supplement or otherwise change, (ii) accelerate or otherwise change the time of payment of, or (iii) waive or otherwise consent to noncompliance with, any Guaranteed Obligation or any document related to a Guaranteed Obligation (each, a " **Transaction Document** "); (b) apply to any Guaranteed Obligation any sums by whomever paid or however realized in such order as provided in the Transaction Documents; (c) refund at any time any payment received by Beneficiary in respect of any Guaranteed Obligation; (d) (i) sell, transfer, assign, exchange, enforce, waive, liquidate, terminate, release, abandon, fail to perfect, subordinate, accept, substitute, surrender, affect, impair or otherwise alter or release any property or interest in property and proceeds thereof now owned or hereafter acquired by Hyster-Yale, Guarantor or any other obligor of the Guaranteed Obligations in or upon which a lien is granted or purported to be granted pursuant to any Transaction Document (the " **Collateral** ") for any Guaranteed Obligation, (ii) receive, take and/or hold additional Collateral to secure any Guaranteed Obligation, (iii) add, release or substitute any one or more other guarantors, makers or endorsers of any Guaranteed Obligation or any part thereof and (iv) otherwise deal in any
manner with Hyster-Yale and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof; and (e) settle, release, compromise, collect or otherwise liquidate the Guaranteed Obligations.

Guarantor agrees that its obligations under this Guaranty shall be irrevocable, primary, absolute, continuing and unconditional, irrespective of and unaffected by any of the following actions or circumstances: (a) the invalidity or unenforceability of any obligation of Hyster-Yale or any other guarantor under any Transaction Document or any other agreement or instrument relating thereto (including any amendment, consent or waiver thereto), or any security for, or other guaranty of the Guaranteed Obligations or any part of them, or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations or any part of them; (b) the absence of (i) any attempt to collect any Guaranteed Obligation or any part thereof from Hyster-Yale or any other guarantor or other action to enforce any of the same or (ii) any action to enforce any Transaction Document or any lien or encumbrance thereunder; (c) any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against Hyster-Yale, or any other guarantor or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge or disallowance of, or bar or stay against collecting, any Guaranteed Obligation (or interest thereon) in or as a result of any such proceeding; (d) any foreclosure, whether or not through judicial sale, and any other sale, transfer, lease or other disposition of Collateral or any election by Beneficiary, following the occurrence and continuance of any event of default or other event which, with the giving of notice or the passage of time would constitute an event of default under any Transaction Document (an " **Event of Default** "), to proceed separately against any Collateral in accordance with Beneficiary's rights under any applicable law; or (e) any other defense, setoff, counterclaim or any other circumstance that might otherwise constitute a legal or equitable discharge of Hyster- Yale, Guarantor, and any other guarantor, in each case other than the payment in full of the Guaranteed Obligations.

Guarantor hereby unconditionally and irrevocably waives and agrees not to assert any claim, defense, setoff or counterclaim based on diligence, promptness, presentment, acceptance, demand, protest, requirements for any demand or notice hereunder or other requirements of any kind with respect to any Guaranteed Obligation (including any accrued but unpaid interest thereon) becoming immediately due and payable and any other notice in respect of the Guaranteed Obligations or any part of them, and any defense arising by reason of any disability or other defense of Hyster-Yale, Guarantor or any other guarantor.

Guarantor unconditionally and irrevocably agrees not to enforce or otherwise exercise any right of subrogation or any right of reimbursement or contribution or similar right against Hyster-Yale by reason of any Transaction Document or any payment made thereunder or to assert any claim, defense, setoff or counterclaim it may have against any other obligor for any of the Guaranteed Obligations or setoff any of its obligations to such other obligor against obligations of such obligor to Guarantor unless and until all of the Guaranteed Obligations are indefeasibly paid in full in cash. No obligation of Guarantor hereunder shall be discharged other than by complete performance.

Guarantor hereby represents and warrants to Beneficiary that as of the date hereof and on each date on which credit or any other financial accommodation is extended pursuant to the Transaction Documents:

(a) Guarantor is duly organized and validly existing under the laws of its state of incorporation or formation, as applicable, and has full corporate (or similar) power to enter into this Guaranty and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Guaranty has been duly authorized by Guarantor by all necessary corporate (or similar) action.

(c) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.

(d) Neither the execution of this Guaranty nor the performance of the obligations created hereunder will conflict with or result in a breach of any other agreement or instrument to which Guarantor is a party or by which it is bound or be in violation or default of any statute, rule, or decree of any court, administrative agency or governmental body to which it may be subject. Guarantor is not in material default with respect to any indenture, loan agreement, mortgage, lease, deed or other similar agreement to which it is a party or by which it is bound.

(e) There are no suits or proceedings pending or, to the knowledge of Guarantor, threatened, in any court or before any regulatory commission, board or other administrative or governmental agency against or affecting Guarantor which will have a material adverse effect on its financial condition or operations or that would materially impair Guarantor's ability to perform its obligations hereunder.

(f) The consummation of the transactions between Hyster-Yale and Beneficiary contemplated by the Transaction Documents is of value to Guarantor and is reasonably expected to benefit Guarantor directly or indirectly, and is in furtherance of Guarantor's business interests.

Guarantor agrees that, if any payment made by any obligor or other individual or entity and applied to the Guaranteed Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, then, if, prior to any of the foregoing, any provision of this Guaranty (including the guaranty of Guarantor hereunder) shall have been terminated, cancelled or surrendered, such provision, and any lien or encumbrance or other Collateral securing such Guarantor's liability hereunder that may have been released or terminated by virtue of such termination, cancellation or surrender, shall be reinstated in full force and effect and such prior termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of Guarantor in respect of any lien or encumbrance or other Collateral securing such obligation or the amount of such payment.

The obligations of Guarantor hereunder are independent of and separate from the Guaranteed Obligations. If any Guaranteed Obligation is not paid when due, or upon any Event of Default, Beneficiary may, at its sole election, proceed directly and at once, without notice, against any guarantor to collect and recover the full amount or any portion of any Guaranteed Obligation then due, without first proceeding against Guarantor or any other obligor and without first joining Guarantor or any other obligor in any proceeding. Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of Hyster-Yale and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof, that diligent inquiry would reveal, and Guarantor hereby agrees that Beneficiary shall not have any duty to advise Guarantor of information known to it regarding such condition or any such circumstances.

Beneficiary shall not by any act (except by a written instrument pursuant to the immediately succeeding paragraph), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. No failure to exercise, nor any delay in exercising, on the part of Beneficiary, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Beneficiary of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that Beneficiary would otherwise have on any future occasion. The rights and remedies of Beneficiary hereunder are cumulative and nonexclusive of any other rights and remedies that Beneficiary may have under any other agreement or at law or in equity and may be exercised individually or concurrently, any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute.

Guarantor hereby ratifies and reaffirms all of its obligations, contingent or otherwise, under that certain guaranty from Guarantor to Beneficiary dated November 21, 2013 (the " **Existing**

Guaranty ") and agrees that such obligations remain in full force and effect after giving effect to this Guaranty. Guarantor hereby agrees that this Guaranty continues to secure all of such obligations.

No variation or modification of this Guaranty or any waiver of any of its provisions shall be valid unless in writing and signed by an authorized representative of Beneficiary. In the event this Guaranty is preceded or followed by any other agreement of suretyship or guaranty by Guarantor or others, all shall be deemed to be cumulative, and the obligations of Guarantor under this Guaranty shall be in addition to those stated in any other suretyship or guaranty agreement in favor of Beneficiary. This Guaranty shall be binding upon the successors and assigns of Guarantor and shall inure to the benefit of Beneficiary and its successors and assigns; provided , however , that Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guaranty without the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld.

All notices to be given in connection with this Guaranty shall be in writing, shall be addressed to the parties at their respective addresses set forth in this Guaranty (unless and until a different address may be specified in a written notice to the other party), and shall be deemed given: (i) on the date of receipt if delivered by hand; (ii) on the next business day after being sent by overnight courier service; and (iii) on the third business day after being sent by regular, registered, certified mail.

This Guaranty may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Guaranty by facsimile or .pdf transmission shall be as effective as delivery of a manually executed counterpart hereof. Any provision of this Guaranty being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Guaranty or any part of such provision in any other jurisdiction.

The laws of the State of New York (without giving effect to the conflicts of laws principles thereof) shall govern all matters arising out of, in connection with or relating to this Guaranty, including, without limitation, its validity, interpretation, construction, performance and enforcement.

GUARANTOR CONSENTS TO AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, STATE OF NEW YORK, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG ANY OF THE PARTIES HERETO PERTAINING TO THIS GUARANTY, ANY TRANSACTION RELATING HERETO, ANY OTHER FINANCING RELATED THERETO, AND ANY INVESTIGATION, LITIGATION, OR PROCEEDING IN CONNECTION WITH, RELATED TO OR ARISING OUT OF ANY SUCH MATTERS, PROVIDED , THAT GUARANTOR ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF SUCH JURISDICTION. GUARANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND HEREBY WAIVES ANY OBJECTION IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR INCONVENIENT FORUM.

THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS GUARANTY, THE TRANSACTION DOCUMENTS AND ANY OTHER TRANSACTION CONTEMPLATED HEREBY. THIS

WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

GUARANTOR DOES HEREBY FURTHER AGREE TO PAY UPON DEMAND ALL COSTS, ATTORNEYS' FEES AND REASONABLE AND DOCUMENTED EXPENSES WHICH MAY BE SUFFERED BY BENEFICIARY BY REASON OF HYSTER- YALE'S EVENT OF DEFAULT (AS DEFINED IN ANY TRANSACTION DOCUMENT) UNDER ANY TRANSACTION DOCUMENT OR ANY DEFAULT OF GUARANTOR UNDER THIS GUARANTY. GUARANTOR HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS BENEFICIARY AND ITS AFFILIATES AND THEIR RESPECTIVE PRINCIPALS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND THIRD-PARTY ADVISORS (EACH, AN " INDEMNIFIED PARTY ") (ON AN AFTER-TAX BASIS) FROM AND AGAINST ANY AND ALL LOSSES, DISPUTES, PENALTIES, CLAIMS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE AND DOCUMENTED LEGAL EXPENSES), DAMAGES, AND LIABILITIES (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES) OF WHATSOEVER KIND AND NATURE ARISING OUT OF, IN CONNECTION WITH, OR RELATING TO THIS GUARANTY AND THE TRANSACTION DOCUMENTS (" **CLAIMS** "), REGARDLESS OF WHETHER SUCH INDEMNIFIED PARTY IS A PARTY THERETO; PROVIDED , HOWEVER , THAT NO INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNITY HEREUNDER IN RESPECT OF ANY CLAIM TO THE EXTENT THAT THE SAME IS FOUND BY A FINAL, NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED

DIRECTLY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. ALL REPRESENTATIONS AND WARRANTIES MADE IN THIS GUARANTY SHALL SURVIVE THE EXECUTION AND DELIVERY OF THIS GUARANTY, AND GUARANTOR'S OBLIGATIONS UNDER THIS PARAGRAPH SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS GUARANTY.

THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER OF THIS GUARANTY.

IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty to be duly executed and delivered as of the date first above written.

HYSTER-YALE MATERIALS HANDLING, INC. as Guarantor

By: /s/ Kenneth C. Schilling

Name: Kenneth C. Schilling
Title: Senior Vice President and Chief Financial Officer

Address for notices:
5875 Landerbrook Drive Suite 300
Cleveland, OH 44124

ACCEPTED AND AGREED
as of the date first above written:

WELLS FARGO FINANCIAL LEASING, INC.

By: /s/ James W. Kelly

Name: James W. Kelly
Title: Designated Signer

Address for notices:
5000 Riverside Drive, Suite 300E
Irving, TX 75039

ANNEX A

TO GUARANTY AGREEMENT LIST OF JV DOCUMENTS

1. Third Amended and Restated Joint Venture and Shareholders Agreement
2. Third Amended and Restated Administrative Services Agreement
3. Third Amended and Restated Corporate Name Agreement
4. Second Amended and Restated Recourse and Indemnity Agreement
5. Fifth Amended and Restated Remarketing Services Agreement
6. Tax Settlement Agreement Acknowledgement
7. First Amended and Restated Financing Agreement
8. First Amended and Restated Financing Agreement Guaranty
9. Third Amended and Restated By-Laws

Exhibit 10.4

FIRST AMENDED AND RESTATED GUARANTY

Date: September 17, 2018

WELLS FARGO FINANCIAL LEASING, INC.
5000 Riverside Drive, Suite 300E
Irving, Texas 75039

HYSTER-YALE GROUP, INC., a Delaware corporation having its principal place of business at 5875 Landerbrook Drive, Mayfield Heights, OH 44124 (" **Hyster-Yale** "), and WELLS FARGO FINANCIAL LEASING, INC. an Iowa corporation having a place of business at 5000 Riverside Drive, Suite 300E, Irving, TX 75039 (" **Wells Fargo** ") have determined to amend and restate that certain Second Amended and Restated Joint Venture and Shareholders Agreement dated November 21, 2013, as such has been amended from time to time, and certain of the ancillary agreements related to the operation of HYG FINANCIAL SERVICES, INC., a Delaware corporation (" **HYGFS** "), including, without limitation, that certain Financing Agreement dated March 1, 2016 (the " **Existing Financing Agreement** "). To induce you, Wells Fargo, to enter into the First Amended and Restated Financing Agreement dated as of the date hereof (said agreement, including any present or future amendments or revisions thereto, being hereinafter collectively referred to as the " **Financing Agreement** "), with, and to loan monies from time to time to HYGFS on and subject to the terms and conditions of the Financing Agreement, but without in anyway binding Wells Fargo to do so, Hyster-Yale, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby guarantee to Wells Fargo, its successors and assigns, subject only to the provisions of the last sentence of this paragraph, the due regular and punctual payment of any sum or sums of money which HYGFS may owe to Wells Fargo now or at any time hereafter, under or in connection with the Financing Agreement, whether evidenced by the Financing Agreement or any present or future promissory notes and/or any other documents or instruments evidencing, or relating to, any loan, extension of credit or other financial accommodation made or to be made by Wells Fargo to HYGFS under the Financing Agreement (collectively " **Loan Documents** " and each a " **Loan Document** "), on open account or otherwise, and whether it represents principal, interest, late charges, indemnities, an original balance, an accelerated balance, a balance reduced by partial payment, a deficiency after sale or other disposition of any collateral or security, or any other type of sum of any kind whatsoever that HYGFS may owe to Wells Fargo now or at any time hereafter under or in connection with the Financing Agreement (collectively the " **Indebtedness** "). ANYTHING IN THE FOREGOING TO THE CONTRARY NOTWITHSTANDING, WITH RESPECT TO ANY SUM THAT MAY NOW OR AT ANY TIME HEREAFTER BE DUE AND UNPAID UNDER OR IN CONNECTION WITH THE FINANCING AGREEMENT, HYSTER-YALE'S OBLIGATION TO MAKE PAYMENT UNDER THE IMMEDIATELY PRECEDING SENTENCE SHALL IN NO EVENT EXCEED TWENTY PERCENT (20%) OF THE ENTIRE INDEBTEDNESS. Notwithstanding the foregoing, Hyster-Yale shall not be required to pay to Wells Fargo under this First Amended and Restated Guaranty (" **Guaranty** ") more than 20% of any unpaid amount due to Wells Fargo from HYGFS under the Loan Documents.

Hyster-Yale does hereby further guarantee to Wells Fargo, its successors and assigns, to pay upon demand the full amount of all reasonable out-of-pocket costs, attorneys' fees and expenses which may be incurred by Wells Fargo by reason any default by Hyster-Yale with respect to any of its obligations under this Guaranty.

This Guaranty is a guaranty of prompt payment and performance (and not merely a guaranty of collection). Nothing herein shall require Wells Fargo to first seek or exhaust any remedy against HYGFS, its successors and assigns, or any other person that may be or become obligated with respect to the Indebtedness, or to first foreclose, exhaust or otherwise proceed against any collateral or security which may be given now or hereafter in connection with the Indebtedness. It is agreed that you may, upon any breach or default of HYGFS, or at any time thereafter, make demand upon Hyster-Yale and receive payment under this Guaranty, with or without notice or demand for payment by HYGFS, its successors or assigns, or any other person. Suit may be brought and maintained against Hyster-Yale, at Wells Fargo's election, without joinder of HYGFS or any other person as parties thereto.

Hyster-Yale agrees that its obligations under this Guaranty shall be primary, absolute, continuing and unconditional (except as otherwise expressly provided in the last sentence of the first paragraph to this Guaranty), irrespective of and unaffected by any of the following actions or circumstances (regardless of any notice to or consent of Hyster-Yale): (a) the genuineness, validity, regularity and enforceability of any Loan Document(s) or any other document; (b) any extension, renewal, amendment, change, waiver or other modification of any Loan Document(s) or any other document; (c) the absence of, or delay in, any action to enforce any Loan Document(s), this Guaranty or any other document; (d) any failure or delay in obtaining *any* other guaranty of the Indebtedness; (e) the release of, extension of time for payment or performance by, or any other indulgence granted to HYGFS or any other person with respect to the Indebtedness by operation of law or otherwise; (f) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any collateral or security that may be given, now or hereafter, in connection with the Indebtedness, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of the rights of Hyster-Yale; (g) HYGFS's voluntary or involuntary bankruptcy, assignment for the benefit of creditors, reorganization, or similar proceedings affecting HYGFS or any of its assets; or (h) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

This Guaranty shall continue and remain undischarged until all of the Indebtedness has been indefeasibly paid in full. Without limiting the foregoing, Hyster-Yale agrees that this Guaranty shall remain in full force and effect or be reinstated (as the case may be) if at any time payment of any of the Indebtedness (or any part thereof) is rescinded, reduced or must otherwise be restored or returned by Wells Fargo, all as though such payment or performance had not been made. If, by reason of any bankruptcy, insolvency or similar laws effecting the rights of creditors, Wells Fargo shall be prohibited from exercising any of its rights or remedies against HYGFS or any other person or against any property, then, as between Wells Fargo and Hyster- Yale, such prohibition shall be of no force an effect, and Wells Fargo shall have the right to make demand upon, and receive payment from, Hyster-Yale all amounts and other sums that would be due hereunder but for such prohibition.

Notice of acceptance of this Guaranty, of any loan, advance or other extension of credit under or in connection with the Financing Agreement, and of any default by HYGFS or any other person, is hereby waived. Presentment, protest demand, and notice of protest, demand and dishonor of any of the Indebtedness, and the exercise of possessory, collection or other remedies for the Indebtedness, are hereby waived. Hyster-Yale warrants that it has adequate means to obtain from HYGFS on a continuing basis financial data and other information regarding HYGFS. Without limiting the foregoing, notice of adverse change in the financial condition of HYGFS or of any other fact which might materially increase the risk of Hyster-Yale is also waived. All settlements, compromises, accounts stated and agreed balances made in good faith between HYGFS, its successors or assigns, and Wells Fargo shall be binding upon and shall not affect the liability of Hyster-Yale. Hyster-Yale waives any and all rights of subrogation until all of the Indebtedness has been indefeasibly paid in full.

As used in this Guaranty, the word “person” shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or any government or any political subdivision thereof.

Hyster-Yale hereby ratifies and reaffirms all of its obligations, contingent or otherwise, under that certain guaranty from Hyster-Yale to Wells Fargo dated November 21, 2013 (the “ **Existing Guaranty** ”) and agrees that such obligations remain in full force and effect after giving effect to this Guaranty. Hyster-Yale hereby agrees that this Guaranty continues to secure all of the obligations under the Existing Financing Agreement as amended by the Financing Agreement.

This Guaranty is intended by the parties as a final expression of the guaranty of Hyster- Yale and is also intended as a complete and exclusive statement of the terms thereof. No course of dealing, course of performance or trade usage, nor any paid evidence of any kind, shall be used to supplement or modify any of the terms hereof. Nor are there any conditions to the full effectiveness of this Guaranty. This Guaranty and each of its provisions may only be waived, modified, varied, released, terminated or surrendered, in whole or in part, by a duly authorized written instrument signed by Wells Fargo and Hyster-Yale. No failure by Wells Fargo to exercise its rights hereunder or any of the Loan Documents shall give rise to any estoppel against Wells Fargo, or excuse Hyster-Yale from performing hereunder. Wells Fargo’s waiver of any right to demand performance hereunder shall not be a waiver of any subsequent or other right to demand performance hereunder.

This Guaranty shall bind Hyster-Yale, its successors and assigns, and the benefits hereof shall extend to and include Wells Fargo, its successors and assigns.

This Guaranty shall be construed and enforced in accordance with the laws of the State of New York. Any and all disputes, controversies or claims arising out of, or relating to, this Guaranty shall be determined by arbitration in accordance with the Arbitration Rules of the American Arbitration Association. The number of arbitrators shall be three. One arbitrator each shall be appointed by Hyster-Yale and Wells Fargo respectively, and the third arbitrator, who shall serve as chairman of the tribunal, shall be appointed by the American Arbitration Association. The place of arbitration shall be New York City. The language of the arbitration shall be English and any arbitral award arising from any arbitration pursuant to this paragraph shall be final and binding upon all parties hereto and no party shall seek recourse to a court of law or other authorities to appeal for revision of such decision or any other ruling of the arbitrator. The cost of the arbitration shall be borne by the party who does not prevail in the arbitration proceeding or as is otherwise decided by the arbitration panel. The question of whether a dispute is governed by this arbitration clause shall itself be determined by arbitration.

Hyster-Yale hereby represents and warrants that this Guaranty (i) has been duly authorized, executed and delivered on behalf of Hyster-Yale, (ii) constitutes a valid, legal and binding obligation of Hyster-Yale, and (iii) is enforceable against Hyster-Yale in accordance with its terms (except to the extent that enforcement of remedies may be limited by any bankruptcy or insolvency proceedings affecting Hyster-Yale).

IN WITNESS WHEREOF, this Guaranty is executed the day and year above written.

HYSTER-YALE GROUP, INC.

BY: /s/ Kenneth C. Schilling

TITLE: Senior Vice President and Chief Financial Officer

Exhibit 31(i)(1)

Certifications

I, Alfred M. Rankin, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyster-Yale Materials Handling, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2018	/s/ Alfred M. Rankin, Jr.
	Alfred M. Rankin, Jr.
	Chairman, President and Chief Executive Officer (principal executive officer)

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Exhibit 31(i)(2)

Certifications

I, Kenneth C. Schilling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyster-Yale Materials Handling, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2018

/s/ Kenneth C. Schilling

Kenneth C. Schilling

Senior Vice President and Chief Financial Officer (principal financial officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hyster-Yale Materials Handling, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2018 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: October 30, 2018

/s/ Alfred M. Rankin, Jr.

Alfred M. Rankin, Jr.

Chairman, President and Chief Executive Officer (principal executive officer)

Date: October 30, 2018

/s/ Kenneth C. Schilling

Kenneth C. Schilling

Senior Vice President and Chief Financial Officer (principal financial officer)