



Standard Terms & Conditions (Suppliers outside continental United States)

The following terms and conditions apply to all Purchase Orders issued by Truck-Lite Co., Inc. ("The Company") to a supplier after May 1, 1998. A Supplier's acceptance of any of the Company's Purchase Orders after May 1, 1998 and subsequent shipment of the products ordered, will be deemed to be acceptance of these terms and conditions for all Purchase Orders issued by the Company to a Supplier.

In the context of these terms and conditions, the following definitions will apply:

Supplier - Any production facility, trading house or business, who produces and/or supplies raw or finished products to the Company, based on Purchase Orders received from the Company.

Purchase Order - A document issued by the Company which specifies the product or products being ordered, the quantity ordered or each of those products, and a shipment date for each of the products ordered.

1. **New or Revised Product Introduction:**

In the event of new product introduction between a Supplier and the Company, Supplier will provide all necessary certification documentation to Truck-Lite that demonstrates the product meets all legal requirements applicable in United States markets. The supplier will also provide drawings, where applicable, and production samples (in appropriate packaging) to the company for their approval prior to initial shipment of product. If the Company pays Supplier for any tooling necessary to manufacture product, including packaging and printing plates and dies, supplier recognizes that the company owns the tooling and will not manufacture product using the tool for any other customer. Upon demand, supplier will return to company all tooling with shipping costs incurred by the Company.

2. **Product Specifications**

Goods called for by the Buyer's order must conform to the specifications and quantities so ordered. No Substitutions are to be made by the Seller unless expressly agreed to in writing by the Buyer. The Seller is responsible for submitting written notification of any product changes sixty (60) days prior to change. The Buyer reserves the right to make modifications to the specifications of products not previously authorized for manufacture or delivery to the Buyer and the Buyer shall notify the Seller of such modifications of specifications.

3. **General Packaging:**

All product shipped to the Company by the Supplier will be marked according to the Company's request, including appropriate markings on master carton, inner boxes, bulk labels and other individual product packaging. Information provided will include, but not be limited to, Country of Origin, the Company's Logo, Part Number, Description and Quantity. Any costs incurred by the Company to correct packaging will be the responsibility of the Supplier and will be a minimum charge of USD\$150 per occurrence.

4. **Quality Inspections:**

Supplier prior to shipment should inspect all product and packaging.

- a. The products specified on each Purchase Order are subject to inspection by the Company's Quality Assurance Department. Inspections will be conducted at the Company's sole direction.
- b. All packaging must be as requested by the Company and will be of display quality.
- c. If product or packaging does not meet specified quality, supplier agrees to give full credit for rejected items to the Company upon reviewing a sample of the rejections forwarded by the Company to Supplier at Supplier's expense.
- d. Should the quality of the supplier's products be unacceptable to the Company, the Company may at its sole discretion appoint an independent inspection service to be present at the Supplier's location to assist the Supplier to improve its quality standards. The supplier will pay all costs related to independent inspection service.
- e. The Company has no obligation to ship back rejected items to Supplier. If Supplier so requests, Company will ship back product to Supplier at Supplier expense.
- f. In the event products are returned to Supplier and credit is given to Company, Supplier agrees it will not re-sell said product unless all packaging and other identification marks of the Company are removed.

5. **Shipment Dates:**

- a. The shipment date as specified on the Purchase Order is the latest date the product can be delivered to the FOB port. The shipment date is the closing date for acceptance of the shipment by the shipping company and is usually two days prior to the date the shipment must be on board the vessel at the FOB port.

- b. Unless advised to the contrary by the Supplier in writing within 72 hours of the issuance of Purchase Order, it will be assumed by the Company that the Supplier has confirmed acceptance of the Purchase Order, and is able to ship the ordered quantity of product by the specified shipment date.
 - c. In the event that the Supplier cannot meet the specified shipment date, the Company may at its sole discretion:
 - I. Issue a revised Purchase Order with a revised shipment date, or
 - II. Direct the Supplier to ship the product via airfreight to the destination, in which case the Supplier will bear the costs of the airfreight, or
 - III. Cancel the Purchase Order. In such an event, the Company will not be held responsible for any material, labor, or overhead costs incurred by the Supplier for the canceled Purchase Order.
 - d. The Company reserves the right to delay any shipment dates specified on Purchase Order.
 - e. Truck-Lite Co., Inc. requires 100% "on-time" delivery of product from supplier.
 - f. If Supplier faces any shortage of material or product, the Company will receive first priority over all other customers of Supplier to meet the Company's full requirements and scheduled shipment dates.
6. Labor:
- a. It is the Company's policy not to conduct business with a Supplier who uses child labor in the manufacture of its orders. For the purposes of these terms and conditions, a "child" is defined as a person under the age of 14. Should the Company discover that a Supplier uses child labor, the Company may at its sole discretion cancel any or all unshipped Purchase Orders. In such an event, the Company will not be held responsible for any material or product, or overhead costs incurred by the Supplier for the canceled Purchase Orders.
 - b. It is the Company's policy not to conduct business with a Supplier who uses prison labor. The Supplier must gainfully employ all persons used by the Supplier in the manufacture of its orders. Should the Company discover that a Supplier uses prison labor, the Company may at its sole discretion cancel any or all unshipped Purchase Orders. In such an event, the Company will not be held responsible for any material, labor, or overhead costs incurred by the Supplier for the canceled Purchase Orders.
7. Payment Terms, Rebates, and Allowances:
- a. The Company's payment terms are L/C 45 days unless otherwise agreed upon by the Supplier and the Company.
 - b. Unless otherwise agreed in writing, all Purchase Orders are subject to a Damage Allowance of 1%. This allowance will be deducted from the payment of each Supplier's invoice. The 1-% is an estimate of the damaged product returned by the Company's customers. Should the volume of actual returns received by the Company exceed 1%, the Company may recover the excess from the Supplier.
8. Miscellaneous:
- a. The Supplier agrees to not sell the Company's branded product, including all product packaged or marked with the Company's identification marks or tooled for the Company, in any of the Seller's markets.
 - b. In the event Supplier decides it will not supply product to the Company, Supplier must give six months advance notice in writing to the Company.
9. Prior Agreements:
- These terms and conditions supercede and replace all prior agreements containing similar subject matter, whether in writing, or verbal, express or implied. Any changes to these terms and conditions must be made in writing.

Disputes:

These terms and conditions shall be governed and construed in accordance with the laws of the State of New York. Any controversy or claim arising out of or related to these Terms and Conditions or Purchase Order, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under it's Commercial Arbitration Rules, and any judgement on the award rendered by the arbitrator(s) shall be final and non-appealable and the award may be entered in any court. The arbitration will be held at the American Arbitration Association in New York City.

Supplier

Truck-Lite Co., Inc.

Company

Date

Date