

Terms and conditions for supply and procurement by ARS Traffic & Transport Technology B.V.

In general

1. These general terms and conditions for supply and procurement apply to all offers and agreements where ARS T&TT, hereinafter referred to as ARS, delivers goods and/or services to the Contractor, or procures these from a Contractor, even if these goods or services have not been (further) specified in this document. Deviations from these conditions are only valid if expressly agreed in writing.
2. Applicability of any delivery-, purchasing- or other conditions by the Contractor is expressly rejected.

Invoicing

3. All prices of goods and/or services delivered by ARS are exclusive of sales tax (VAT) and other taxes imposed by government.
4. Prices listed in the order are considered to cover all costs necessary for carrying out the contract. These amounts are fixed and not subject to change unless otherwise stated in the order. Cost allocation of expenses not covered by the order are not eligible for payment.
5. Unless expressly agreed otherwise in writing, the costs of transportation, packing, loading and unloading have been included in the listed price.
6. The amounts mentioned in the contract include license fees, payments and/or other costs arising from the use of intellectual property.
7. All invoices shall be paid by the Contractor in accordance with the payment terms and conditions stated on the invoice. In the absence of specific conditions the Contractor should settle the amount within thirty days after the invoice date.
8. If the Contractor does not pay the owed amount within the contractual time limit, the Contractor will be responsible for the statutory interest on the outstanding amount without any formal notice being required.

Offers

9. Offers made by Contractor shall be fixed and valid for three months from the date of the offer, unless the offer states otherwise.
10. Offers shall be complete and shall include the necessary or requested specifications and documentation.
11. Contractor will include an annex to list in detail any deviations from the application.
12. Costs of offers and necessary samples will be chargeable to the Contractor.

13. If the ARS application fixes a closing date, all offers submitted after the aforementioned date shall be considered as not being received.
14. Offers, documentation and samples will not be returned unless otherwise agreed.

Contract

15. Contractor is obliged upon written request from ARS to execute all changes in the contract that are reasonable possible. ARS will be notified on the possible changes to the price and/or delivery time as soon as possible, or within two calendar weeks after the aforementioned request.
16. Changes and additions to the contract, as well as verbal agreements, are only binding when agreed in writing.
17. If changes to the contract lead to a new price and/or a new delivery time, ARS has the right to demand an unmodified or for ARS acceptably revised execution of the contract, or terminate the commission in part or in whole, with immediate effect, by a simple statement and without judicial intervention.

Import

18. The relevant import terms and conditions apply to the import of equipment, components, software or other goods by the Contractor or its associated companies. Contractor will safeguard ARS against all claims made by third parties related to breaches of the relevant import regulations by the Contractor or its associated companies.

Storage

19. Contractor bears full responsibility for the correct storage of all equipment, components, software or other goods that are to be delivered to ARS. This also implies that the Contractor shall ensure that all equipment, components, software or other goods will be properly insured, during at least the period of storage, against theft, fire or other threatening situations, as far as insurance against this circumstances is possible.

Transportation

20. Contractor bears full responsibility for the transport of goods to be delivered to ARS. This also means that the Contractor is responsible for damages to the goods suffered during transportation as well as being responsible for ensuring the correct insurance of the goods during transportation.

Delivery

21. The obligation to fulfill the delivery shall only be met after delivery of the contract and the documentation listed in the contract, such as certificates, maintenance instructions, manuals, etc.

Property

22. All items delivered or to be delivered to the Contractor by strength of the contract remain the property of ARS until all amounts, including interest and the collection of charges owed by the Contractor, have been fully settled to ARS.
23. The ownership (or part of) of work performed by the Contractor shall pass to ARS when the performance (or part of) is delivered to ARS or at the time of prepayment or interim payment. As long as the performance or part thereof is not yet in possession of ARS, Contractor will manage this performance or part thereof as befits a responsible manner.
24. If ARS puts goods at the Contractor's disposal for use, operation, processing or as an attachment, association or mixed with goods not belonging to ARS, ARS remains owner or part owner of the resulting products.

Liability

25. ARS's total liability due to culpable breach of contract is limited to compensation for direct loss up to the amount of the agreed price (excluding VAT). If the agreement is primarily a continuing contract with a term exceeding a year, the stipulated price will be set on the total of the recompenses (excluding VAT) for one year. The total compensation for direct damages will in no case amount to more than € 45.000,- (forty five thousand Euros).
26. ARS's total liability for damages for death or personal injury or for material damage to property will in no case amount to more than € 45.000,- (forty five thousand Euros) per event. A series of interconnected events is regarded as one event.
27. Liability of ARS for indirect damages, including consequential damages, lost profits, lost savings and damage due to business stagnation is out of the question.
28. Liability of ARS due to culpable breach of contract only occurs when the Contractor correctly and in writing defaults ARS to the suspension of all other business, stating a reasonable period to remedy the failure, and ARS continues to indisputably fail to fulfill its obligations after that period. The formal notice must give as detailed a description as possible of the shortcoming, so that ARS may be able to respond adequately.
29. Payment of the performance by ARS does not relieve the Contractor from any guarantee and/or liability arising from the agreement between the parties.
30. Upon receipt of the goods made available by ARS, Contractor should determine whether the goods are damaged, defective or unsuitable for the purpose for which such goods are delivered, and notify ARS of this in writing within two calendar weeks after receipt. After this period the Contractor becomes liable for damages, defects and other imperfections on the goods. Transport damage must immediately be reported in writing to the carrier and to ARS, if this is omitted the

Contractor becomes liable for all damages, defects and other imperfections to the goods.

Warranty

31. Contractor warrants that he is entitled to transfer all rights, which according to the contract should be transferred, to ARS. Contractor safeguards ARS and its contractors from all claims of this kind and Contractor will compensate the resulting damages as well as any damage incurred by contractors.
32. Contractor guarantees that:
 - The performance is complete and suitable for the intended purpose, that it is of good quality, free from design-, implementation- and/or material faults, that new materials are used for the execution of services and/or execution of work and that skilled personnel is employed in connection with the execution of contract.
 - The performance, completely in accordance with the requirements, is contained in the assignment provided by ARS and other documents provided by ARS, and that it entirely complies with the agreement.
 - The performance complies with at least the current EU legal requirements and poses no risk to health or safety of persons or property.
33. The warranty infers that, without prejudice to ARS for compensation for all costs and damages arising from inadequacy or unsuitability of a service provided by the Contractor, all effects occurring during the warranty period, except those caused by normal wear, should be completely repaired and/or replaced immediately at the request of ARS.

Safeguard

34. Contractor safeguards ARS for third-party claims based on defects in the performance and conditions that are not timely and/or fully met by the Contractor, or any risk for which the Contractor is liable due to the terms and conditions of this contract.
35. Contractor safeguards ARS from all third-party claims regarding product liability due to a defect in a product or system provided by the Contractor to a third party which partly consisted of components, software or other materials provided by ARS subject to and insofar as the Contractor demonstrates that the damage was caused by such equipment, software or other materials.
36. Consent given by ARS does not relieve the Contractor from any obligation or liability on account of a contract. Contractor shall completely safeguard ARS from claims, under any title, of a third party engaged by Contractor and will reimburse all payments made by ARS to (a) third party(ies).

Recovery

37. If the Contractor does not repair or replace the goods within fourteen days of receiving request for this from ARS, ARS will be entitled to redress the deficiencies to the Contractor's expense, unless the Contractor and ARS agree otherwise in writing within the aforementioned period.

38. If the safety of persons and property are at stake, or if other circumstances require this, ARS will be entitled to immediately carry out repairs at the expense of the Contractor. In such cases the Contractor will be notified as soon as possible.

Insurance

39. Until the moment of delivery the Contractor is obliged to insure the held performance on his own account.
40. Contractor will adequately insure his Legal liability as well as, as far as possible, his contractual liability to ARS. Contractor will also insure all insurable risks under normal conditions within its business branche.
41. Contractor will also insure all goods provided to him by ARS by virtue of the contract against all damages, including damage due to improper or inadequate treatment, which may be caused to the goods during the time the Contractor holds the property.

Requirements and quality research

42. If the contract and/or corresponding annexes refer to technical-, safety-, quality- and/or other regulations not included in the contract, the Contractor is deemed to have knowledge on these, unless he immediately informs ARS in writing of the opposite. ARS will then further inform him about these regulations.
43. Contractor will employ a quality assurance system in accordance with or equivalent to ISO 9000. Contractor shall provide free access to ARS and proxy to perform quality review(s).
44. ARS and its authorized representatives have the right at any time to inspect, approve or test the performance anywhere, both with the Contractor and with his suppliers, as well as having this carried out by independent experts.
45. Contractor informs ARS as timely as possible when a performance is ready for inspection, examination and/or testing in order that ARS, representatives and/or third parties may be present. Contractor provides ARS with all information and facilities necessary for the inspection, examination or test.
46. In case of a partial or full rejection ARS, without prejudice to the rights and powers in Article 32, 33, 37, 71 and 72 of these terms and conditions, continues to have the right to demand a performance, reached within a delivery time limit to be set by ARS, that does meet the delivery requirements without any additional compensation being due. Other than this, all costs incurred for ARS or its representatives in connection with repeated inspections or attending of tests resulting from breach of contract by the Contractor, will entirely be at the expense of Contractor.

Packaging

47. The performance should, by its nature, in view of the mode of transport and with due observance of legal (environmental) requirements, be soundly packed and

marked according to ARS (if applicable) instructions. Contractor will be responsible for damage caused by inadequate and/or improper packaging.

48. Contractor warrants the performance will be provided with the correct labeling and product information. Contractor guarantees to comply with all regulations concerning transportation, storage, operation, processing, use and expenditure of personal protective equipment.

Incorrect information

49. Contractor shall, upon receipt of any information generated by ARS on the goals, design or manufacture of a performance, inform ARS immediately in writing on false information or misconceptions.
50. Misconceptions in the background information of the Contractor are the responsibility of the Contractor and should be remedied at his expense, even if ARS has at any time approved such information.

Viruses

51. Contractor should take all necessary steps (including testing with state of the art anti-virus software) to prevent virus infection in the ARS systems during work performed at ARS. For the purpose of this article, the term 'viruses' includes 'Logic Bombs' and both terms have the meaning as generally used in the computer (software) industry.

Outsourcing

52. Contractor cannot assign or outsource the contract or parts thereof, unless written consent has been given by ARS.
53. In the case of outsourcing the Contractor will fully bind the third party to the provisions of these terms and conditions, as well as to what has been agreed with ARS with respect to the contract or part thereof.

Terms

54. All (delivery) dates stated by ARS have been set in good Faith on the basis of the information as known to ARS at the conclusion of the agreement and the aforementioned deadlines will be respected wherever possible. A single transgression of the determined (delivery) term does not default ARS. ARS is not bound by (delivery) terms that cannot be met due to circumstances beyond ARS's control which occurred after entering into the terms of the agreement. ARS and the Contractor will open consultations as soon as possible if the risk exists of delay to any term.

Delay

55. Contractor shall immediately inform ARS on any delay in the execution of the contract; this message includes the circumstances causing the delay. Such a notification does not relieve the Contractor from its obligation to meet the requirements within the agreed delivery time, when exceeding the timeframe the Contractor shall legally be negligent without this requiring any warning or notice.

Force majeure

56. Neither party is obliged to perform any required task if prevented from doing so due to force majeure. Force majeure is the non-attributable failure by suppliers of the parties.

Intellectual property

57. Intellectual property in these terms and conditions includes all claims at home and abroad on: patents, topographies of semiconductors (chips), copyrights, drawings, ornamental and utility models, trademark brands and the expertise or irrelevant secret knowledge of technical processes and products- irrespective of whether this knowledge could be patentable- and 'goodwill' acquired under said intellectual property.
58. All intellectual property rights related to the contract become property of ARS and are delivered to ARS at the moment the Contractor or a third party engaged by the Contractor begins the binding execution of the work. Contractor is obliged to cooperate with all (legal) actions necessary for the ownership transfer and delivery of aforementioned rights if the law demands specific requirements for this.
59. All intellectual property rights of all equipment, software or other materials such as analysis, design, documentation, reports, offers, as well as preparatory materials thereof developed or provided under the Agreement will solely rest with ARS or its licensors.
60. Contractor will do all what is necessary and/or desirable to do or omit –in consultation with ARS- in order to establish and protect the rights of ARS to intellectual property. ARS will be regarded as owner of the intellectual property on all documents related to the project unless the intellectual property already rests with a third party.
61. Contractor cannot remove or alter any statement regarding copyrights, trademarks, trade names or other intellectual property rights from software, equipment or materials, including notices with regards to the confidentiality and secrecy of the software.
62. The delivery of products and/or services as well as the manufacturing, offsetting, consuming, using, stocking, bringing into economic circulation, reselling, renting, leasing, offering, importing, exporting, transferring or otherwise trading for ARS can in no way infringe intellectual property carried by third parties.

Licences

63. Rights are granted or, if the case may be, transferred to the Contractor under the condition that the Contractor promptly and fully reimburses the agreed fees.

Confidentiality

64. Parties guarantee that all information received from the other party before and after the conclusion of the contract, shall remain confidential. Information will at least be considered to be confidential when indicated by one of the parties.

65. Contractor is aware that the provided software, equipment and other materials contain confidential information and trade secrets from ARS and its licensors. Contractor agrees, without prejudice to Article 64, to keep this software, equipment and materials confidential and not to disclose this information or let it be utilized by third parties, or to use it for purposes other than for which they were made available. Third parties include any person employed in the Contractor's organization that does not necessarily require to use the software, equipment and/or other materials.
66. Contractor is obliged to keep all designs, drawings and specifications as well as other business information and expertise coming from ARS in the broadest sense of the word, or provided or arrived at the attention of the Contractor due to or with the contract confidential.

Compensation

67. Contractor will inform ARS immediately when the Contractor becomes aware of any event, in relation to the contract, that requires the Contractor to indemnify ARS under the contract or an insurance under the contract.
68. If ARS suffers damages as a result of risks insured by the Contractor, the only party entitled to compensation- up to the total course of its damages- will be ARS. If necessary ARS has the right to inform insurers- in name of the Contractor- that compensation may be paid only to ARS. If this is required in the opinion of ARS, the Contractor will transfer his compensation for damages to ARS.

Notice

69. ARS is entitled at all times to fully or partly terminate the contract in writing. If this occurs ARS will only pay the Contractor for expenses incurred prior to termination, where the costs will be determined in accordance with generally accepted accounting principles.
70. ARS is entitled to fully or partly terminate the agreement without prejudice to its rights to compensation for all damages, without notice and without judicial intervention by written notice when the Contractor –whether provisional or not- has been granted judicial settlement, when bankruptcy is filed with regards to the Contractor or when the company is liquidated or terminated other than for reconstruction or amalgamation of companies. ARS will in no case be held responsible for any costs or damages incurred because of this termination.

Winding-up

71. ARS has the right, without prejudice to its rights for compensation for all damages, to fully or partly terminate the contract without any liability to pay costs, by use of a simple statement, without judicial intervention or notice, when:
- The Contractor or its subcontractor changes the composition or properties of the performance to be delivered by the Contractor, or when;

- The Contractor or its subcontractor does not meet its obligations in time or properly, or when;
- The Contractor or subcontractor (partly) shuts down its company (including the inability to meet its current obligations), or when;
- A request for moratorium or bankruptcy is filed by or against the Contractor or its subcontractor, or when;
- A creditor agreement is offered by the Contractor or its subcontractor, or when;
- Ownership of or control over the Contractor is transferred to others.

72. All claims to ARS arising from the termination, including any compensation claims, shall be immediately and fully claimable and offset against claims which the Contractor may have or acquire on ARS.

Suspension

73. ARS has the right without judicial intervention to liability comparison and/or suspension of payment of any amount if ARS, or any of its affiliated companies, under any title, has a claim or will acquire a claim on the Contractor.

Acquisition of staff

74. During the term of agreement, and up to one year after its termination, the involved parties will not engage employees from the other party that were involved in the execution of the contract or otherwise, directly or indirectly, to work for them. Recruitment of the aforementioned employees is permitted when prior consultation with the other party has taken place, and written permission has been obtained.

Publicity

75. Contractor may not refer to the contract in brochures, advertisements, newspapers, procedures, letters or otherwise, without written permission from ARS.

Penalties

76. Breach of Article 67 by the Contractor entitles ARS to charge the Contractor with a fine of € 225.000,- (two hundred and twenty five thousand Euros) without prejudice to the right of ARS to compensation for all costs and damages resulting from this violation.

77. Breach of Article 75 by the Contractor entitles ARS to charge the Contractor with a fine of € 115.000,- (one hundred and fifteen thousand Euros) without prejudice to the right of ARS to compensation for all costs and damages resulting from this violation.

78. Breach by the Contractor of any provision mentioned in these terms and conditions entitles ARS to charge the Contractor € 175.000,- (one hundred and seventy five thousand Euros) per violation, without prejudice to the right of ARS to compensation for all costs and damages resulting from this violation.

This document is the English translation of the Dutch terms and conditions of ARS T&TT that are registered at the Chamber of Commerce in The Hague on 15 May 2002. ARS T&TT is registered at the Chamber of Commerce at number 27168565. The original and formal Dutch version prevails over the English version.

79. If a specific penalty clause has been included with regards to a certain breach of these terms and conditions, the specific penalty clause prevails over the general penalty clause of Article 78.

Applicable law and place of jurisdiction

80. The agreements between ARS and the Contractor are governed by Dutch law.

81. In the event of a dispute between ARS and the Contractor the only informed party shall be the competent court in The Hague.

The Hague, the 8th of May 2002

dr. J.H. Linssen
Directeur ARS T&TT B.V.