

### Clause 1. Applicability

- 1.1 These general purchase terms and conditions ("**Purchase Terms**") are applicable to all requests, offers, orders and agreements in which **Canon CEE GmbH** ("**Canon**") purchases services of whatever kind ("**Services**") and/or (i) goods, including without limitation software, (ii) any deliverables whether in tangible, electronic or other form, such as drawings, designs, calculations, models, data, technical documentation or software, developed or supplied by Supplier (hereinafter defined) as the result of or in connection with the Services, (iii) parts and materials intended to be used for goods, and (iv) associated documentation or ancillary materials, such as drawings, certificates of quality, inspection or guarantee, moulds, samples, service manuals and instruction books (together "**Products**").
- 1.2 Any general terms and conditions of the party supplying the Products and/or Services to Canon ("**Supplier**") shall not apply and these Purchase Terms shall take precedence over any other terms Supplier may seek to impose.
- 1.3 These Purchase Terms can only be deviated from if agreed in writing between a Canon authorized employee and Supplier.
- 1.4 Supplier shall provide Products and render Services hereunder as an independent party. Nothing in these Purchase Terms or the Agreement (as defined in Clause 2 below) shall or shall be deemed to create a partnership, joint venture, agency or employment relationship between the parties.
- 1.5 References to 'in writing' in these Purchase Terms shall be deemed to include email, unless expressly stated otherwise.

### Clause 2. Entry into Agreement

- 2.1 The following paragraphs of Clause 2 define the point at which an agreement between Canon and Supplier becomes binding ("**Agreement**"). The Agreement shall be governed by these Purchase Terms.
- 2.2 If, following a request from Canon, Supplier provides a firm offer and this is followed by a Canon authorized purchase order issued through Canon's purchasing system requesting the provision of Products and/or Services ("**Purchase Order**" or "**PO**") issued by Canon, the Agreement shall be entered into at the moment that the PO is dispatched by Canon, representing Canon's acceptance of Supplier's offer to provide Products and/or Services on these Purchase Terms.
- 2.3 If Canon places a PO without Supplier having provided an offer, then the Agreement shall be entered into either (i) at the moment Canon receives a written PO confirmation from Supplier within fourteen (14) days after the PO has been dispatched by Canon, or, (ii) at the moment the Products and/or Services are delivered by Supplier and received by Canon in accordance with the PO.
- 2.4 In the event the Agreement is entered into verbally, the execution of the Agreement shall be postponed until the PO has been dispatched by Canon. In any event, these Purchase Terms shall apply.
- 2.5 No obligation(s) for Canon to purchase Products and/or Services can be derived from these Purchase

Terms or from any (previous) Agreement between Canon and Supplier.

- 2.6 The Agreement may also come into force by an electronic ordering process, to the extent the parties have agreed to this in writing in advance, thereby agreeing on the level of security, which includes but is not limited to encryption and authentication mechanisms as well as relevant activity logging procedures to be followed. In this respect Supplier shall acknowledge the following e-mail address as a Canon authorised sender of POs: [therefore-cee@canon.at](mailto:therefore-cee@canon.at) (or any other address which may be notified by Canon Procurement from time to time if a change is made).

### Clause 3. Delivery of Products

- 3.1 Products (where delivery is to be made physically) shall be delivered "delivery duty paid" (D.D.P.) Vienna, Austria or to the place of delivery as requested by Canon, unless Canon instructs otherwise.
- 3.2 Time is of the essence and all dates referred to in the Agreement shall be firm. Products shall be delivered at the agreed time, or within the agreed period.
- 3.3 D.D.P. shall have the meaning as defined in the latest edition of "Incoterms", published by the International Chamber of Commerce.
- 3.4 As soon as Supplier knows or is reasonably expected to know that it will fail to deliver, will be late in delivering or will not deliver adequately, it shall immediately notify Canon thereof in writing, stating the reasons causing such circumstances. Without prejudice to the rights of Canon under Clauses 7 and 17, the parties shall consult each other to determine whether the situation that has arisen can be settled to Canon's satisfaction and if so in what way.
- 3.5 If Canon, regardless of the reason, requests Supplier to postpone delivery, Supplier shall store, secure and insure the Products properly packed and clearly marked as intended for Canon and the parties shall agree any additional costs of such storage unless in case of force majeure as set out in Clause 17.
- 3.6 References to delivery in this Clause shall include partial delivery.
- 3.7 When Supplier delivers Products to Canon, Supplier is obliged to indicate the following information, if applicable, on a label, which has to be attached to the outside of its packages:
  - Canon product code;
  - Barcode of the Product code (EAN128);
  - Short description of the Product;
  - Number of items per carton or package;
  - Barcode of number of items per carton or package (EAN128);
  - Serial number of the Product;
  - Barcode of the serial number (EAN128);
  - Weight of the carton or package;
  - Country of origin;
  - Canon PO number;
  - Name and address of Supplier;
  - Environmental, product safety and other hazard or conformity marks, labels and/or text required under national or international laws for the

Product to be distributed in the designated countries;

- Any other information required under national or international laws.

- 3.8 Where the Products are to be physically delivered, the Products shall be packed and marked properly and shall reach their place of destination in good condition by the most suitable transport means. Supplier shall be liable for damages caused by inadequate packing and/or transportation.

#### **Clause 4. Inspection and rejection of Products**

- 4.1 In the event that a delivered Product is defective in quantity, quality or condition or is otherwise in breach of any specifications or the warranties as set out in Clause 10:

(a) where such defect or breach is visible on reasonable inspection of the packaged Product on delivery ("**Inspection**"), Canon will notify Supplier within ten (10) business days of delivery; or

(b) where such defect or breach is not discoverable in the circumstances described in Clause 4.1(a) above, but is found on unpacking, installation or first use of the Product, Canon will notify Supplier within ten (10) business days of discovery;

following which notifications Supplier shall replace the Product or, if remediable, otherwise remedy the defect or breach within two (2) business days unless otherwise approved by Canon.

- 4.2 Canon or its designated representative may carry out an Inspection before, during or after delivery. If an Inspection reveals security vulnerabilities of the Product, Canon shall clarify such vulnerabilities in writing to Supplier. Supplier is obliged to mitigate these vulnerabilities and will bear all costs involved.
- 4.3 Upon reasonable request of Canon, Supplier shall give Canon or its designated representative access to places where the Products are produced or stored, shall provide sufficient assistance to the Inspection, and shall provide the necessary documents and information at Supplier's expense. Supplier shall provide reasonable facilities and assistance for the safety and convenience of Canon's Inspection personnel.
- 4.4 If the Products are rejected during or after delivery, the ownership and risk of the rejected Products shall be transferred to Supplier from the date of the notification referred to in Clause 4.1 above.

#### **Clause 5. Transfer of rights**

- 5.1 Subject to Clause 4.4 all risk in the Products shall be transferred from Supplier to Canon at the time of completion of delivery in accordance with Clause 3.
- 5.2 The Products shall be delivered free of any third-party rights or other encumbrances.
- 5.3 Title in the Products shall transfer from Supplier to Canon upon receipt by Supplier of payment of the price for the Products. Where payment for the Products is made prior to delivery, then Supplier shall mark the Products as the recognisable property of Canon at the time of delivery.

#### **Clause 6. Change Request**

- 6.1 Should Canon wish to request a change to the Products and/or Services ("**Change**"), it shall submit a change request ("**Change Request**") in writing to Supplier. Supplier shall provide Canon with a calculation of the variation to the prices required to accommodate the Change together with any proposed amendments to the Change Request. The Change shall be implemented when agreed by Canon in writing, in the absence of which Supplier shall continue to deliver the Products and to perform the Services as previously agreed.

- 6.2 Supplier is not permitted to implement any Changes to the Products and/or Services without Canon's prior written approval.

#### **Clause 7. Termination**

- 7.1 Canon shall have the right at all times to terminate the Agreement for convenience, by taking into account a reasonable notice period or by taking into account the notice period as agreed in the Agreement. Notice shall take place by means of a written notice, sent by registered mail and/or email to Supplier. Supplier shall discontinue the performance of the Agreement within the time period specified in the written notice. In such event Canon shall pay Supplier for the Products and/or Services actually received by Canon up to the date of termination. Canon shall have no further liability to Supplier as a result of termination under this Clause 7.1.

- 7.2 Either party may terminate the Agreement, in whole or in part, and/or postpone payment obligations, with immediate effect by written notice (by registered mail and by email) (i) in the event that the other party ceases or threatens to cease to carry on its business or a substantial part thereof; (ii) if a receiver, administrative receiver, administrator or similar officer is appointed over all or any part of the assets or undertaking of the other party; (iii) if the other party makes an arrangement for the benefit of its creditors or another arrangement of similar significance; (iv) if the other party shall go into liquidation; or (v) if the other party suffers any similar event as a result of debt in any jurisdiction.

- 7.3 Either party may terminate the Agreement with immediate effect by written notice (by registered mail and email) if the other party commits a material breach of the Agreement and fails to remedy it within 30 days of receipt of a default notice from the party alleging default, specifying the breach and requiring its remedy within 30 days.

- 7.4 In the event of termination by Canon for any reason:
- (a) any IPR licenses granted by Canon to the Supplier pursuant to Clause 11.1 regarding the Canon Materials shall immediately terminate;
  - (b) any licenses granted by Supplier to Canon pursuant to Clause 11.5 shall not be affected by the termination of the Agreement;
  - (c) all information that has been disclosed by Canon (including any Canon Materials, Confidential Information and/or Canon personal data) will be returned to Canon or at Canon's request securely removed and destroyed from Suppliers' system(s); and

(d) any accrued rights or remedies shall not be affected by such termination.

7.5 In the event of a change in control of Supplier Canon shall have the right to terminate the Agreement upon thirty (30) days written notice (by registered mail and/or email) given at any time. A change in control of Supplier shall mean with regard to an entity the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights, or the equivalent right under contract to control management decisions with regard to relevant subjects.

#### **Clause 8. Prices**

Unless otherwise agreed prices, charges or fees are fixed and not subject to revision, denominated in the indicated currency, exclusive of VAT (Value Added Tax) and, when relevant, based on the delivery terms as stipulated in Clause 3.

#### **Clause 9. Payment, invoice**

9.1 Unless expressly otherwise agreed in writing, payment shall be made within thirty (30) days following receipt of the invoice by Canon, provided that delivery of the Products has taken place in accordance with Clause 3 and the Products have been accepted by Canon in accordance with Clause 4 and/or the Services have been satisfactorily performed in accordance with the Agreement. Payment will be effected by bank transfer or as otherwise decided by Canon and notified to Supplier.

9.2 Supplier is obliged to address the invoice to Canon CEE GmbH, Oberlaaer Straße 233, 1100 Wien, Österreich, Electronic (PDF) invoice(s) must be sent to: **[InvoiceCEE@canon.at .]**

Supplier is obliged to state the Canon PO-number, together with an adequate description or specification of the relevant Products and/or Services, the Canon ordering department and the Canon ordering person on the invoice and any other information specifically requested by Canon and/or necessary to meet applicable legal and fiscal requirements. Supplier is obliged to issue an invoice compliant with applicable VAT legislation and to charge VAT in accordance with applicable VAT legislation. Invoices not meeting these requirements will be returned to sender by Canon with a request for providing a correct invoice meeting the specified requirements. The payment term mentioned in Clause 9.1 shall only apply from the moment Canon receives an invoice which is in accordance with this Clause 9.2.

9.3 Payment by Canon shall be without prejudice to any rights it may have against Supplier.

9.4 At all times Canon shall have the right to examine the invoices that were sent by Supplier, as well as the invoices and all other underlying documents from third parties which Supplier makes use of in the performance of the Agreement, to establish whether they are accurate or not, by the following persons (at Canon's sole discretion): a) Canon's staff; b) Canon's internal auditor; or c) a certified, external

accountant appointed by Canon. Supplier shall provide the above persons with all data and information that may be reasonably requested. Checking the invoices shall be done in a confidential manner. The person in charge of the audit shall inform both parties of the result of the audit as soon as possible after the completion thereof. Canon shall have the right to postpone the payment of the invoices during the period of the audit. Canon shall only make use of this right in the event there is reasonable doubt about the accuracy of the respective invoices. Even though the payment term is not met because of an alleged inaccuracy of an invoice, Supplier shall have no right to postpone or terminate the delivery of the Products and/or the provision of its Services. The costs of the financial audit shall be borne by Canon unless the invoices appear to be inaccurate. If the invoices are revealed inaccurate by the audit any costs relating to the audit and the statutory interest caused by delayed payment will be borne by Supplier.

#### **Clause 10. Warranties and additional remedies**

10.1 Supplier warrants that:

- (a) it shall perform its obligations under an Agreement in a professional and skilful manner and in accordance with good industry practice and without unnecessary delay; and
- (b) all reasonable skill and care has been used in producing the Products and/or in providing the Services.

10.2 Supplier warrants that the Products are:

- (a) in accordance with the Agreement and the description of the Products provided by Supplier at time of Order;
- (b) in case of physical Products, free from defects in design, material and workmanship;
- (c) of satisfactory quality and fit for any purpose specified by Canon or made known to Supplier;
- (d) in accordance with its specifications and will operate as described; and
- (e) in compliance with all national and international legal requirements and government regulations, as well as the requirements of safety, quality, health and the environment, including requirements for social and ethical behaviour, which are standard in the relevant industry sector at the time of delivery.

10.3 Supplier warrants that there are and shall be no claims, demands, liens, encumbrances, impediments to the passing of property or rights of any kind in the Products and/or Services provided by Supplier to Canon or any part thereof, which may or will impair or interfere with the rights of Canon.

10.4 Supplier warrants that Services shall be delivered in a timely, competent and professional manner, in accordance with the Agreement and any applicable service levels or specifications or instructions and in accordance with the highest standards of the relevant industry sector. Supplier acknowledges that the delivery of timely and high standard Services is of essential importance to Canon. Where any delay in delivery or

- performance can be anticipated, Canon shall be notified immediately.
- 10.5 If software is provided to Canon, Supplier warrants that, in addition to the warranties provided under Clauses 10.1 to 10.3, the software shall:
- (a) conform to, and operate in accordance with its specifications;
  - (b) be free from bugs and defects or inherent, potential security incidents compromising confidentiality, integrity and availability of data;
  - (c) have no disabling devices or viruses or malicious code embedded by Supplier in the software; and
  - (d) not include (any portion of) any open source software, unless the inclusion is agreed in writing between Canon and Supplier.
- 10.6 Without prejudice to any other remedy, if any Products are supplied which are not in accordance with the Agreement, Canon shall be entitled:
- (a) to require Supplier to repair the Products, or to supply replacement Products in accordance with the Agreement;
  - (b) at Canon's sole option, and whether or not Canon has previously required Supplier to repair the Products or to supply any replacement Products, to terminate the Agreement (in whole or in part) and require the repayment of any part of the price which has been paid by Canon for the Products.
- 10.7 Canon has the right to demand that Supplier has an unconditional and irrevocable bank guarantee issued at its expense by a bank acceptable to Canon, in order to provide security of the completion of Supplier's obligations.
- 10.8 Supplier warrants that it shall fully and unconditionally cooperate, in a timely manner, with any requests from Canon regarding Canon's (internal) control and compliance (programs) under national and/or international laws, including but not limited to the US Sarbanes-Oxley Act and any auditing or accounting standards such as SSAE No. 16 or ISAE 3402 reporting. Upon reasonable notice by Canon, Supplier shall be obliged to provide all the necessary information, including any external auditor statements, to Canon. Supplier shall be responsible for the costs involved unless otherwise agreed between the parties.
- 10.9 The warranties in this Clause 10 are not exhaustive and shall not be deemed to exclude any warranties set by law, Supplier's standard warranties or other rights or warranties which Canon may be entitled to.

#### **Clause 11. Intellectual property**

- 11.1 All rights including without limitation all IPR (as defined clause in 11.2 below) in information, materials or other documentation provided by Canon pursuant to an Agreement ("**Canon Materials**") to the Supplier to enable the Supplier's provision of the Products or Services to Canon, shall remain owned by Canon or its licensors. Subject to the termination provisions in Clause 7.4, Canon grants to Supplier a limited license to use such

Canon Materials only for the purpose of providing the Products and/or Services to Canon. Such license shall terminate immediately upon the earlier of completion of the Services, provision of the Products or a breach of the Supplier of its obligations under this Agreement.

- 11.2 All intellectual property rights of whatever nature and wherever in the world arising, including, without limitation, rights in inventions, patents, registered designs, design rights, rights in software, database rights, copyrights and related rights, trade secrets, moral rights and know how ("**IPR**") in the Products and/or Services provided by Supplier to Canon hereunder shall belong to Supplier or its licensors and be licensed to Canon and/or its customers for use in accordance with Clause 11.5 below.
- 11.3 Supplier warrants that all Products and/or Services have been lawfully provided to Canon for its use (or use by its customers) and will not infringe upon or violate any IPR or other rights of any third party. Supplier shall at all times hereafter indemnify and hold Canon harmless against all loss, damage, cost, liability or expense (including legal fees on a full indemnity basis) and all claims of third parties based on possible infringement of any such rights of any third party, and all comparable claims based on know-how, unfair competition or the like.
- 11.4 In the event that such a claim is made, or if in the reasonable opinion of Canon this may occur, Supplier shall at its expense either procure for Canon the right to continue using and exploiting the Products, and/or Services or replace or modify the Products and/or Services so that they become non-infringing but correspond substantially to the Products and/or Services as accepted by Canon.
- 11.5 Supplier hereby grants to, or where applicable shall procure for, Canon, its officers, subsidiaries, affiliates, their distributors and their customers a nonexclusive, irrevocable, perpetual, worldwide, royalty-free license to use IPRs applicable to the Products and/or Services in order to receive the benefit of such Products and/or Services. Supplier warrants that (i) it has the right to grant such license (ii) the use of such third party materials by Canon and its officers, subsidiaries, affiliates, their distributors and their customers does not infringe the rights of such third party and (iii) such third party have waived any moral rights (where applicable).
- 11.6 For the avoidance of doubt, in the event the Supplier creates or develops new Products or Services for Canon, then Canon reserves the right to request the Supplier to enter into a bespoke agreement which may include additional terms including regarding IPR ownership.
- 11.7 Supplier shall not use the name or logo of Canon in any form whether online or on brochures, marketing or other materials or press releases unless such form is expressly approved in writing by Canon.

#### **Clause 12. Additional terms and conditions for provision of Services**

- 12.1 In case Supplier provides Services to Canon, the following additional conditions will apply. For the

- avoidance of doubt, these conditions, shall apply to Services performed on-site on Canon premises and to Services performed (virtually) from another location whilst connected to the Canon IT network.
- 12.2 During the term in which the Services are provided, Supplier's employees, contractors or consultants ("**Personnel**") shall meet and continue to meet the special requirements requested by Canon and, in the absence of these requirements, the general requirements of professional skill and expertise which apply in the relevant industry sector. If, in the opinion of Canon, Supplier's Personnel is insufficiently qualified, Canon has the right to order the removal of this Personnel and Supplier is obliged to provide replacement without delay, taking into account the provisions of Clauses 10 and 16.
- 12.3 Canon has the right to identify any Personnel engaged in the performance of the Agreement by Supplier and in the event of Personnel providing Services at Canon's premises, Canon will keep copies of valid identity documents as may be required, to the extent permitted by Data Protection Legislation. Supplier ensures that, at all times, all Personnel shall be able to properly identify themselves through internationally recognised identity documents.
- 12.4 Canon is entitled to provide Supplier's Personnel, when on Canon premises, with the necessary access permits in compliance with the applicable Canon regulations or codes.
- 12.5 Supplier shall ensure that its presence and the presence of its Personnel on Canon premises shall not cause hindrance to the undisturbed progress of the work of Canon and third parties.
- 12.6 Supplier and its Personnel shall acquaint themselves with the contents of the rules, regulations and codes applicable on Canon premises, including rules and regulations concerning, among others, (IT) security, general conduct, safety, health and the environment, and they shall act in compliance with these, including any applicable supplier guidelines and/or vendor management guidelines, together with the Supplier Code of Conduct attached in Annex 1, as notified to Supplier by Canon from time to time during the Agreement. Canon is entitled to have individual compliance statements signed by Supplier's Personnel and by third parties hired by Supplier (with Canon's consent) for the performance of the Agreement.
- 12.7 Supplier is solely responsible for payment of all compensation owed to its Personnel, as well as payment of employment related taxes, social security charges and VAT to the relevant authorities. At all times Supplier will fully indemnify Canon for any claims made by third parties (including Personnel) relating to Supplier's non-payment or improper payment of such compensation, taxes or other charges.
- 12.8 When applicable, Supplier shall ensure that its Personnel, working at Canon's premises, is in the possession of professional qualifications, valid work permits, residency permits and any other relevant permits or licenses.
- Clause 13. Confidentiality**
- 13.1 For the purposes of this Clause, "**Confidential Information**" shall mean all information of a confidential nature disclosed by one party (the disclosing party) to the other (the receiving party) to the extent it is necessary for the performance of the Agreement whether in written or oral form, which is designated as being confidential or which by its nature or in the circumstances of its disclosure ought reasonably to be regarded as confidential. Confidential Information shall include all relevant documentation (in whatever form) belonging to the disclosing party, and in the case of Canon, shall include the Canon Materials and/or Canon personal data and always remain the property of Canon and shall be returned upon first request by Canon.
- 13.2 The receiving party shall not disclose any Confidential Information disclosed to it by the disclosing party, except to (i) such third parties as authorised in writing by the disclosing party; or (ii) its officers or employees who need to know such Confidential Information in connection with the Agreement, provided that the receiving party ensures that such third parties, officers and employees accept obligations of confidence, non-disclosure and return of materials no less onerous than those contained in these Purchase Terms (whether or not any such officers and employees continue to be officers or employees of the receiving party).
- 13.3 Supplier shall not use Confidential Information for any other purposes than for performing its obligations under the Agreement.
- 13.4 Both parties shall take all steps necessary or appropriate to protect any Confidential Information against unauthorised disclosure or use, and shall promptly notify the disclosing party of any unauthorised disclosure or use of any Confidential Information, and shall take all actions that the disclosing party reasonably requests to prevent any further unauthorised use or disclosure of the same.
- 13.5 The obligations set out in this Clause 13 shall not apply to the extent, but only to the extent, that any Confidential Information:
- (a) becomes generally available to the public through no fault of the receiving party;
  - (b) is required to be disclosed under any applicable law, rule, regulation or governmental order. Before disclosure the receiving party shall inform the disclosing party of such disclosure and of which Confidential Information and to what extent it is disclosed, and shall co-operate with the disclosing party to seek a maximum protective order or measurement.
- 13.6 Canon is entitled, as the occasion arises, to have confidentiality statements signed by Supplier's Personnel and by third parties engaged in the performance of the Agreement by Supplier.

13.7 The confidentiality obligations in this clause shall survive termination or expiration of the Agreement.

**Clause 14. Assignment, sub-contracting**

14.1 Supplier shall not assign its rights and obligations under the Agreement to third parties (including affiliated companies of Supplier), whether in whole or in part, without the prior written consent of Canon.

14.2 Supplier shall not subcontract the fulfilment of its obligations under the Agreement to third parties (including affiliated companies of Supplier), whether in whole or in part, without the prior written consent of Canon, which is not to be unreasonably withheld, provided that Supplier has in place obligations with the subcontractor that are similar to the obligations imposed on Supplier in the Agreement and Supplier shall be liable for the acts and omissions of its subcontractor in carrying out the obligations under this Agreement as if they were the acts or omissions of Supplier.

14.3 In urgent cases, and/or if it has been reasonably established that Supplier will fail (or has already failed) to meet, will be late in meeting or will not adequately meet its obligations under the Agreement, Canon is entitled to: (i) perform such obligations itself (if this is possible); (ii) appoint another sub-contractor to perform such obligations; or (iii) require that Supplier subcontracts the performance of its obligations under the Agreement, in each case whether in whole or in part, at no extra charge to Canon. This shall not release Supplier from its obligations under the Agreement and is without prejudice to any other rights of Canon arising from the non-fulfilment by Supplier and/or the third party of their obligations.

**Clause 15. Approval and Waiver**

15.1 Any approval or permission granted to Supplier by Canon concerning any matter, as referred to in these Purchase Terms, shall not release Supplier from its obligations under the Agreement. Canon is entitled to attach conditions to any approval or permission.

15.2 No failure to exercise and no delay in exercising on Canon's part of any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude the enforcement of any other right, power or privilege nor shall the waiver of any breach of any provision herein be taken or held to be a waiver of the provision itself. Any waiver to be effective must be in writing.

**Clause 16. Liability**

16.1 Neither party under these Purchase Terms seeks to limit or exclude its liability for death or personal injury caused by its negligence, or for fraud or fraudulent misrepresentation.

16.2 Supplier shall fully indemnify Canon and any Canon group companies against all loss, claims, damage, cost, liability and/or expense (including legal fees on a full indemnity basis) and all claims of third parties based on or resulting from any breach of the Agreement, or any tort (including without limitation

negligence), by Supplier, its Personnel, and any third party engaged by Supplier in connection with the Agreement.

16.3 Supplier shall insure itself adequately against the liabilities and obligations under these Purchase Terms and shall grant Canon the right to inspect the policy, if reasonably requested.

16.4 The liability of Canon shall, except in case of wilful intent or gross negligence by Canon, in any event be limited to the amounts paid by Canon for the Products and/or Services under the Agreement under which the liability arose.

16.5 In no event shall Canon be liable under any theory of liability, for indirect, incidental, special, consequential or punitive damages, which includes without limitation damages for lost profits or revenues, lost business opportunities, loss of image or lost data, even if Canon has been advised of the possibility of such damages.

**Clause 17. Force majeure**

17.1 Neither party shall be liable for any default or delay in the performance of its obligations under the Agreement: (i) if and to the extent that the default or delay is caused directly or indirectly by fire, flood, elements of nature, acts of God, acts of war, terrorism or civil unrest, or any other cause beyond the reasonable control of the party; and (ii) provided the non-performing party is without fault and the default or delay could not have been prevented by reasonable precautions. Without prejudice to Canon's rights, including the right to (partly) terminate the Agreement in accordance with Clause 7, in case of a force majeure as set out above, the non-performing party is excused from further performance for as long as such circumstances prevail and the party continues to use commercially reasonable efforts to recommence performance. Any party so delayed shall promptly notify the other upon it first becoming aware of the force majeure event and shall describe the circumstances causing the delay or default.

17.2 If Supplier is unable to perform its obligations under the Agreement within seven (7) calendar days, Canon, at its sole discretion, may: (i) terminate any portion of the Agreement affected by the non-performance and payment shall be equitably adjusted; or (ii) terminate the Agreement without liability to Canon as of a date specified by Canon in a written notice to Supplier. Supplier shall not have the right to any additional payments from Canon as a result of a force majeure event.

17.3 Failures in performance of third parties used by Supplier under the Agreement will not be considered force majeure events. Strikes or labour shortages (where such labour actions are taken against Supplier or its affiliates or subcontractors directly) will not be considered force majeure events. A non-performing party will be obligated to use commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the force majeure event.

**Clause 18. Sustainability, Supplier Code of Conduct**

- 18.1 Supplier shall provide adequate and accurate information to Canon in the appropriate European language(s) where requested, about its Products and Services, and shall fully comply with environmental, social and governance requirements under applicable national and/or international laws, rules, regulations, directives, ordinances and administrative orders, including but not limited to EU Directive 2011/65/EU "Restriction of the use of certain Hazardous Substances in Electronic and Electric Equipment ("**RoHS Directive**")", Regulation (EC) No1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH Regulation**"), Directive 94/62/EC on Packaging and Packaging Waste ("**Packaging Directive**") and the **UK Modern Slavery Act 2015**. Supplier shall fully cooperate, and involve its supply chain where necessary, with any Supplier surveys, programmes and audits to be conducted by Canon from time to time and/or any green procurement standards to be notified by Canon to Supplier from time to time. Supplier shall provide evidence of compliance with Canon supplier surveys at the request of Canon. Canon expressly reserves the right, at its own cost, to conduct an audit of Supplier's operations, facilities or working conditions to ensure that the Services or Products, provided to Canon, are aimed at the elimination of modern slavery practices and for that purpose Canon shall be entitled to have access to Supplier's premises where the Services are being performed or the Products are being produced. Any such audits will take place during normal working hours with minimal or no disruption to ongoing operations, and by giving reasonable notice to the Supplier. Supplier acknowledges and agrees that an integral part of an audit will include confidential interviewing of workers (in a manner protecting worker safety), which helps to understand any potential risks of forced labour or slavery.
- 18.2 Supplier warrants its compliance with Canon's supplier code of conduct attached hereto as Annex 1 ("**Supplier Code of Conduct**").
- 18.3 Supplier warrants that all Products will be in accordance with the requirements, as mentioned in Clause 18.1 above and will meet reasonable market expectations regarding its sustainability performance. Supplier shall indemnify Canon against all loss, damage, cost, liability or expense (including legal fees on a full indemnity basis) and all claims of third parties based on the infringement of the RoHS Directive, the Packaging Directive, the REACH Regulation or of any other relevant environmental, social and governance requirements.
- 18.4 In the event of any non-conformance by Supplier or its Products supplied to Canon with any laws or regulations, or with Canon's standards or with the Supplier Code of Conduct, or in the event of any major social or environmental incident caused by Supplier resulting in an investigation by Canon or third parties, Supplier shall forthwith notify Canon thereof and take appropriate measures to remedy such non-conformance or incident and use its best efforts to prevent recurrence of similar non-conformance or incidents and comply with any investigations or tests required by Canon or the competent authorities.
- 18.5 Supplier shall perform its obligations in accordance with the Canon Supplier Code of Conduct and shall not enter into any business relationships which are likely to bring Canon and any Canon group companies into disrepute, e.g. through entering into business that contravenes accepted international standards on human rights, labour standards, environmental protection, corruption, or is associated with entities and/or persons targeted with financial sanction by the EU or other authorities. Supplier agrees that it will uphold the principles in the Universal Declaration of Human Rights and the ILO convention.
- 18.6 Where appropriate according to local legislation and regulations, Supplier shall ensure that adequate risk assessments are completed and that all necessary permits, licences, exemptions and certificates are obtained and up-to-date and that all training, awareness and supervision is carried out and that records are kept and provided to Canon on request. This shall include the provision of work equipment as well as services.
- 18.7 Supplier shall have in place suitable processes, measures, procedures and training to ensure that equipment used and services provided follow safety guidelines of Canon technicians and/or have the required safety certifications, inspection, training and maintenance certifications, inspection, training and maintenance records in connection with applicable equipment or services.
- 18.8 Where Supplier will be providing services that include or may result in the generation of, management, brokerage, storage, transport or disposal of waste of any kind, Supplier shall ensure that it, and any subcontractors or agents, hold up to date appropriate licences, permits and exemptions according to local legislation and regulation. Supplier shall follow the hierarchy of waste and ensure that all waste is disposed of in accordance with environmentally sound practice and process. In particular, Supplier shall ensure that the WEEE Directive 2013 and local WEEE Regulations are complied with fully. Where Supplier is organising an event or exhibition, Supplier shall provide a Waste Management Plan as well as an Environmental Impact Assessment as appropriate, a copy of which shall be provided to Canon.
- 18.9 Supplier warrants and represents that it shall:
- (a) not tolerate any form of and not engage in any form of corruption or bribery. Neither Supplier nor its employees, subcontractors, agents, officers or any third parties on their behalf, has offered, given, demanded, requested, accepted or agreed to any undue pecuniary or other advantage of any kind (or implied or inferred that they will or might do any such thing at any time in the future) in any way connected with the Agreement or any other

agreement between the parties (or any related parties);

- (b) at all times throughout the course of the Agreement comply with and ensure that its subcontractors, agents, servants, employees and officers comply with the most current version of Part II of the International Chamber of Commerce Rules on Combating Corruption together with the Bribery Act 2010, both of which are (as applicable) incorporated by reference into these Purchase Terms as if written out in full. Supplier has or will put in place a program to prevent bribery in its organisation; and
- (c) immediately notify Canon and the competent authority if it suspects or becomes aware of any breach of this Clause 18.9. Supplier will respond promptly to any of Canon's enquiries regarding any breach, potential breach or suspected breach of this Clause 18.9 and the Supplier shall cooperate with any investigation and allow Canon to audit Supplier's books, records and any other relevant documentation in connection with the breach.

#### **Clause 19. Data Protection**

19.1 Supplier shall:

- (a) comply with all Data Protection Legislation which shall mean: all applicable laws relating to data protection and privacy including without limitation the, the EU General Data Protection Regulation (2016/679) ("GDPR") and all other applicable international, regional, federal or national data protection laws, regulations and regulatory guidance, in force from time to time and applicable to Canon, the Supplier, the supply of the Products and/or Services and Canon's use thereof;
- (b) not do, cause or permit to be done, anything which may cause or otherwise result in a breach by Canon of the same;
- (c) use adequate organizational and technical measures to protect all personal data from and against any unauthorized or unlawful processing and against any loss or damage. Canon has the right to verify these organizational and technical measures within the organization of Supplier at all times;
- (d) process personal data solely for the purpose of performing Supplier's obligations under the Agreement or as otherwise instructed in writing by Canon;
- (e) not transfer any personal data out of the European Economic Area ("EEA") without Canon's prior written consent and subject to any additional restrictions reasonably set by Canon.

19.2 In the event personal data in the meaning of the Data Protection Legislation are being processed or transferred this will always be governed by the Data Protection Legislation and the parties will in such case agree to enter into a separate data processing agreement and as the case may be a transfer agreement based on the EU model clauses, which shall be deemed to form part of these Purchase Terms or the Agreement.

#### **Clause 20. Severability**

If any of these Clauses shall be found to be invalid, ineffective or unenforceable, the invalidity, ineffectiveness or unenforceability of such Clause (or part thereof) shall not affect any other Clause (or the other part of the Clause of which such invalid, ineffective or unenforceable part forms part) and all Clauses (or parts thereof) not affected by such invalidity, ineffectiveness or unenforceability shall remain in full force and effect.

#### **Clause 21. Export control regulations**

Supplier warrants that the Services and/or Products and the supply thereof shall comply with all relevant export control laws, customs and foreign trade regulations of the United States of America, the United Nations or the European Union.

#### **Clause 22. Applicable law and disputes**

- 22.1 These Purchase Terms, all Agreements to which they are applicable and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Austrian laws.
- 22.2 Each party irrevocably agrees that the courts of Vienna, Austria shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with these Purchase Terms, all Agreements to which they are applicable and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims).

October 2021



## Annex 1

### Canon Supplier Code of Conduct

The Canon Supplier Code of Conduct ("Code") is set up by Canon CEE GmbH ("Canon") in order to build Canon's business with all of its suppliers based on trust, teamwork, honesty and mutual respect. Canon expects all of our suppliers to operate on the same principles.

Canon believes in and supports the principles as set forth in the International Bill of Human Rights<sup>1</sup>, the Covenants of the International Labour Organization ("ILO") and other relevant international treaties and covenants. Canon seeks commitment from you ("Supplier") as its partner, to comply with the specific standards of conduct as set out below as a minimum.

Supplier acknowledges and agrees that it will comply with this Code and that any non-compliance with the Code (also) constitutes a material breach of the then current agreement, the Purchase Terms or other terms and conditions applicable between Canon and Supplier. In such case of non-compliance, without prejudice to Canon's other rights and remedies, Canon has the right to immediately terminate the partnership.

#### 1. Elimination of Forced Labour

Supplier ensures not to use or facilitate any forced or compulsory labour. Forced labour can take different forms, including debt bondage, trafficking and other forms of modern slavery. As a minimum the following conventions apply:

- ILO C29 Forced labour;
- ILO C105 Abolition of forced labour.

#### 2. Child Labour

Child labour, as defined by the ILO and UN Conventions, is not permitted. As a minimum the following conventions apply:

- ILO C138 Minimum age;
- ILO C182 Worst forms of child labour.

#### 3. Elimination of discrimination

Canon upholds principles of no discrimination based on ethnicity, gender, religion, social background, disability, political opinion, or sexual orientation and encourages Supplier to uphold the same principles. As a minimum the following conventions apply:

- ILO C111 Discrimination;
- ILO C159 Vocational rehabilitation and employment (disabled persons);
- ILO C169 Indigenous and tribal peoples.

#### 4. Fair compensation

Supplier provides each employed person<sup>2</sup> at least the minimum wage or the prevailing industry wage in the country of de facto employment, whichever is higher, provides each employee a clear, written account for every pay period, and does not deduct from worker pay for disciplinary infractions. Weekly working hours must not exceed the legal limits. Wages shall be paid directly to the employee on time and in full. The lowest acceptable salary level is minimum wage according to national legislation. As a minimum the following conventions apply:

- ILO C100 Equal remuneration between men and women;
- ILO C106 Weekly rest;
- ILO C131 Minimum wage fixing.

#### 5. Hours of work/Overtime.

Supplier shall comply with legally mandated work hours and will use overtime only when each employee is fully compensated according to local law while informing each employee at the time of hiring if mandatory overtime is a condition of employment. As a minimum the following recommendation applies:

- ILO R116: Hours of work.

#### 6. Benefits

Supplier provides each employee all legally mandated benefits. Benefits vary by country but may include meals or meal subsidies; transportation or transportation subsidies; other cash allowances; health care; child care; emergency, pregnancy or sick leave; vacation, religious, bereavement or holiday leave; and contributions for social security and other insurance, including life, health and worker's compensation. As a minimum the following conventions apply:

- ILO C102 Social security (minimum standards);
- ILO C118 Equality of social security benefits;
- ILO C121 Employment benefits – injury;
- ILO C183 Maternity protection.

<sup>1</sup> Consisting of the [Universal Declaration of Human Rights](#) (adopted in 1948), the [International Covenant on Civil and Political Rights](#) (1966) with its two Optional Protocols and the [International Covenant on Economic, Social and Cultural Rights](#) (1966).

<sup>2</sup> An employed person is any kind of wage earner including an employee, a temporary employed person, a contractor, or a freelancer.

#### 7. Freedom of association and collective bargaining

In countries where the freedom of association is limited or in development, Supplier will ensure that employees can meet with the company management to discuss salaries and working conditions without negative consequences. As a minimum the following conventions apply:

- ILO C87 Freedom of association;
- ILO C98 Right to organise and collective bargaining.

#### 8. Occupational Health and Safety

Supplier shall provide a safe working environment for its employees which complies with international standards and all applicable local environmental, safety and health regulations. Suppliers will freely provide appropriate controls, safe work procedures, training and necessary technical protective measures and equipment to mitigate health and safety risks in the workplace. All employees shall have access to and use the appropriate safety equipment. Any of Supplier's activities that have the potential to adversely impact human or environmental health will be appropriately managed, measured, controlled and treated prior to release of any substance into the environment. Supplier ensures to have systems in place to prevent or mitigate accidental spills and releases. As a minimum the following convention and recommendation apply:

- ILO C155 Occupational health and safety
- ILO R164 Occupational health and safety

#### 9. Environment

Supplier shall strive to reduce energy and resource consumption as well as waste and emissions to the atmosphere, ground and water. Chemicals shall be handled in a way that is safe for humans and environment

Supplier will have systems in place to ensure the safe handling, movement, storage, recycling, reuse of materials or management of waste, air emissions and wastewater discharges.

Supplier is expected to use natural resources (e.g. water, sources of energy, raw materials) in an economical way. Negative impacts on the environment and climate will be minimized or eliminated as far as possible at their source or by changing practices accordingly. This may include changing materials used, conservation of resources, recycling and reuse.

Where relevant, Supplier shall comply with Canon's Green Procurement approach and associated questionnaires and audits and implement this approach with its own supply chain. For more information on this approach see <http://www.canon.com/procurement/green.html>

#### 10. Good governance

Canon has a zero-tolerance policy on bribery and corruption and expects the same from its suppliers. This applies to all business dealings and transactions in all the countries in which Supplier or its subsidiaries and business partners operate.

Canon expects Supplier to abide by the consolidated code of advertising, communications and marketing practices (International Chamber of Commerce) and undertake only honest, ethical and responsible advertising.

Supplier should promote fair, honest and transparent business and have in place good practices such as whistleblowing policies and its own corporate policies on governance.

#### 11. Management systems and documentation.

Supplier ensures it has implemented management systems to facilitate adherence to all applicable laws and to promote continuous improvement in its operations, including the items listed in this Code. This includes the communication of the criteria to their supply chain, implementing mechanisms to identify, determine and manage risks in all areas addressed by this Code and legal requirements.

Supplier maintains all documentation needed to demonstrate that it shares the principles and values in this Code and to demonstrate compliance. It further agrees to make these documents available for Canon or its designated auditor to inspect upon request and agrees to submit to any required investigations, audits or inspections by Canon or the competent authorities.

#### 12. Training and competency

Supplier ensures appropriate training is in place or established to allow managers and employees to gain an appropriate level of knowledge and understanding of the Code.

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The Canon Supplier Code of Conduct is also separately available on [http://www.canon-europe.com/about\\_us/coc/cenv/en](http://www.canon-europe.com/about_us/coc/cenv/en)