

1.1 DELAY

SUPPLIER shall take all reasonable actions to ensure that products under the agreement shall be delivered on time. Supplier is obliged to inform DINEX of any delays without hesitation in writing. For the avoidance of doubt such written notice does not relieve the SUPPLIER of its responsibility and liability to deliver on time.

If a delivery is delayed DINEX has the right to cancel the purchase order partly or completely. If DINEX maintains the purchase order, DINEX may claim liquidated damages as from the original delivery date. SUPPLIER shall pay an agreed penalty of 5 per cent for each commenced week of the total invoice amount for the purchased products until delivery takes place. If the delay lasts less than a week, the agreed penalty will be calculated proportionately.

Whether DINEX cancels or maintains the purchase order, DINEX shall also be entitled to compensation of direct losses in addition to liquidated damages. The SUPPLIER acknowledges that DINEX' customers or subsequent customers may advance any claim that DINEX would be entitled to advance against the SUPPLIER, directly against the SUPPLIER (recourse to a prior party).

In the event of a delay SUPPLIER is obliged to deliver the products by the fastest means of transportation upon request from DINEX. Any additional costs related hereto will be covered by SUPPLIER.

1.2 POSTPONEMENT AND CANCELLATION OF ORDERS

SUPPLIER accepts that DINEX may postpone orders for a period of up to six months from the originally agreed delivery date without any cost or compensation to be paid by DINEX provided that such postponement is advised at least four weeks prior to the originally agreed delivery date. If postponement is advised with shorter notice than four weeks DINEX shall, upon SUPPLIER's request pay reasonable documented storage costs. SUPPLIER shall diligently store products under postponement at SUPPLIER's risk.

For products not specific for DINEX i.e. products that are not marked with DINEX numbers or products customized specifically for DINEX which SUPPLIER has no alternative use or customer for, DINEX may cancel orders in part or fully until the time of shipment from SUPPLIER's site.

1.3 DESIGN REVIEW

DINEX may require from SUPPLIER, (translated into English), supporting data, reviews, analysis and investigations of the Products together with the right to carry out all audits and inspections deemed necessary during manufacture and testing to provide assurance that the Products supplied will perform satisfactorily. Further, SUPPLIER is also obliged to support DINEX with any information needed to comply with regulations e.g. IMDS.

1.4 QUALITY

SUPPLIER is obliged to have a Quality Assurance System (QA) in accordance with IATF 16949, ISO 9001 or equivalent as minimum.

1.5 ENVIRONMENT

SUPPLIER agrees that all supplied Products shall comply with DINEX' superior mission, which is to consume a minimum of raw materials and energy, the fewest possible undesirable environmental effects and the most effective application and resources

SUPPLIER shall as a minimum fulfil all environmental and safety rules valid at the time of delivery. Further, SUPPLIER is expected to have or to work towards having an environmental management system based on ISO 14001 or equivalent.

1.6 AUDIT

SUPPLIER shall ensure that DINEX or a third party appointed by DINEX at any time with at least one week's prior written notice - may carry out inspections and audits on SUPPLIER's or SUPPLIER's sub-supplier's premises to verify SUPPLIER's compliance with the Agreement, including, but not limited to, compliance with environmental laws, labour laws, DINEX Code of Conduct and terms of prices.

1.7 WARRANTY

For a period of 12 months from the date of the product installation (the Warranty Period) SUPPLIER warrants that Products delivered are designed and manufactured based on SUPPLIER's best knowledge on product design, product materials and product technology and are fit for any normal or agreed purpose. Further, SUPPLIER warrants that Products are free from defects in design, materials and workmanship and comply with applicable law as well as agreed specifications and requirements. If a Product does not comply with the requirements of this clause it is deemed defective.

1.8 DEFECTIVE PRODUCTS

DINEX will as soon as possible advise SUPPLIER of possible defects and/or deficiencies. It is the duty of SUPPLIER, forthwith and at no cost to DINEX, to remedy the defect and/or make good the deficiency, including exchanging the part of the Products that do not fulfil agreed requirements, and to bear all additional costs related to remedying of the defect or making good the deficiency.

Upon DINEX' demand SUPPLIER shall without undue delay, at DINEX' discretion, credit, repair or replace Defective Products at SUPPLIER's risk and cost. SUPPLIER shall further reimburse DINEX any documented, direct loss incurred as a result of Defective Products including, but not limited to, sorting, repacking, inspection cost, dismounting and mounting cost, freight, import and export duties, charges and taxes.

Defective Products that have been credited or replaced shall be the property of SUPPLIER and shall, upon request within 30 days from SUPPLIER's receipt of DINEX' complaint, be returned to the SUPPLIER at SUPPLIER's risk and cost.

1.9 SERIAL FAILURES

For serial failures clause 1.8 will apply with addition of: Immediately after becoming aware of existence or risk of Serial Failure SUPPLIER shall notify DINEX and vice versa, and SUPPLIER shall initiate corrective and preventive actions.

1.10 PRODUCT LIABILITY

Should a product liability claims be enforced against DINEX by its customer or by third parties on basis of product liability provisions applicable in Denmark or any other country, the SUPPLIER shall indemnify DINEX and hold DINEX harmless against all claims and losses provided these are caused by defects in Products supplied by SUPPLIER.

If product liability claim relating to Products is lodged by a third party against one of the Parties, the latter Party shall without undue delay inform the other Party hereof in writing.

SUPPLIER is obliged to let itself be summoned to the court or arbitral tribunal examining claims for damages lodged against DINEX based on damage allegedly caused by the Product.

1.11 INFRINGEMENT OF THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS

SUPPLIER shall ensure that the Products, or the use thereof, shall not infringe any intellectual property rights of any third party (including but not limited to any patent, trademark, industrial design, copyright, license right or trade secret). If claims based on the Product's infringement of intellectual property rights are made by a third party against DINEX and/or DINEX' customers and/or end-users of the Product or DINEX products which the Product form part, SUPPLIER shall indemnify DINEX of all damages, cost and expenses arising out of or in connection with such claim or infringement. DINEX shall without undue delay notify SUPPLIER of any such claim and allow the SUPPLIER to either independently plead or to intervene in the proceedings regarding such infringement claim.

Should Products be found to infringe the intellectual property rights of a third party, SUPPLIER shall, without cost to DINEX, modify the Products to be non-infringing or shall obtain and maintain such license and rights from the third party as are required for the unrestricted, continuous use of the Products.

1.12 USE OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS

Each Party hereby agrees that it shall have no license to use the other Party's intellectual property rights, except as set out in the Agreement or as strictly necessary to give effect to the Agreement. Neither Party shall do anything that may prejudice or infringe the other Party's intellectual property rights.

1.13 RIGHT TO INTELLECTUAL PROPERTY GENERATED IN CONNECTION WITH THE AGREEMENT

Unless otherwise agreed in writing by the Parties in a specific development agreement, any improvements, developments or modifications to either Party's intellectual property rights created in connection with the Agreement, shall rest absolutely and automatically upon creation in the Party who owns the intellectual property rights which has been approved.

1.14 TERMINATION FOR CONVENIENCE

DINEX may terminate the Agreement for convenience at six months prior written notice. For 24 months from the effective date in clause 2 the SUPPLIER is not entitled to terminate the Agreement for convenience. After expiration of this period SUPPLIER may terminate the Agreement with six months prior written notice.

1.15 TERMINATION FOR CAUSE

The Agreement and/or any order may be terminated with immediate effect, in whole or in part, by either Party in the following events:

- In the event of a material breach of the Agreement or Order by the other Party, if the material breach is not remedied to the non-breaching Party's reasonable satisfaction within 30 days of notice of such breach.
- If not restricted by applicable law, if a Party becomes insolvent or any resolution or proceedings for liquidation (voluntary or involuntary) are instituted by or against a Party or in the event of the appointment, with or without consent, of an administrator, assignee or agent for the benefit of a creditor or creditors or of a receiver for a Party.
- If a Party commits any repetitive breach of the same type for which notice has already been given.

1.16 TRANSFER OF OWNERSHIP

If ownership of SUPPLIER is transferred, DINEX is entitled to terminate the Agreement with three months' notice.

1.17 FORCE MAJEURE

Until delivery has taken place, DINEX may demand a postponement of the time of delivery or cancel the confirmed purchase order when the following conditions occur after the confirmation of the purchase order and cause a disability for DINEX to produce or sell its products or in any other way prevent DINEX from taking delivery of the ordered goods or postpone the fulfilment of the agreement: war and mobilization, insurrection and civil commotion, acts of terror, natural disaster, strikes and lockouts (whether DINEX is a part thereof or the cause of these conflicts), shortage of goods and defects or delays in deliveries by other suppliers, flooding, fire, explosion, shortage of transport, exchange control regulation, import and export restrictions, computer viruses or other circumstances beyond the direct control of DINEX.

The SUPPLIER is not entitled to claim remedies for breach of contract from DINEX due to DINEX' postponement of the time of delivery or cancellation of a confirmed purchase order.

1.18 CONFIDENTIALITY

Any and all DINEX material and any other information and documents passed by DINEX to the Supplier for the purpose of selection, production or fitting of the Products shall be considered confidential material and be treated confidentially. The SUPPLIER shall not be entitled to exercise a lien or any other security interest in such material and the material shall be returned to DINEX upon request.

If the Supplier breaches confidentiality, SUPPLIER shall pay an agreed penalty of EUR 100,000 for each breach and damages under the general rules of Danish law if the substantiated loss suffered by DINEX exceeds the agreed penalty. The payment of an agreed penalty and/or damages will not entitle the SUPPLIER to continue the wrongful conduct. Where the breach consists in continuing a state of affairs contrary to DINEX' rights, one breach will be deemed committed for every week or part of a week during which the breach is upheld. Any violation of DINEX' rights may be discouraged by a prohibitory injunction.

All obligations under this clause shall remain in effect for five years from the date of termination of the agreement.

1.19 APPLICABLE LAW AND VENUE

Any dispute between DINEX and the Supplier shall be settled in accordance with Danish law. Disputes shall, at DINEX' discretion, be settled before either the Maritime and Commercial Court as proper venue, or by arbitration before an arbitration tribunal appointed by the Danish Institute of Arbitration in accordance with its rules applicable at the time of commencement of the arbitration proceedings. The arbitration tribunal shall sit in Copenhagen. However, DINEX may always choose to take legal action against the SUPPLIER at the SUPPLIER's home court.