

Terms of Purchase and Delivery

of Saferoad Traffic A/S – below referred to as SRT. These general Terms of Purchase and Delivery shall apply unless otherwise specifically agreed in writing between the parties.



Definitions: The Purchaser is SRT and the "Supplier" is the other party with whom SRT concludes an agreement.

1. Specification and Description

- 1.1. The Supplier shall deliver in strict compliance with in the purchase order, including materials certificates and testing certificates specified therein. To the extent that SRT has not specified the quality required, the delivery shall be in a good condition and suitable for the purpose for which the delivery was purchased. The delivery shall meet the requirements of current Danish rules, norms and other regulatory requirements, inclusive of EU directives etc. Unless otherwise explicitly stated in the order, delivery shall be effected at the address of SRT specified in the purchase order, and the product/documentation be ready for operation. SRT does not undertake e.g. assembly or completion of the delivery.
- 1.2. Any changes to specifications, prices or times of delivery or to these Terms of Purchase and Delivery shall be valid only if they have been confirmed by SRT in writing prior to delivery.
- 1.3. All drawings and technical documents which are handed over to the Supplier by SRT prior to or after conclusion of the contract, shall remain the property of SRT. Such materials shall not be copied, reproduced, passed on or otherwise communicated to any third party without SRT's written permission, except to the extent this may be necessary for executing the order.
- 1.4. At the request of SRT, the Supplier shall free of charge provide SRT - either electronically or in print on size A4/A3 paper at SRT's option - with information, identification lists, spare parts lists, maintenance instructions, drawings and installation instructions in Danish which are sufficiently detailed to enable SRT and/or SRT's customers to install, put into operation, operate and maintain, including repair on a current basis, all parts of the delivery. Title to such information and drawings shall pass on to SRT.
- 1.5. The Supplier shall indemnify SRT for any claim that may be set up by a third party for alleged violation of patents, licenses, registered trademark or design, copyright, know-how and the like. In the event that SRT and/or SRT's customers suffer a loss as a result of a violation of such rights, SRT and/or SRT's customers are entitled to claim the supplier damages for such loss.
- 1.6. The Supplier undertakes to offer/suggest products favoring the environment and recycling.

2. Delivery

- 2.1. Delivery shall be DDP (Incoterms 2010) at the address stated in SRT's purchase order.
- 2.2. The times of delivery stated in the purchase order shall be the arrival date of the goods and/or the documentation at the delivery address(es) stated in SRT's purchase order. Delivery has been effected when the goods have been placed at SRT's disposal at the address specified in SRT's purchase order and when SRT has approved the goods received. In the event that the delivery/performance is defective, delivery is deemed not to have taken place until such defect has been remedied. Payment for the delivery shall not constitute approval of the delivery. The Supplier shall make all the necessary arrangements to ensure delivery at the times of delivery specified without additional costs for SRT. Delivery may not take place prior to the time stated in the purchase order unless subject to written consent by SRT. SRT shall immediately be notified of any delay or anticipated delay and receive written confirmation hereof. In cases where SRT cannot accept the delay, the Supplier shall pay liquidated damages for such delay according to the provisions below.

If times of delivery agreed as milestones prior to delivery are exceeded, the Supplier shall pay liquidated damages of 1% of the total order sum for each week of delay commenced. Liquidated damages for each delay accumulate. Notwithstanding the foregoing the Supplier shall not be liable to pay any part of the aforementioned liquidated damages, if the delivery by the Supplier takes place in accordance with the agreed time of final and complete delivery.

- 2.3. If delivery, whether in full or in part, is not effected timely, or if defects are not remedied until after the agreed time(s) of delivery, the Supplier shall pay liquidated damages of 1% of the total order sum for each commenced week of delay. The liquidated damages in clauses 2.2 and 2.3 accumulate. The maximum amount of liquidated damages is limited to 10% of the total order sum.
- 2.4. If the delivery or any part of thereof is delayed, SRT shall be entitled to demand delivery and to fix a final time of delivery by notifying the Supplier hereof in writing. If the delivery does not take place within the time so fixed, SRT shall be entitled to terminate the purchase by notifying the Supplier hereof in writing, and – in addition to liquidated damages - to claim damages from the Supplier for the directly loss caused by the delay, inclusive of direct loss in the event of operating disturbances. Damages shall be fixed in accordance with the general Danish law of damages. In case SRT elects to maintain the purchase, SRT shall nevertheless be entitled to damages and liquidated damages. If the Supplier suspends payments, enters into moratorium or any similar legal state or goes into bankruptcy, SRT is entitled to terminate the purchased and to claim liquidated damages, cf. clauses 2.2 and 2.3. If the purchase is terminated, SRT shall be exempt from any obligation to pay in part or in full for any work commenced etc.
- 2.5. In the event of delayed delivery as described in clause 2.4, SRT shall be entitled to cancel one or several orders for subsequent deliveries by notifying the Supplier in writing.
- 2.6. If required by SRT, the Supplier shall submit plans for drawings, production schedules and reports of production to the extent deemed necessary by SRT.

3. Quality control and follow-up on deliveries

- 3.1. SRT and/or SRT's customer are entitled to inspect the product ordered during production at the locations where the production takes place.

4. Marking

- 4.1. The Supplier shall mark the delivery and include a delivery note stating description, quantity and SRT's purchase order number. Lack of marking shall be regarded as a defect, cf. clause 2.2.
- 4.2. In cases where SRT delivers components / raw materials for processing at the Supplier premises, such materials shall be marked and identified as SRT's property immediately upon arrival at the Supplier premises and shall be stored properly and be covered by the Supplier's insurance.

5. Packing

- 5.1. The agreed prices include the necessary packing, including pallets and drums. SRT accepts no charge of any kind for packing.

6. Returned goods

- 6.1. Goods delivered which SRT does not use may be returned for crediting to SRT's account, provided that the goods are in the same order as when received and subject to prior agreement.

7. Payment

7.1. The terms of payment shall be as stated in the purchase order, or, if not set out therein, it shall be current month + 60 days, and in either case subject to approval of the goods delivered and the invoice. The invoice must state SRT's purchase order number to be approved. The invoice shall be forwarded to the invoice address stated in the purchase order. Payment is subject to full and complete delivery, including receipt of the relevant certificates, drawings and other technical documentation according to the purchase order. The Supplier's right to receive payment shall not be the object of any pledge or assignment, including factoring, without the prior written consent of SRT. Damages (incl. liquidated damages) according to clauses 2.2, 2.3, 2.4 and 11.4 may be set off against any payment to the Supplier.

7.2. Any prepayment is subject to the Supplier providing an irrevocable guarantee payable on demand in a reputable bank or insurance company on terms acceptable to SRT.

8. Subcontract

8.1. If a Supplier himself does not manufacture the delivery or substantial parts thereof, the name of the manufacturer must be stated at order confirmation and must be approved by SRT prior to commencement of the production of the delivery in question, and measures must be taken to ensure SRT or its customer access to undertaking quality control during production, cf. clause 3. If the Supplier fails to comply herewith SRT may terminate the agreement and claim damages and invoke any and all other remedies for breach being available to SRT.
The Supplier shall be fully liable for the correct performance of the delivery.

9. Secrecy

9.1. The Supplier shall not pass on information on technical data, prices or similar concerning the order nor otherwise pass on information or knowledge acquired from SRT - neither publicly nor to any third party - nor permit any third party, acting on its behalf, to do so.
The Supplier shall not use SRT's logo, name or trade relation for advertising or reference purposes without in each such case to seek and obtain the prior written consent of SRT.

10. Warranty

10.1. The Supplier warrants that the design is properly carried out, the good quality of the materials and the proper performance of the work; moreover, the Supplier warrants that the goods delivered are suitable, and have the right features for the purpose for which such goods are to be used.

10.2. If the delivery involves any specified performance, the Supplier's warranty shall also cover such performance.

10.3. The warranty shall be in force for at least 12 months from the time of approved handing-over of the total project to SRT's customer.

11. Liability for defects

11.1. SRT shall notify the Supplier of any defects and/or errors as soon as possible.

11.2. Without delay and without any expense on the part of SRT, the Supplier shall remedy the defect and/or rectify the error, inclusive of replacing any parts of the delivery that do not meet the requirements according to specification and purchase orders. The Supplier shall defray all costs of such remedying, regardless of where the project may be located; however, the Supplier shall not cover costs of transportation in excess of such costs as would be relevant if the project had been located in Denmark. SRT will establish schedule for remedy of defect only considering SRT's project schedule.

11.3. If the Supplier does not remedy, repair, substitute and/or replace within the time fixed by SRT, SRT shall be entitled to have such remedy, repair, substitution and/or replacement undertaken by a party other than the Supplier, but at the expense of the Supplier. This also applies if the goods delivered are to be used by SRT immediately upon delivery. Moreover, instead of having such remedy, repair, substitution and/or replacement undertaken, SRT is entitled to terminate the contract by notifying the Supplier in writing.

11.4. SRT is entitled to claim damages for any direct loss inflicted on SRT as a result of defects and errors.

11.5. For any delivery which is partly or fully replaced or remedied according to clause 11.2 or 11.3, the above terms shall apply to all affected parts of the delivery for a new warranty period calculated from the time when remedy was made, cf. clause 10.3.

11.6. SRT may pass-on the Supplier's warranty to the benefit of SRT's customer, and the Supplier is thus obliged to assist SRT in any issues relating to the warranty and to assist SRT's customer until expiry of the warranty period.

12. Liability for damage/injury caused by the products delivered (product liability)

12.1. If a third party raises a claim for damages against one of the parties, the party in question shall notify the other party hereof without undue delay. To the extent that - under Danish or foreign law - product liability may be imposed on SRT for any damage or injury caused by products supplied by the Supplier, the Supplier shall indemnify SRT for all claims and costs emerging therefrom, including any legal costs. The Supplier shall take out general liability insurance and product liability insurance policies with a coverage of at least DKK 5 mio. for each personal injury and at least DKK 5 mio. for each damage to property. At the request of SRT, the Supplier shall submit to SRT its insurance policy on product liability with information on the insurance sum(s).

12.2. In case court actions or arbitration proceedings are brought by third parties against either SHG or the Supplier for claims allegedly being caused by the products supplied pursuant to an agreement being subject to these Terms of Purchase and Delivery the one of them not being sued shall be obliged to enter as co-defendant before the same court or arbitration tribunal. However, the relationship between the Supplier and SRT shall always be adjudicated according to the substantive provisions and the stipulations on dispute resolution of these Terms of Purchase and Delivery.

13. Force majeure

13.1. If performance is delayed as result of force majeure such as war, unrest, terrorism, natural disasters, fire, explosion, strike, lockout, boycott, intervention by public authority into lawful activities, the Supplier shall immediately notify SRT of the delay and the cause as well as of the estimated duration hereof and shall keep SRT informed of the situation. The Supplier shall take all necessary steps to reduce the effect of the force-majeure situation. The time for delivery shall be extended - provided that the Supplier has notified SRT as stipulated above - by the unavoidable delay; however, by no more than the duration of the force majeure situation. Force majeure at the Supplier's sub-suppliers of essential parts is to be treated as force majeure at the Supplier himself.
Force majeure situations, whether existing or predictable when the order was placed, shall not justify any extension of time for delivery as described above.

13.2. If SRT is prevented from taking delivery of or installing the products ordered because of a force majeure situation as described above, SRT is entitled to demand extension of time for delivery as described above.

13.3. Notification according to such provisions shall take place by letter or by e-mail.

13.4. If the extension of time for delivery as a result of force majeure at SRT or the Supplier will substantially affect the progress of SRT's project, SRT shall be entitled to terminate the contract against payment of the Supplier's fully substantiated costs up to the time of termination.

14. Applicable law and disputes

14.1. All disputes shall be settled according to Danish law disregarding any rules on renvoi, either by arbitration in Copenhagen, or before the Court in Odense in SRT's free choice. In the event of arbitration, the dispute shall be settled according to the rules of procedure of the Danish Institute of Arbitration. All members of the arbitration tribunal shall be appointed by the Danish Institute of Arbitration according to its rules of procedure. The Supplier shall continue to deliver regardless of any dispute between the parties.