



A Brand of
Truck-Lite Group

Truck-Lite Europe GmbH

Vor dem Melmen 8-10

99817 Eisenach

General Terms and Conditions of Purchase

Revision date: September 2014

1. Scope

1. Unless otherwise stipulated in individual cases, contracts with us shall be based exclusively on the following terms by Truck-Lite Europe GmbH, hereinafter in short called TLE. We shall not be bound by any opposing or conflicting conditions of the supplier, unless we have expressly acknowledged them in writing. Our conditions shall also apply where, being aware of the supplier's opposing or conflicting conditions, we accept deliveries without reserve. However, a simple retention of title in the supplier's general terms and conditions shall be accepted.
2. These General Terms and Conditions of Purchase shall apply to all our purchases and orders. In our dealings with business organizations and with corporate bodies under public law our terms and conditions shall also apply to all future transactions.
3. Any amendments, arrangements and supplements shall be expressly agreed in writing to be valid.

2. Contract Formation and Amendments

1. Supply contracts (our purchase orders and their acknowledgement by agreement of the delivery date) and delivery schedule calls, as well as any amendments or supplements to them shall be made in writing. Any oral arrangements whatsoever, including any retrospective amendments and supplements to our terms and conditions of purchase shall be confirmed by us in writing to become effective. Orders are generated automatically and are valid without signature.
2. Delivery calls may also be communicated by remote data transmission or telefax.
3. Quotations shall be binding and made free of charge, unless expressly agreed otherwise.
4. In the event that the supplier fails to accept a purchase order within two weeks of receipt, we shall be entitled to cancellation. Delivery calls shall become obliging, unless the supplier objects within two weeks of receipt at the latest.
5. We shall be entitled to require the supplier to make reasonable changes to the design and style of the article of sale. The parties undertake to agree appropriate arrangements about the consequences, especially with respect to extra costs, reduced costs, and the delivery dates.
6. The supplier shall undertake to transfer to us title to the agreed articles of sale free from any third party rights.

3. Free Issue Materials

1. The materials provided free of charge to TLE's supplier for the manufacturing process shall remain the property of TLE and immediately be visually inspected by the supplier for any damage.

A quantity and identity check shall be carried out. TLE shall be notified of any differences detected within a workday.

2. It shall be the responsibility of the supplier to arrange for careful and proper storage of these materials.
3. During the manufacturing process the supplier shall conduct further tests insofar as they have been separately agreed with TLE or are required in accordance with the supplier's quality assurance system. In the event that the supplier detects any defects in quality or quantity, TLE shall be notified forthwith in order to agree further action. If such defects in quality or quantity are attributable to the supplier's fault, e.g. during manufacturing, the supplier shall order a chargeable replacement supply of such materials.
4. The materials provided free issue by TLE shall in each and every case be processed for TLE. Insofar as the value of the material provided free issue by TLE exceeds the value of the processing and the other components, if any, of the resulting new products, the new products shall become the property of TLE, otherwise joint ownership shall be created between TLE and the supplier at the ratio of the value of the material provided free issue relative to the value of the processing and the other components. To avoid any misinterpretation: this is by no means intended to limit the supplier's obligation, by supplying the articles of sale, to transfer to TLE unencumbered ownership of them.

4. Tooling and Fixtures

1. We reserve ownership of tooling and fixtures. The supplier shall use the tooling exclusively for manufacturing the goods ordered by us. Without our permission the supplier shall not actually or legally dispose of the tooling, change their location or make them permanently inoperable.
2. Insofar as the purchase order includes a take-over of tooling and fixtures, the agreement shall be that the tooling and fixtures are our property and remain with the supplier on loan. The supplier shall use these tools and fixtures exclusively for manufacturing the goods ordered by us.
3. The supplier shall at its own cost take out replacement cost insurance cover for the tooling and fixtures that are our property against fire, water, storm, burglary, theft and vandalism damage. At the same time the supplier shall herewith assign the claims to damages from this insurance to us and we herewith accept the assignment.
4. The supplier shall carry out all the necessary inspection and maintenance work and all the repairs to our tooling and fixtures at its own cost and in a timely manner.

5. The supplier shall also bear the cost of any replacement necessary of the tools and fixtures. Replacement tools and fixtures shall be our property proportional our property in the original tooling.

5. Delivery

1. Delivery dates and lead times agreed shall be binding. Arrival of the goods with us is of the essence for the supplier's compliance with the delivery date or the lead time. Unless "delivered free" has been agreed, the supplier shall have the goods ready in a timely manner considering the time to be arranged with the carrier for loading and dispatch.
2. Any nonconformity with our agreements and orders shall not be accepted, unless we have given our prior consent in writing.
3. In the event that agreed deadlines are not met, the applicable statutory regulations shall apply. The supplier shall notify our Purchasing department without delay if the supplier anticipates any problem with respect to the manufacturing process, primary material supplies, meeting the delivery date or similar circumstances.
4. In the event of late delivery we shall have the right, after a reasonable period of grace has expired without any result, to claim damages instead of performance. In addition we shall be entitled to claim per week or part thereof beyond the missed delivery date a contractual penalty of 0.5 per cent, with a maximum of 5 per cent, of the entire contract value, or instead, to claim payment for the full sum of verifiable damage incurred, offsetting any penalty paid.
5. In the event of repeated default in delivery and after written warning, TLE shall have the right to cancel the orders not yet delivered at the time with immediate effect.
6. TLE taking receipt without reservation of a delayed consignment shall not be deemed to imply a waiver of claiming any damages or contractual penalty.
7. Delivery in part shall not be acceptable as a matter of principle, unless we have expressly agreed to them or they are deemed acceptable to us.
8. Unless proven otherwise, the numbers, weights and dimensions determined by us during our goods inward inspection are of the essence.
9. We shall have the right of use of any software that is part of the product content, including its documentation, to the extent permitted by law (sections 69a et seq. UrhG [German Copyright Act]). We shall also be entitled to use such software inclusive of its documentation with the agreed performance characteristics and to the extent required for the contractual use of the product. We may also make a back-up copy without any specific agreement.
10. Unless agreed otherwise in writing on a case-by-case basis, all shipments shall be made by the supplier to the delivery address stated in the order.
11. Every consignment shall include a delivery slip stating our part number, the order number, the quantity of invoiced items (listing them for each kind separately), and the gross and net weights. Also enclosed with every consignment shall be a bill of parcels with the detailed listing of the contents and stating the order number.
12. If the supplier has assumed responsibility for the installation or assembly, and unless otherwise agreed, the supplier shall bear all the necessary side costs, such as travel expenses, provision of tools, and allowances for living expenses.

6. Force Majeur

1. Force majeure, operating trouble through no fault of ours, riots, regulatory action, and other events beyond our control shall, for the period of their duration, release us from our obligation to take receipt of delivery in a timely manner. During such occurrences and for two weeks after they have ended we shall, without prejudice to any other right we may have, be entitled to terminate the contract in part or in full, insofar as such occurrences are not of insignificant duration and our demand reduces considerably because of the resulting need to procure from elsewhere.
2. The foregoing under item 1 above shall also apply in the case of industrial action.
3. The provisions set out in item 1 shall also apply in the event of insolvency proceedings being opened, the opening of such proceedings being refused for lack of assets, or comparable proceedings being instituted. If affected by any of the above-mentioned events, the supplier shall use its best efforts to assist us in relocating the production of the article of sale to our own or a third party plant, inclusive of any licensing, on terms customary in this line of business, of industrial proprietary rights required for the production.

7. Dispatch Note and Invoice

1. The specifications in our purchase orders and delivery schedule calls shall be of the essence. The invoice, in single copy stating our part number, the order number, the quantity of invoiced items (listing them for each kind separately), and the gross and net weights, shall be addressed to TLE. It must not be enclosed with the consignments.
2. If an invoice is for goods of several purchase orders, the quantity for each of the orders is to be stated separately.

8. Prices and Passing of Risk

1. The prices agreed are fixed prices. Unless expressly agreed otherwise in writing, prices shall be based on shipment "free delivery address" including packaging. Prices shall be stated exclusive of value-added tax. An obligation to return the packaging shall require special agreement, but the supplier shall agree to take the packaging back at our request.
2. The supplier shall bear the risk of damage to or loss of the goods until we or our agents have taken receipt of the goods at the place where the goods are to be delivered as per order.

9. Terms of Payment

1. Payment shall be made in accordance with the terms mentioned in the supply contract. Where this contains no stipulation in this respect, payment will be made two weeks after the date of the invoice and receipt of the goods with a 3 per cent discount, or 30 days after the end of the delivery month with a 2 per cent discount, or within 60 days net. Payment shall be made reserving invoice verification. We shall have set-off and retention rights to the extent provided by law.

2. Payment shall be made by bank transfer or check. Payment collection by C.O.D. service shall be barred.
3. In the event that we take receipt of any early delivery the due date for payment shall be based on the delivery date agreed. With respect to any non-conforming consignment we shall be entitled to retain part of the payment in proportion to the value of the goods concerned until proper and complete delivery has been received.
4. The weights and quantities determined at the unloading point shall be of the essence for the calculation and payment of the consignments. TLE shall be entitled in the event of any non-conforming consignment to retain part of the payment in proportion to the value of the goods concerned until proper delivery. Designs, drawings and samples shall not be paid for, unless a prior written agreement has been made in this respect with TLE.
5. Without the prior written consent by TLE, which shall not be unreasonably withheld, the supplier shall not have the right to assign its accounts receivable owed by TLE to any third party or have them collected by any third party. If the supplier in turn is supplied under any retention of title and proceeds of sale clause, our consent, in the sense of the above, to such assignment to the upstream supplier shall be deemed given. In the event that the supplier should assign its accounts receivable owed by TLE to any third party in contradiction to sentence 1 of this item 5 without obtaining TLE's prior written consent, the assignment will nevertheless be valid, but TLE may make payment with discharge from liability to, at its discretion, the supplier or the third party.

10. Notice of Defects

1. TLE shall notify the supplier in writing forthwith of any defects in a consignment as soon as they have been detected in the course of proper business processes. Insofar the supplier shall waive an objection of late notification of defects.

11. Liability for Defects

1. The supplier warrants the contractual articles of sale to be free from any defects and to conform to the agreed specifications and the generally accepted technical rules and standards.
2. Statutory regulations with respect to defects as to quality and lack of title shall be applicable, unless otherwise stipulated in the following.
3. The right to choose the kind of remedy shall rest with us as a matter of principle. The supplier shall then agree to bear all the expenses required for eliminating the defect or for delivery of a replacement. We expressly reserve the right to claim damages, in particular damages instead of delivery.
4. Should the supplier fail to start eliminating the defect forthwith upon our request to do so, we shall have the right in urgent cases and in particular in order to prevent immediate hazards and stop the damage from increasing, to do the repairs ourselves or have them done by a third party at the suppliers' cost.
5. In the event that because of any non-conforming consignment TLE should incur extra costs for meeting its own delivery dates, especially transportation, travel, labor, installation, stripping, material cost or costs for goods inward inspection beyond the usual extent, these shall also be borne by the supplier.

6. Statutory periods of limitation shall apply to our claims, in particular our claims for defects, against the supplier. The temporal progress of limitation shall be arrested if and when the legal prerequisites prevail, but especially also while the supplier, with our consent, is checking the existence of a defect or its rectification, until the supplier notifies us of the result, or declares the defect to have been eliminated, or refuses to continue working on the elimination.
7. If the same article of sale is repeatedly delivered of non-conforming quality, we shall be entitled, after written warning, to terminate the contract upon another non-conforming delivery for the supply volume not yet delivered. If the defect is not detected before manufacturing has started, we may, irrespective of our abovementioned rights, also demand compensation for the loss we have incurred because of the extra expenditure.

12. Product Liability

1. In the event that a product liability claim is asserted against TLE, the supplier shall keep us indemnified from such claims, if and to the extent that the damage has been caused by a fault of the contractual article of sale delivered by the supplier. In cases of fault-based liability, however, this shall only apply where the fault is attributable to the supplier. Insofar as the cause of the damage falls within the supplier's sphere of responsibility, the supplier shall have the burden of proof that the damage was not caused through any fault on the part of the supplier.
2. In the cases mentioned in item 1 above the supplier shall bear all the costs and expenses, including the costs of prosecution of an action, if any.
3. In all other respects the statutory provisions shall apply.
4. Prior to any recall action resulting completely or in part from a defect of the article of sale delivered by the supplier we shall notify the supplier, giving the supplier a chance to participate and exchanging views on the efficient completion of the action, provided that notification and participation of the supplier is not made impossible by exceptional urgency of the case. To the extent that a recall action results from a defect of the article of sale delivered by the supplier, the supplier shall bear the costs of the recall action.

13. Rights to Withdraw and Terminate

1. TLE shall, beyond the rights to withdraw provided by law, have the right to withdraw from or terminate the contract with immediate effect, if and when
 - the supplier has stopped supplying its customers,
 - a substantial deterioration of the supplier's financial standing has occurred or threatens to occur, jeopardizing the supplier's delivery performance to us,
 - it becomes a matter of fact that the supplier is unable to pay or its liabilities exceed its assets, or
 - the supplier stops making payments.
2. In the event that we withdraw from or terminate the contract on the basis of the abovementioned contractual rights to withdraw or to terminate, the supplier shall pay compensation to us for any damage resulting, unless the circumstances giving rise to our rights to withdraw or terminate are beyond the supplier's control.
3. Statutory rights and claims shall remain unaffected by the stipulations contained in this item 13.

14. Quality and Documentation

1. The goods shall be manufactured or services rendered in accordance with the specifications, drawings, descriptions and other documentation agreed between TLE and the supplier. The supplier shall use for its contractual performance a quality assurance system in compliance with, at least, the requirements of ISO 9001:2000 and will undertake to improve this system continuously in line with the state of the art in order to meet the requirements of ISO/TS 16949:2002 (and/or VDA 6.4 for suppliers of capital goods). The supplier's environmental management shall be coordinated with the requirements of DIN EN ISO 14001 or EMAS, with the appropriate certification to be presented to TLE on request.
2. Moreover, the "Truck-Lite Supplier Guidelines" as amended at the time of signing the contract shall apply in addition. A copy of the a.m. Guidelines is available from TLE's purchasing department at the address: Truck-Lite Europe GmbH, Lieferantenmanagement, Vor dem Melmen 8-10, 99817 Eisenach, Germany.

15. Documents, Confidentiality and Proprietary Rights

1. The supplier shall treat as confidential and not disclose to any third party nor copy, unless absolutely necessary for the performance of the contract, all information not in the public domain, in particular any specifications, drawings, templates, models, tooling, documents, software and other data storage media, which TLE has made available to the supplier on the basis of or in conjunction with this contract. The supplier shall ensure that its employees and agents make a corresponding confidentiality commitment. TLE reserves all title to and copyright of the information and physical items listed above, which TLE has provided to the supplier on the basis of or in conjunction with this contract.
Upon our request, the supplier shall immediately and completely return to us or destroy any information provided by us (including any copies and records made) and any physical items lent out to the supplier temporarily.
2. Any products manufactured using documentation of our design, such as drawings, models and the like, or applying our confidential information, or using our tooling or replicas of our tooling, must neither be used by the supplier nor be offered or supplied to any third party. This shall apply by analogy also to our printing orders.
3. The supplier shall be responsible to ensure that the purchase and use of the articles offered and delivered by the supplier will not infringe any national or foreign patents and other proprietary rights. With respect to foreign patents and other foreign proprietary rights this shall only apply where at the time of signing the contract the supplier was, or would have been able to be, aware of the fact into which countries TLE intended to sell the goods ordered. The parties undertake to notify each other forthwith of any risk of infringement and any alleged case of infringement they become aware of, giving each other the chance to counter any resulting claim by mutual agreement.
4. Without TLE's prior written consent, the supplier shall not use its business relation for publicity purposes.

16. Customs Duties, Origin and Export Control

1. For customs purposes the supplier shall add to the shipping documents a commercial invoice in the English language and in duplicate. In the case of dutiable consignments, the invoice shall state additionally and separately:
 - any cost not included in the price (e.g. any commission, brokerage, license, cost of manufacturing equipment, free-issue material provided by the buyer);
 - costs included in the price (e.g. assembly and freight costs); and
 - any amount worth of repair work in terms of material costs and labor.
 Even if a consignment is free of charge, a value must be stated, adding the note "For Customs Purposes Only". The reason why the consignment is free of charge must be stated on the invoice or on the delivery slip (e.g. free sample consignment). If for imports or exports further official documents concerning the appropriate use of the articles of sale are required, the supplier shall at its own cost obtain such documents and make them available to TLE without delay.
2. The supplier shall produce a certificate of origin for its goods by filling in a set of "Long-term Supplier Declaration" forms as per Regulation (EC) No. 1207/2001, which will be provided to the supplier by TLE and which must be signed and returned to TLE by the appropriately authorized representatives of the supplier within two weeks of the receipt of the forms by the supplier. (In the case of an initial delivery, TLE must be in receipt of the set of forms no later than at the time of the first delivery.)
TLE shall be notified forthwith of any change in respect of the origin of the goods. If the supplier is shipping goods which may be entitled to preferential treatment in the importing country, the supplier shall enclose with the consignment an appropriate proof of origin (e.g. Form A, EUR 1). Such proof is necessary for every such consignment.
3. The supplier shall support TLE with all means necessary to reduce or minimize the payments to be made by TLE in respect of customs duty.
4. In case of any queries with respect to customs duty or declarations of origin the supplier shall contact the competent customs department of TLE.
5. The supplier shall ensure the security of the delivery chain and comply with relevant legal requirements. The supplier undertakes to present on request relevant evidence to TLE in terms of certificates or declarations (e.g. AEO/ Authorized Economic Operator security declaration, Compliance declaration with respect to the C-TPAT initiative).
6. The supplier shall make TLE aware of possible export restrictions with respect to the goods and manufacturing equipment subject to an export /re-export license under US legislation/US regulations. If the supplier is domiciled in the European Union the supplier shall point out to TLE the obligation to obtain authorization for dual-use goods and armaments under European export restrictions and their national-level implementation. Also, the supplier shall inform TLE about the authorized classification number (e.g. the ECCN/ Export Control Classification Number for US products, the "AL-Number" of the goods registered in the German Export List, etc.) and about any possible certificates of exemption for goods and manufacturing equipment. Such advice shall be communicated directly to Truck-Lite Europe GmbH (Germany).

17. REACH

1. The supplier shall ensure that all substances in the products (e.g. raw materials, auxiliaries and consumables, sub-assemblies, component parts), which are supplied to TLE and require registration in accordance with REACH (EC Regulation 1907/2006: Registration, Evaluation and Authorisation of Chemicals), have been pre-registered by the supplier or its upstream supplier and are then registered for the intended use with TLE within the time frame specified by REACH.

In the event that, contrary to expectations, this should not be the case, TLE shall be notified of the fact forthwith.

2. If the products (including packaging) delivered to TLE contain any SVHC (Substances of Very High Concern) in concentrations above 0.1 per cent by weight, these products shall be declared to TLE. For substances considered to be current SVHCs at any given time reference shall be made to the list of candidates published by the EU, which is being added to constantly. The supplier shall ensure its continued awareness of the current status of the list of candidates at all times.

18. Compliance

1. The supplier undertakes to comply with the relevant statutory regulations on dealing with employees, environmental protection and occupational safety and to work towards reducing any negative effects resulting from its activities on people and the environment. To this end, the supplier shall, if possible, establish and develop a management system in accordance with ISO 14001. Furthermore, the supplier shall observe the principles of the Global Compact initiative of the UN. These are essentially concerned with the protection of international human rights, the right to collective bargaining, the abolition of forced or compulsory labor and child labor, the elimination of discrimination in employment and occupation, responsibility for the environment, and the prevention of corruption. Further information on the Global Compact initiative of the UN is available under www.unglobalcompact.org.
2. In case a supplier should repeatedly and/or regardless of having been made aware accordingly violate the law and fail to prove that such violation of the law has been remedied to the maximum extent possible and appropriate precautions have been taken to prevent future violations of the law, we reserve the right to withdraw from or terminate existing contracts without notice.

19. Execution of Work

1. Any individuals carrying out work on the premises of TLE as part of the contract performance, must observe the stipulations of the work rules. TLE shall not accept responsibility for any accident happening to these individuals on the premises of TLE, unless these were caused by deliberate or grossly negligent violation of duty on the part of our legal representatives or agents.

20. Place of Performance

1. The place of performance shall be the place where in accordance with the order the goods shall be delivered or the service rendered, as the case may be.

21. General Provisions

1. In the event that any of the above terms and conditions should be or become invalid, the remaining terms and conditions shall remain unaffected. Instead of the invalid ones, conditions shall be put into effect, which meet most closely the intended commercial purpose of the contract, while appropriately protecting the interests of both parties.
2. The contractual relationship shall exclusively be governed by the law of the Federal Republic of Germany, with the exception of the stipulations of private international law and the United Nations Convention on Contracts for the International Sale of Goods ("CISG").
3. The place of jurisdiction for any claims based on dealings with business organizations or corporate bodies under public law shall be Eisenach. However, TLE shall also have the right to file an action against the supplier with the court, at our discretion, at the place of the supplier's registered office or branch, or at the place of performance.
4. Electronic processing of supplier data will be in compliance with the German federal data protection act (BDSG).
5. The foregoing supersedes any and all previous General Terms and Conditions of Purchase.