

# CAMBRIDGE IMAGE TECHNOLOGY LTD (CITL) STANDARD TERMS AND CONDITIONS OF SALE

## 1. DEFINITIONS

In these conditions *Cambridge Image Technology Ltd.* is referred to as “*CITL*” the buyer is referred to as “the Buyer” and the goods or services the subject of the contract as “Products”

## 2. INCORPORATION AND VARIATIONS

These conditions apply to all sales made by *CITL* to the exclusion of all other terms or conditions of purchase, sale or otherwise. They may be varied only with the express agreement in writing of *CITL*.

## 3. QUOTATIONS AND ORDERS

Quotations submitted by *CITL* are open for placing of an order only within thirty (30) days from the date thereof, unless otherwise specified. However, no order will be binding upon *CITL* unless accepted in writing by *CITL*. *CITL*'s acceptance of any order is based on the Buyer's agreement to these conditions.

## 4. REMANUFACTURED AND REFURBISHED EQUIPMENT

Remanufactured or refurbished equipment may contain used or regenerated subassemblies and components. Remanufactured or refurbished items have been refurbished or upgraded by qualified technicians contracted by *CITL*. In case of remanufactured or refurbished products, unserviceable assemblies or parts will, at *CITL*'s sole discretion, be replaced or rebuilt as required. Products containing software not written and copyrighted by *CITL* are not backed by *CITL* warranties.

## 5. DRAWINGS AND REPRESENTATIONS

No descriptions, specifications, illustrations, drawings, data or other matter related to the products whether contained in any literature or in any statement or representation made by or on behalf of *CITL* or in any other written, pictorial or oral matter whatsoever shall be construed as terms of the contract or as representations inducing the making of a contract unless incorporated in writing and signed on behalf of *CITL* as specific terms of the contract.

## 6. CANCELLATIONS AND RETURNS

6.1. Standard Products are defined as those Products which will not require special set-up or engineering. It is *CITL*'s sole discretion to determine whether a product is in the category of standard or custom.

6.2. Custom Products are defined as those which require special set-up or engineering. Generally, custom products are built to Buyers specifications and usually a one time sale.

6.3. Custom products are subject to a 100% cancellation charge from the date of order.

6.4. No order accepted by *CITL* may be concealed without *CITL*'s prior consent which will only be given on the terms that *CITL* is to be indemnified against all costs and liabilities incurred directly or indirectly in connection with the order.

6.5. No products or parts thereof may be returned without the prior written permission of *CITL*. Any products or parts returned with such permission shall be subject to reconditioning and re-stocking charges. All shipping expenses incurred in connection with any returns will be borne by the buyer and the buyer must comply with any shipping instructions issued by *CITL*.

## 7. PROVISIONS OF INFORMATION

The buyer's order must be accompanied by sufficient information to enable *CITL* to proceed with the order forthwith.

## 8. SHIPMENTS

All schedules quoted for shipment from *CITL*'s acceptance of the buyer's order or (if later) from the date of receipt by *CITL* of all information required. Such delivery times are estimates only and *CITL* accepts no liability for any failure to comply with any such estimates.

## 9. LOSS OR DAMAGE IN TRANSIT

9.1. Unless otherwise specified all prices are F.O.B. and delivery of products to a carrier shall constitute delivery to the buyer who will bear all the risk of loss or damage in transit.

9.2. Where *CITL* agrees to arrange for delivery to the buyer all risk of loss or damage in transit will be the responsibility of the buyer provided that *CITL* will at buyer's request and expense assist the buyer in making any claims against the carrier subject to the buyer complying in all respect with the carriers condition of carriage for notifying claims for loss or damage.

9.3. Where *CITL* agrees to arrange insurance of products in transit the buyer must notify *CITL* on receipt of any loss or damage in transit or other event causing a claim under the insurance policy, to enable a claim to be made and must provide such information as the insurers may require.

## 10. STORAGE

If the buyer is unable to accept delivery of any products when they are ready for delivery, *CITL* will attempt to arrange storage at the buyer's risk and expense. If storage cannot be arranged the buyer will either take delivery or arrange for storage.

## 11. PRICES

11.1. Prices quoted are based on *CITL*'s prices ruling at the date of quotation if quotation is currently valid, prices may be varied in the event of any changes in production cost prior to order acceptance

11.2. Any value added tax, manufacturer's tax, user tax, duties inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any government authority on or measured by the transaction between *CITL* and the buyer shall be paid by the buyer in addition to the prices quoted or invoiced. In the event *CITL* is required to pay any such tax, fee, or charge, the buyer shall reimburse *CITL* prior to dispatch.

## 12. ADDITIONAL COSTS

If any extra cost is incurred by reason of any additional instructions submitted by the buyer after *CITL*'s quotation is given or by reason of any errors or omissions in instructions provide by the buyer or any failure on the part of the buyer to provide relevant information in adequate time than the buyer shall be responsible for such extra cost or at its sole discretion *CITL* may cancel the order and will be reimbursed for its costs and reasonable profit up to the date of cancellation. Should *CITL* cancel an order *CITL* shall incur no liability of any nature whatsoever to the buyer, and in particular but without limitation, shall be under no liability to reimburse the buyer for any loss or expense incurred in relation to the order.

## PAYMENT

13.1. Payment terms as specified in quotation, unless otherwise agreed.

13.2. Payment in full must be paid at the time(s) specified in *CITL*'s order acceptance or quotation or where no time(s) is specified within thirty (30) days of the relevant invoice. Interest at 1.5% per month will be charged on all moneys outstanding after this period, unless otherwise stated.

13.3. Where payment is agreed to be made by instalments any delay or failure in payment for any one instalment shall render all remaining balances due upon demand.

13.4. Notwithstanding any provision contained in the order, *CITL* reserves the right at any time to require payment by confirmed irrevocable Letter of credit and to defer the performance of any order until receipt of a confirmed irrevocable letter of credit in terms acceptable to *CITL*.

## DISPUTES AND OFFSET

14.1. The buyer will not be entitled to withhold payment of any moneys correctly invoiced by and due to *CITL* because of any disputed claim against *CITL*.

14.2. Without prejudice to the generality of the foregoing the buyer will not be entitled to withhold the payment of any part of the price beyond the due date for date for payment after it has commenced to use the products notwithstanding that further obligation remain to be performed by *CITL*.

14.3. *CITL*'s liability to perform any warranty or rectification work in respect of any products shall not entitle the buyer to withhold payment of any part of the price.

## 15. TRANSFER OF TITLE

Notwithstanding delivery and the passing of risk, until *CITL* has received full payment of all moneys owed to it any time by the buyer on any account whatsoever.

15.1. All products shall remain the property of *CITL* and the buyer will not sell, mortgage, charge, encumber or part with possession thereof nor permit the creation of any lien over the product and ensure safe keeping thereof.

15.2. If the buyer is in default for longer than fourteen (14) days in payment of any sum whatsoever to *CITL* or if the buyer goes into liquidation or has a receiver appointed or commits any act of insolvency then the buyer will place the products at *CITL*'s disposal. *CITL* will be entitled to enter any premises of the buyer to remove the products from the premises and to sell or otherwise deal with such products for its own benefit but the amount of the moneys owned to *CITL* by the buyer shall be reduced by the purchase price of any products recovered by *CITL* to the extent that the same are in a saleable condition less any costs incurred in recovering them.

## 16. CANCELLATION AND SUSPENSION

*CITL* shall have the right to cancel all or any contracts or withhold delivery without thereby incurring any liability of any nature whatsoever if:

16.1. The buyer fails to pay any moneys owing by the due date.

16.2. The buyer commits any breach of contract.

16.3. The buyer goes into liquidation or has a receiver appointed or commits any act of insolvency.

16.4. *CITL* has any reason to doubt the credit worthiness of the buyer.

## 17. CHANGE OF SPECIFICATION

*CITL* reserves the right to alter the design, specification, materials or construction of the product at any time without prior notice and to supply as altered in the performance of any contract, unless such altered products shall not be materially different from those ordered.

## 18. CAPACITY AND PERFORMANCE

The buyer must satisfy itself that the capacity and performance of the products are sufficient and suitable for its purposes and that its premises are safe and suitable for the installation, use and operation of the products. Any performance figures given by *CITL* are based upon information from a supplier or its own experience and are such as *CITL* expects to obtain under test conditions but *CITL* accepts no liability unless they are specifically guaranteed in writing.

## 19. WARRANTY

19.1. *CITL* will make good by replacement or repair at its option any defect developing under normal use in any component parts of any products within a period of ninety (90) days after shipment provided that: the component part in question was manufactured by *CITL*. Written notice of any alleged defect is given to *CITL* within ten (10) working days after its discovery. If requested by *CITL* the product or the relevant component part is returned prepaid to *CITL* and on examination by *CITL* the defect is proven to be attributable to faulty design, materials or workmanship and the product are serviced maintained and used properly and in accordance with *CITL*'s instructions and are not repaired or altered by persons other than authorized *CITL* personnel.

19.2. *CITL*'s obligations in respect to defects developing in component parts not manufactured by it shall in all respect conform to and be limited to the warranty extended to *CITL* by the original equipment manufacturer.

19.3. The warranties contained in sub-clause 19.1 and 19.2 above constitute the limit of *CITL*'s liability in respects of any defects developing in the product at any time, and are given in place of all conditions, warranties, representations or other terms weather expressed or implied by common law, statute, trade usage, or otherwise, all of which shall accordingly be excluded.

19.4. Nothing contained in this clause shall exclude or restrict *CITL*'s liability for the death of personnel injury resulting from its negligence.

## 20. CONSEQUENTIAL LOSS

Without prejudice to the generality of clause 18 above in no circumstances will *CITL* be liable for any consequential or indirect loss or damage whatsoever including but without limitation loss of profits, loss of production or any payments which the buyer may make to third parties resulting from any defect in the products or from the use of or installation of the products or from any delay or breach of contract or negligence on the part of *CITL*.

## 21. DRAWINGS AND DESIGNS

21.1. All specification, drawing, designs, data, information, ideas, methods, patterns and/or inventions made conceived, developed or acquired by *CITL* in the performance or its contractual obligation or in the manufacture of products will be and remain the sole property of *CITL*.

21.2. Unless otherwise agreed drawings are not subject to approval by the buyer.

21.3. All specifications, drawings, designs, data, information, idea, methods, patterns and/or inventions communicated by *CITL* to the buyer in any manner whatsoever will be kept confidential and not disclosed, shown or in any way made available to any third party nor in any way copied or reproduced by the buyer and must be returned to *CITL* forthwith on demand.

21.4. Any charges made for drawings, pattern, designs, specifications, data, or other information cover only the use of such items all of which remain the property of *CITL* and must be returned to *CITL* forthwith on demand.

21.5. *CITL* will provide the buyer with such drawings and instructions as it deems necessary for the installation and operation of the products and for ordering such parts as may require replacement as a result of normal wear and tear. All such drawings and instructions will be subject to the provisions of sub-clause 21.1 and 21.3 above. Unless otherwise agreed tracings and reproducible drawings are not provided by *CITL*.

## 22. INSTALLATION

22.1. Unless otherwise agreed the price does not include installation of the products, instruction of the buyer's staff or assistance with production start up. Where such services are included in the price then the price will be calculated on the basis of *CITL*'s assessment of the period required for the provision of such services based on its previous experience. If for any reason whatsoever any such services are required for a period in excess of that assessed by or if any additional services not specified in the contract are required then all such services must be paid for by the buyer at *CITL*'s prevailing rates at the time and any additional expenses incurred by *CITL* in the provision of such services must be reimbursed by the buyer.

22.2. The buyer must provide a suitable environment for the installation of the products and all additional equipment facilities and services required for the installation of the buyer's staff and production start up where such services are to be provided by *CITL*.

## 23. INDUSTRIAL PROPERTY RIGHTS

No undertaking is given by *CITL* that the products or the supply of the products or the use of the products would not infringe any patent or any other intellectual property rights of any third party and the buyer accepts the products on this understanding and agrees not to pursue any claims against *CITL* and to hold *CITL* harmless in respect of an alleged or actual infringement of such third party rights. Where *CITL* supplies products pursuant to specifications, drawings or designs supplied by the buyer, or where *CITL* performs work of any kind on equipment machines or other items not supplied by *CITL*, then the buyer warrants that such specifications, drawings, designs or works do not infringe any patent or any other intellectual property rights of any third party and the buyer shall hold *CITL* harmless in respect of any alleged or actual infringement of such third party rights.

## 24. FORCE MAJEURE

*CITL* accepts no liability for delay or non-fulfilment of any term of the contract caused by Force Majeure or by any industrial dispute, default by any sub-contractor, the failure to obtain or the withdrawal of any export or import license or customs consent, any government action, accident, fire, scarcity of material or labour or by any cause not directly within its control.

## 25. GOVERNING LAW

Any dispute, controversy or claim arising out of the contract between *CITL* and the buyer or regarding any products sold or services performed by *CITL* shall be interpreted and governed by the laws of the United Kingdom.

## 26. WAIVER

No indulgence or failure by *CITL* to enforce any of its rights shall constitute a waiver of such right or preclude *CITL* from thereafter exercising the same.

## 27. ENTIRE AGREEMENT

This contract contains the entire agreement between *CITL* and the buyer and there are no understandings or representations not expressly set forth herein or in *CITL*'s quotation.