

General Terms and Conditions of Purchase for Purchase and Works Contracts of the company TSE Trailer System Engineering GmbH & Co.KG (as of 7/2013)

1. General / Area of application

1.1 The General Terms and Conditions of Purchase of TSE Trailer System Engineering GmbH & Co.KG, referred to hereinafter as „TSE“ shall apply exclusively; general terms of the supplier that contradict or deviate from TSE's General Terms of Purchase are not acknowledged, unless TSE expressly agrees to the application thereof in writing. TSE's General Terms of Purchase shall apply even if TSE accepts delivery by the supplier without reservation despite having knowledge of the supplier's deviating terms.

1.2 All and any agreements and arrangements entered into between TSE and the supplier for the purposes of the present Contract shall be set forth therein in writing.

1.3 TSE's General Terms of Purchase apply exclusively vis-à-vis companies, public-law legal persons or special funds under public law as defined under Sect. 310 (1) BGB.

1.4 TSE's General Terms of Purchase shall apply also to all future business with the supplier.

2. Offer / Offer documentation

2.1 The supplier is obliged to accept TSE's offer within a period of 1 week, at the latest.

2.2 TSE reserves all ownership, title, and copyrights, of and to all illustrations, drawings, calculations, data, data carriers provided, specifications, performance sheets, and any other documents – referred to hereinafter as „Information“; such Information may not be made accessible to third parties without TSE's express prior written consent. The Information shall be used exclusively for manufacturing and/or processing TSE's order. After the order processing is completed the Information shall be returned unsolicited to TSE. It shall be kept secret from third parties.

3. Prices / Terms of payment

3.1 The price shown in TSE's order is binding upon the supplier. Unless otherwise agreed in writing, the price includes delivery „DDP“ (Incoterms 2010), incl. packaging. Returning the packaging requires a separate agreement.

3.2 The statutory value added tax shall be shown separately in the invoice.

3.3 TSE processes invoices only if – according to the specifications in TSE's order – they state the order details contained therein; the supplier is responsible for all consequences resulting from the non-observance of the present obligation, unless he is able to prove that he is not responsible.

3.4 Unless otherwise expressly agreed in writing, TSE shall pay the remuneration charged by the supplier within 14 days from delivery and receipt of the invoice with a 3% discount, or within 30 days net from receipt of the invoice.

3.5 TSE is entitled to the statutory set-off and retention rights.

3.6 Beyond the scope of application of Sect. 354 a HBG (German Commercial Code), the supplier is not entitled without the prior written consent of TSE to assign any claims to third parties in part or in full.

4. Delivery and performance dates

4.1 The delivery date, and/or time for performance, specified in the order is binding.

4.2 The supplier is obliged to inform TSE in writing and without delay of any circumstances occurring, or becoming discernable, which give reason for concern that the agreed delivery and/or performance dates cannot be observed. Such notification of concern shall be transmitted to TSE as promptly as possible in advance by email or by facsimile.

4.3 In the case of default on delivery, TSE shall be entitled to charge liquidated damages for late performance in the amount of 1 % of the delivery value per full week, however not exceeding 10%; any additional statutory claims (withdrawal, rescission, and damages in lieu of performance) are reserved. The supplier is entitled to prove to TSE that no, or substantially lower damage, was caused as a result as the default on delivery.

5. Passing of risk / documents / data protection

5.1 Unless otherwise agreed in writing, delivery shall be „DDP“ (Incoterms 2010).

5.2 The supplier shall precisely state TSE's order specifications on all shipping documents or delivery notes; should he fail to do so, delays in processing will be inevitable. TSE assumes no liability whatsoever for such delays.

5.3 The supplier shall enable TSE to inspect the progress achieved with the contractual services, e.g. of any works to be produced. TSE is entitled to inform itself about the progress of the contractual services by inspecting all relevant documents (reports, descriptions, listings, manuals, etc) at any time. The documents required for this purpose shall be submitted, and explained, to TSE on request.

5.4 If TSE grants the supplier access to networks and/or data processing systems of TSE the supplier may use such access exclusively for the purpose of fulfilling the individual order. The supplier agrees, in particular in aforementioned cases, to observe the provisions relating to secrecy under No. 2.2 herein-above and impose them on its personnel and any third parties involved in implementation. Unless indispensable to the supplier's performance of the order, the supplier is not entitled without TSE's prior written approval to copy, change, reproduce, or pass on to third parties, any data accessible to him. TSE shall be liable only as provided by mandatory law for the functioning of access protection systems or for operational disturbances of the above-mentioned networks and data processing systems and for any damage resulting from their utilisation.

5.5 The supplier agrees to observe the applicable statutory provisions relating to data privacy. The supplier releases and holds harmless TSE on first request from any third party claims that result from a breach of the aforementioned obligations of the supplier.

6. Inspection for defects / liability for defects

6.1 TSE shall inspect the goods that TSE is obliged to inspect under Sect. 377 HGB (German Commercial Code), within a reasonable period of time for any deviations from the agreed quality or quantity. Notifications of defects shall be deemed in good time if they are delivered to the supplier within 14 days from delivery to TSE in the case of apparent defects, in the case of hidden defects from their discovery. If a quality assurance agreement has been concluded, the defect inspection and defect notification obligations to be fulfilled by TSE shall be subject to the terms and conditions of the quality assurance agreement relating to incoming goods inspections.

6.2 The supplier warrants that the goods delivered, i.e. the works owed, are conform with the statutory, and mutually agreed, quality and packaging terms, the specifications, or, in the absence of the aforementioned, at least with the standard market commercial quality terms, and are free of defects in title and in quality, or of defects as defined by the law, in particular by the German Product Liability Act. The supplier warrants that the distribution of the delivered goods and/or utilisation of the contractual performance does not breach applicable law, including packaging and labelling requirements, does not breach third party rights, and/or that the goods or works satisfy public-law requirements and requirements under competition law. The wording of any existing and/or enjoined labels, relating to properties or quality, durability, designations, descriptions, accompanying documents and/or advertising statements, as well as use and assembly instructions, must be accurate in terms of content, legally sound, complete, comprehensible, and in German language, as herewith warranted by the supplier.

6.3 TSE is entitled without limitation to the statutory claims based on defects; on principle, TSE is entitled, at its free choice, to either subsequent performance by remedy of the defect of the goods, or delivery of goods that are free of defects (purchase), or remedy of the defect of the work produced, or manufacture of new work. The expenses required for subsequent performance shall be borne in full by the supplier. TSE's right to claim

compensation for damage, in particular the right to claim damages in lieu of performance, is expressly reserved.

6.4 TSE is entitled to remedy the defect itself in the case of imminent danger or particular urgency.

6.5 The limitation period of claims based on defects is 36 months counted from the date of the passing of the risk (purchase) or from the date of acceptance (works contract), unless contractual or statutory provisions provide for a longer period of limitation.

6.6 As regards defects in title, No 9 shall apply in addition.

7. Product liability / exemption / third party liability insurance cover

7.1 If the supplier is responsible for a damaged product, he shall exempt and indemnify TSE on first request from and against any third party damages claims inasmuch as the cause for the damage is in his area of control and organisation and he himself is liable to third parties.

7.2 If the supplier is liable for damage within the meaning of para. (1), it is obliged vis-à-vis TSE to reimburse the latter for any expenses under Sections 683, 670 BGB (German Civil Code) or Sections 830, 840, 426 BGB (German Civil Code) that result from or in connection with a recall carried out by TSE. TSE shall - as soon as possible and reasonable - communicate to, and coordinate with, the supplier the content and scope of the recall and give the latter opportunity to comment. Additional statutory claims shall not be affected.

7.3 The supplier agrees to maintain product liability insurance with a blanket coverage of at least EUR 10 million per personal injury/damage to property. If TSE is entitled to additional damages claims they shall not be affected. On TSE's request, insurance coverage shall be evidenced.

8. Industrial property rights

8.1 The supplier warrants that no third party rights, in particular intellectual property rights and copyrights, are infringed by delivery and utilisation of the delivery object and object of performance and/or the work manufacture. If the work manufactured infringes third party industrial property rights, and if for that reason TSE is prohibited from using the work in full or in part, the supplier shall at his choice either procure on behalf of TSE the right of utilisation and/or exploitation of the work, or design the work so that it is free of industrial properties. Any additional rights of TSE shall not be affected.

8.2 If a third party raises claims against TSE on the grounds of an infringement of industrial property rights, the supplier shall indemnify and exempt TSE from and against such claims upon first written request. The supplier's exemption duty relates to all necessary expenditure TSE incurs in connection with or as a result of the claims raised by the third party.

9. Retention of ownership / provisions / secrecy

9.1 If TSE provides parts to the supplier, TSE reserves ownership thereof.

9.2 Processing or transformation by the supplier shall always be deemed on behalf of TSE.

9.3 If the items provided by TSE are inseparably commingled with other items now owned by TSE, the latter will acquire co-ownership of the new item in the same proportion as the value of the retained-ownership item to the value of other commingled objects at the time of commingling. If commingling occurs in such a manner that the supplier's item must be deemed the principal item, it shall be deemed agreed that the supplier transfer co-ownership thereof pro rata to TSE; the supplier shall preserve sole or co-ownership for TSE.

9.4 The supplier shall immediately notify TSE of any damage or incompleteness of goods provided. The supplier shall be liable to TSE for any lost materials and/or damage in accordance with statutory law.

9.5 The supplier shall keep all Information (No. 2.2 herein-above) obtained during order processing strictly secret. It may be disclosed to third parties only after express written consent has been declared by TSE. This obligation to maintain secrecy shall continue to apply after performance of the present Contract has been completed; it shall expire no earlier than from the date on which the production/business know-how contained in the Information provided has become general knowledge.

10. Termination

10.1 TSE is entitled at all times to terminate the works contract (Sect. 631 BGB) or the contract relating to the delivery of goods to be manufactured or produced (Sect. 651 BGB) until the completion of the production of the work, i.e. until delivery of possession (in the case of Sect. 651 BGB) pursuant to Sect. 649 Sentence 1 BGB. If notice of termination is given for a reason for which the supplier is at fault, TSE shall remunerate the supplier for any contractual services performed prior to the receipt of the notice of termination, and that TSE is able to exploit, applying the agreed prices to the partial performance. TSE's damages claims shall not be affected. In particular, the supplier shall compensate TSE for any extra expenditure incurred.

10.2 If TSE terminates the contract for a reason for which the supplier is not at fault, the supplier is entitled to demand the agreed remuneration; however he must allow deduction of the expenditure he saved as a result of the termination of the contract or of income he acquires, or wilfully omits to acquire, by using its labour otherwise. In this case, the supplier shall submit to TSE the documents and provide the information required for an inspection of the deductions mentioned under Sect. 649 Sentence 2 BGB.

10.3 TSE may withdraw from the order of deliveries (Sect. 433 BGB) for an important reason prior to the delivery of possession. In the case of withdrawal by TSE under the present clause, the provisions under Nos. 11.1 and 11.2 hereinabove shall apply *mutatis mutandis* to the supplier's right to remuneration. TSE acquires ownership of the partial performance remunerated.

11. Place of jurisdiction / place of performance

11.1 If the supplier is a merchant, a legal entity under public law, or public-law special funds TSE's registered place of business is the place of jurisdiction; however TSE is also entitled to bring legal action against the supplier at the court of the latter's place of residence.

11.2 Unless otherwise specified in the order, the TSE's place of business is the place of performance.

12. Choice of law

The present contract is governed by the laws of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).