

Cannon Deutschland GmbH

Moselstrasse 27 - 63452 Hanau
Tel. 0 61 81 / 9003 - 70 • Fax 0 61 81 / 9003 - 799
E-Mail: sales@cannon-deutschland.de

GENERAL TERMS AND CONDITIONS

UPDATE: 01.01.2014

I. GENERAL TERMS

1. The scope of all supplies or services (hereinafter: supplies) are exclusively subject to the following terms of delivery; any other terms of the customer conflicting with or deviating from these terms are expressly rejected by Cannon Deutschland GmbH (hereinafter: supplier), unless they have expressly been agreed to in writing. The terms of delivery apply even if we are aware of any conflicting or deviating terms or conditions and make a delivery to the customer without reservation.
2. The terms of delivery apply only to business men within the meaning of Section 310 clause I BGB (German Civil Code).
3. We hold the unrestricted ownership and copyright in cost estimates, drawings and all other documents (hereinafter: documents). These documents must not be disclosed to any third party unless with the supplier's prior consent and must be returned to the supplier without delay on the latter's request if no order is placed. Sentences 1 and 2 also apply to buyer's documents; with the exception that they can be disclosed to such third parties to whom the supplier has transferred supplies in a permitted procedure.
4. Partial shipments are permitted if the buyer can be expected to tolerate them.

II. PRICES AND PAYMENT

1. All prices are ex-works prices and do not include packaging and value-added tax at the applicable rate.
2. Payments shall be made free supplier's point of payment.
3. The customer is not entitled to set off a counterclaim unless the counterclaim is undisputed or has finally been determined by a court of law.
4. The supplier can assign his claims from supplies and services for purposes of financing.

III. RETENTION OF OWNERSHIP

1. The goods supplied (reserved goods) remain the supplier's property until all claims due to the supplier from the business relationship with the customer have been satisfied. If the value of all security interests due to the supplier exceeds the amount of all secured interests by more than 10%, the supplier will release an appropriate portion of the security interest if so requested by the customer.
2. For as long as title to goods is retained by the supplier, the customer is not allowed to attach the goods or assign them as security but he can sell the goods for resale in the ordinary course of business and on condition that the party reselling the goods receives payment from its buyers or makes the provision that the title in the goods will not be transferred to the customer unless the latter has fulfilled all his payment obligations. The customer hereby assigns to the supplier all claims in an amount equal to the supplier's invoice amount (including value-added tax) which the buyer may have on his buyers or any third parts from such resale notwithstanding of whether the goods have been sold without processing or after having been processed. The customer can collect all amounts that have been assigned to us. The supplier's right to collect the amount is not affected hereby. The supplier undertakes not to collect amounts unless the customer fails to make payments of received amounts, defaults payment or, in particular, files a petition of insolvency or ceases payment. In any such case the supplier can require the customer to disclose to the supplier all assigned claims and the names of the debtors, provide all information and submit the appropriate documents to enable the supplier to collect the amounts and to inform the debtors (third parties) of the assignment.

Cannon Deutschland GmbH

Moselstrasse 27 - 63452 Hanau
Tel. 0 61 81 / 9003 - 70 • Fax 0 61 81 / 9003 - 799
E-Mail: sales@cannon-deutschland.de

3. The customer is obliged to treat the goods with care; in particular, the customer is obliged to insure the goods new for old at the customer's cost against damage by fire, water or theft.
4. If the goods title to which the supplier retains are processed, mingled or mixed with other goods by the customer, the supplier obtains co-ownership in the new product in the ratio of the invoice value of the reserved goods to the invoice value of the other goods. If the supplier ceases to be the owner of the goods mingled or mixed, the customer hereby assigns to the supplier all title and ownership in the new asset or product in the extent of the invoice value of the reserved goods and shall maintain the asset or product for the supplier free for the latter. The co-ownership created hereby is deemed to be an asset title to which is reserved within the meaning of Section 1.
5. The customer is obliged to inform the supplier without delay if the goods are attached, impounded or subject to any other form of intervention to enable the supplier to take action under Section 771 ZPO (German Civil Code). If the third party is unable to refund the supplier court and out-of-court costs of an action under Section 771 ZPO (German Civil Code), the customer is liable for making good the loss suffered by the supplier.
6. If the customer violates his obligations, in particular, if he is in default of payment, the supplier can withdraw from the contract and cancel the order at the end of a reasonable extension set by the supplier to enable the customer to meet his obligations, if the customer fails to meet the obligation; the statutory provisions concerning the dispensability of the appointment of a time limit are not affected. The customer is obliged to surrender the goods. If a petition for the institution of insolvency proceedings is filed, the supplier can withdraw from the contract and demand the immediate return of all goods delivered.

IV. PERIODS OF DELIVERY; DELAY

1. Agreed periods of delivery can only be met if the customer supplies all documents, required permissions and approvals, plans, in particular, in time and meets the agreed terms of payment and other obligations. If these conditions are not met, the periods extend appropriately; this does not apply if the supplier is responsibly for the delay.
2. If non-compliance with an agreed time limit is due to force majeure, e.g., mobilization, war, commotion or similar events, e.g., strike, lockout, the limit shall extend appropriately.
3. If the supplier falls behind schedule, the customer can demand compensation at the rate of 0.5% for every full week of delay, subject to a maximum of 5 % of the price of that part of the delivery which could not be put into service as intended due to the delay provided customer can show satisfactorily that he has suffered a loss due to it.
4. The customer's cannot claim damage due to delay of supply or in lieu of performance in excess of what is provided in No. 3 in any case of delayed delivery, including after the end of a grace period that may have been allowed. This does not apply to cases of deliberate action or gross negligence or the violation of life, body or health, for which we are liable in law. The customer can only withdraw from the contract to the extent permitted by law if the supplier is responsible for the delay. This does not include a change of the onus of proof to the detriment of the customer.
5. On the request of the supplier, if delivery is delayed, the customer is obliged to state within an appropriate time if he intends to withdraw from the contract or insists that delivery is made.
6. If on the request of the customer the dispatch or delivery is delayed by more than one month after notification that the goods are ready for dispatch, the customer can be charged with warehousing charges of 0.5 % for every month or fraction thereof, not exceeding in total 5 % of the price of the goods of the delivery. The contracting parties are free to prove that the actual warehousing costs are higher or lower.

V. PASSING OF RISK

7. The risk passes onto the customer at the time the goods are dispatched or collected also if carriage is prepaid. On the customer's request and cost, the supplier will insure the goods against the usual transport risks.
8. If dispatch, delivery, integration in the customer's service or trial operation is delayed for reasons for which the customer is responsible or the customer delays acceptance for other reasons, the risk passes onto the den customer.

Cannon Deutschland GmbH

Moselstrasse 27 - 63452 Hanau
Tel. 0 61 81 / 9003 - 70 • Fax 0 61 81 / 9003 - 799
E-Mail: sales@cannon-deutschland.de

VI. ACCEPTANCE

The customer is not entitled to reject acceptance of the goods because of the existence of minor defects.

VII. DEFECTS OF QUALITY

The supplier is responsible for defects of quality as follows:

1. At the supplier's option, all parts or services with a defect of quality within the period of limitation will be repaired, new parts delivered or made or rendered new free notwithstanding the period for which such part or parts have been in use provided the cause of the defect existed before the passing or risk.
2. The limitation period for defects of quality is 12 months. This limitation does not apply where Sections 438 clause 1 number 2 (Structures and things for structures), 479 clause 1 (Right of recourse) and 634 a clause 1 number 2 (Building defects) of BGB (German Civil Code) provide for longer periods or in cases of violation of life, body or health, violation of duty with intent or gross negligence by the supplier or fraudulent concealment of a defect. The statutory provisions for suspension of the running of a period, suspension and new start of a period remain unaffected.
3. The customer shall notify defects of quality to the supplier without delay in writing.
4. If the customer notifies a defect of quality, he can withhold payment in an amount appropriate to the defect. The customer can withhold payment only if the justification of the defect cannot be doubted. If a defect is noted that is not justified, the supplier can claim compensation of expenses from the customer.
5. At first, however, the supplier shall be allowed a reasonable period of time for repairs.
6. If the repair fails, the customer can withdraw from the contract or reduce the compensation notwithstanding any other claims pursuant to section X below.
7. The customer cannot claim defect in case of minor deviations from the agreed appearance and workmanship, minor impairment of serviceability, natural wear and tear or damage occurring after the passing of risk due to wrong or negligent handling, excessive use, unsuitable operating resources, defective building work, unsuitable building ground or due to special external factors which are not assumed in the contract and non-reproducible software defects. Also excluded from quality claims are improper changes, modifications or repairs, including the consequences of such changes, undertaken by the customer or a third party.
8. The customer cannot claim compensation of expenses in connection with the repair, in particular, for transport, travel, work or material, if such expenses are higher because the goods were subsequently taken to a place other than the customer's branch, unless such taking to another place was part of the intended use of the goods.
9. The customer has a right of recourse on the supplier pursuant to Section 478 BGB (German Civil Code – Recourse by the entrepreneur) only to the extent that the customer has not agreed on claims for defects in excess of those provided by law. The provisions in No. 8 above apply analogously to the right of the customer's recourse on the supplier pursuant to Section 478 clause 2 BGB.
10. For the rest, Section X (Other claims for damages) hereof applies to claims for damages. Claims of the customer on the supplier or the supplier's servant for defect of quality in excess of or other than those in Section VII hereof are excluded.

VIII. PROPERTY RIGHTS AND COPYRIGHTS; DEFECT IN TITLE

1. Unless agreed otherwise, the supplier undertakes to provide the delivery free of any third party property rights or copyrights (hereinafter: property rights) only in the country of the place of delivery. If a third party makes a justified claim on the supplier because goods delivered by the supplier and used according to contract violate that party's property rights, the supplier's liability towards the customer within the term set in Number 2 of section VII hereof is as follows:
 - a) The supplier at his option and cost will either obtain a license for the use of the goods supplied or modify the goods to ensure that no property rights are violated or exchange the goods. If none of the above options is available to the supplier on reasonable terms, the customer can make use of the statutory right of withdrawal or reduction of price.

Cannon Deutschland GmbH

Moselstrasse 27 - 63452 Hanau
Tel. 0 61 81 / 9003 - 70 • Fax 0 61 81 / 9003 - 799
E-Mail: sales@cannon-deutschland.de

- b) The supplier's obligation for indemnity is that defined in Section X below.
 - c) The supplier is under the above obligations only provided the customer informs the supplier on the claims made by the third party in writing without delay, does not concede an infringement and the supplier is free to take all actions of defence and conduct negotiations for an agreed settlement. If the customer ceases using the delivered goods for reasons of minimizing damage or any other important cause, he is obliged to point out to the respective third party that the cessation does not imply acknowledgment of a violation of rights.
 - d) The customer has no claim if he is responsible for the violation of the property right.
2. The customer also has no claim if the cause of violation of the property right is due to a specific requirement of the customer, an application which could not be foreseen by the supplier or the fact that the goods have been modified by the customer or used together with other products not delivered by the supplier.
 3. For the rest, the provisions in sub-sections 4, 5 and 9 of Section XII apply analogously to the customer's claims in the event of violation of property rights as provided in Number 1 a).
 4. If other defects in title exist, the provisions of Section XII hereof apply analogously.
 5. Claims of the customer on the supplier or the supplier's servant for defect in title in excess of or other than those in Section VIII hereof are excluded.

IX. IMPOSSIBILITY; MODIFICATION OF CONTRACT

1. If delivery is impossible, the customer can claim damage if the supplier is responsible for the impossibility. The customer's damage claim is limited to 10% of the value of the goods which cannot be put to the intended use due to the impossibility. This restriction does not apply to cases of intent, gross negligence or violation of life, body or health for which liability is statutory; and this does not change the onus of proof to the detriment of the buyer. The customer's right of withdrawal from the contract is not affected.
2. If any unforeseen event within the meaning of No. 2, Section IV significantly changes the economic materiality or the content of the delivery or has a significant effect on the operations of the supplier, the contract will be modified in good faith. If this is not justifiable on economic grounds, the supplier can withdraw from the contract. If the supplier intends to exercise the option of withdrawing from the contract, he shall communicate this to the customer without delay after becoming aware of the consequences of the event including the case that an extension of the period of delivery had initially been agreed upon.

X. OTHER CLAIMS FOR DAMAGES

1. Claims for damages and compensation of expenses of the customer (hereinafter: claims for damages), for whatever cause in law, in particular, due to violation of contractual obligations and tort, are excluded.
2. This does not apply if liability is statutory, e.g., under product liability legislation, in cases of intent, gross negligence or violation of life, body and health, any material contractual duty but indemnification is limited to the foreseeable damage typical of the contract, except gross neglect or liability for violation of life, body or health. This does not include a change of the onus of proof to the detriment of the customer.
3. The time for claims for damages under this section X is limited to the period of claims for defect of quality pursuant to No. 2 Section VII. The time limitation for claims under the product liability law is the statutory period.

XI. LEGAL VENUE AND APPLICABLE LAW

1. The exclusive legal venue for all disputes out of the business relationship with the customer is the supplier's place of business if the customer is a merchant. The supplier can also sue the customer at the latter's place of business.
2. The legal relations under this contract are subject to German substantive law to the exclusion of the UN Convention for the International Sale of Goods (CISG). (CISG).

XII. BINDING NATURE OF THE CONTRACT

If any provision of the contract is or becomes invalid, this does not affect the other provisions which remain valid and in full force. This does not apply if adherence to the contract would imply an intolerable hardship for either party.