

General Terms and Conditions of Purchase of Ernst Leitz Wetzlar GmbH



1. Scope of application

1.1 These Terms and Conditions of Purchase apply exclusively; Ernst Leitz Wetzlar GmbH (collectively referred to as "Leitz") do not acknowledge any conflicting or deviating General Terms and Conditions of the Supplier, unless Leitz has expressly approved their applicability in writing. Leitz's Terms and Conditions of Purchase also apply if Leitz accepts or pays for any products and services delivered by the Supplier (hereinafter collectively: Products) in knowledge of conflicting or deviating terms and conditions of the Supplier.

1.2 Leitz's Terms and Conditions of Purchase also apply for all future deliveries and performances of the Supplier.

2. Conclusion of contract

2.1 Orders, requests for delivery of on-call orders and quantity contracts as well as any changes and amendments thereof require text form. They are understood to be accepted and become binding on the Supplier if the Supplier does not raise any objection within three working days of receipt.

2.2 The Supplier shall draw up any offers free of costs, in particular without charging any visits or the preparation of offers and projects. The Supplier is bound by its offer for the duration of minimum 4 weeks of Leitz's receipt of the offer.

2.3 Insofar as commercial clauses pursuant to the International Commercial Terms (INCOTERMS) have been agreed, the INCOTERMS 2010 shall apply.

3. Prices, payment

3.1 Unless specifically agreed otherwise, the prices are fixed prices with DDP supply address (INCOTERMS 2010), including packaging and any charge, but exclusive of value added tax.

3.2 Unless otherwise agreed, the EURO is to be understood as the agreed currency.

3.3 Payments shall be made after receipt of duly issued invoices and full performance on the 15th day of the month following delivery, with 3 % cash discount, or within 90 days without deduction. Payment is made subject to invoice control. Invoices shall be sent as PDF to: Rechnungswesen@leitz-cine.com.

3.4 Default occurs only after expiry of the due date and reminder. The amount of possible default interest is determined according to the statutory regulations.

3.5 Leitz is entitled to set-off and retention rights to the statutory extent.

4. Place of delivery, scope of performance, retention of title

4.1 Unless provided for otherwise in the individual case, delivery is agreed to be made DDP delivery address (INCOTERMS 2010). Thus, the Supplier shall bear the risk of accidental loss, destruction and deterioration, until acceptance of the Products by Leitz or third parties instructed by Leitz at the location to which the Products have to be delivered according to the order.

4.2 The Supplier owes delivery of exclusively brandnew Products.

4.3 If the Supplier has taken on the setting up or installation and if no other arrangements have been agreed, the Supplier shall bear all necessary costs.

4.4 Partial deliveries are not permissible, unless Leitz has expressly agreed thereto. In such case, the remaining undelivered quantity has to be stated on the delivery note and invoice.

4.5 With regard to the numbers of items, weights and measurements the values as established by Leitz upon receiving inspection shall be decisive, except as otherwise proved.

4.6 Title to the Products passes to Leitz upon full payment. Any extended or prolonged retention of title requires specific agreement. Leitz is entitled to

further process or resell the Products also before payment.

5. Dispatch, packaging, waste disposal

5.1 Dispatch documents, in particular delivery notes, dockets and pro-forma invoices have to be enclosed in the consignments. The Supplier has to provide Leitz with a long-term supplier's declaration upon first delivery, and thereafter once a year. All documents have to state the order numbers and the denominations as requested by Leitz in the order. In respect of third countries, i.e. non-EU countries, the consignments must additionally be accompanied by certificates of origin.

5.2 The Supplier undertakes to use environmentally friendly packaging allowing recycling or cost-effective disposal. Styrofoam chips are not permitted as packaging material. The packaging shall ensure protection against damage, soiling and dampness during transportation and storing so that the installation at Leitz or a company commissioned by Leitz can be made without additional expense. All information relevant for the content, storage and transportation must be visibly affixed to the packaging. Any borrowed packaging, which has to be marked, will be returned to the Supplier's address on a carriage forward basis.

5.3 Transportation is insured by Leitz if it is carried out at the risk of Leitz. Leitz does not reimburse any transportation insurance costs caused by the Supplier.

5.4 If the Supplier does not comply with the aforementioned dispatch requirements, Leitz shall be entitled to charge the Supplier with any additional costs incurred.

5.5 Empties, packaging material and loading equipment are returned on a carriage forward basis at the expense of the Supplier.

5.6 The Supplier shall at its own expense and in compliance with the statutory regulations utilise and dispose of any waste relating to the delivery, unless otherwise agreed. Title, risk and liability under the laws on waste pass to the Supplier when waste arises.

6. Delivery dates

6.1 If agreed delivery dates are not observed or if the Supplier otherwise defaults in delivery, the statutory regulations shall apply.

6.2 The Supplier may plead absence of necessary information or documents to be provided by Leitz only if the Supplier has not received such information or documents within a reasonable period of time despite written reminder.

6.3 In the event of default in delivery, in particular if fixed delivery dates have not been observed, Leitz shall be entitled to charge a contract penalty of 0.2 % of the net value of the delayed products per working day, at most however 5 % of the value of the goods. The contract penalty can be requested in addition to performance. Claims for damages instead and in addition to performance, and the right to withdraw from the contract remain unaffected. The contract penalty is set off against a claim for damages in addition to performance. 6.4 The unconditional acceptance of the delayed delivery or performance does not constitute a waiver of the claims to which Leitz is entitled due to the delayed delivery or service; this shall apply until full payment of the remuneration owed by Leitz.

7. Information obligations, force majeure, export control

7.1 The Supplier is obliged to expressly point out to Leitz any classifications of the Product according to the applicable export control laws.

7.2 The Supplier affirms to be aware that the US American export controls and trade sanctions are cross-border and apply to and may restrict the use, re-export, release or other transfer of any supplied goods, technologies, software or any other foreign product that contains or is a product thereof. The Supplier undertakes to comply with the US-American export control regulations and trade sanctions.

7.3 As soon as the Supplier notices that delivery is or might not be possible in accordance with the contract, with regard to production, primary materials, compliance with the delivery date or similar circumstances, the Supplier shall notify Leitz without undue delay. The agreed delivery time is not extended by such information.

7.4 Events of force majeure and events that Leitz cannot influence, including but not limited to natural disasters, strikes, warlike events, riots, official orders, general energy and raw material shortages, unforeseeable blocking of transportation routes, entitle Leitz – irrespective of any other rights – to withdraw from the contract as a whole or in

part, insofar as Leitz's interest in the performance consequently ceases to exist.

8. Legal compliance, quality assurance, inspection of incoming deliveries

8.1 The Supplier undertakes to comply with the applicable national and international statutory requirements and orders, all regulations regarding safety and the environment, as well as embargo requirements and anti-corruption and export control regulations.

8.2 The Supplier produces the goods in accordance with the latest state of the art in technology and science, according to the statutory and technical standards, guidelines by supervisory authorities and the applicable safety requirements. The Supplier confirms compliance with the directive's substance restrictions 2011/65/EU (RoHS) as well as the regulation 1907/2006 (REACH) for all Products delivered to Leitz via an EU conformity declaration. The declarations are to be sent unsolicited with the first sample or serial delivery and have to be updated without undue delay in case of a change in the legislation or in the chemical composition of the delivered Products.

8.3 The Supplier is obliged to maintain a quality management system according to the latest state of the art in technology (e.g. DIN EN ISO 9000 et seq. or comparable management systems). The Supplier accompanies the production process by inspections according to its quality management system. If these inspections are insufficient to assure quality, Leitz shall be entitled to request that the Supplier performs a specific inspection according to an inspection plan. The Supplier performs a final inspection of the Products to ensure that only defect-free Products are delivered. The Supplier is obliged to prove the existence of its quality management system to Leitz. Leitz is furthermore entitled to examine the quality management system by a quality audit, at any time during normal business hours of the Supplier.

8.4 The Supplier is obliged to also agree the obligations according to clauses 8.2 and 8.3 with its own suppliers, and to prove this to Leitz upon request.

8.5 Before the beginning of any serial delivery the Supplier shall for the purpose of a quality check provide Leitz with the agreed number of initial samples as well as a first sample inspection report of its own quality controls. Leitz will then carry out

its own quality checks and either release the sample towards the Supplier, or request the Supplier to remove any errors. In the release event, serial delivery can commence. For the event that the sample does not meet the agreed quality and specification standards, Leitz will inform the Supplier about the identified deviations. The Supplier shall then delivery to Leitz the same quantity of new corresponding error free samples for further quality checks. This also applies in the case of changes to any goods already approved by Leitz upon (a) the use of new parts, (b) the use of new tools, (c) changes in drawings, (d) the use of new materials, (e) changes in the production process, or (f) any change of the production site.

8.6 The acceptance of delivery of Products (excluding samples) is made subject to an inspection for freedom from defects insofar and as soon as this is possible in the ordinary course of business. This covers only the identity, completeness and externally visible defects of the Products. Besides, the inspection of incoming deliveries is replaced by the quality assurance at the Supplier according to clause 8.1, and insofar the Supplier waives the defence of delayed complaint according to Section 377 German Commercial Code (HGB)

9. Sub-suppliers, right of access

9.1 The Supplier is not entitled to transfer any order as a whole or in part to sub-suppliers without prior written approval of Leitz. If Leitz agrees to the involvement of sub-suppliers, the Supplier remains responsible for compliance with all contractual components, also for the performances rendered by any sub-supplier, including the implementation of the order requirements and confidentiality regulations of Leitz.

9.2 Leitz is at any time entitled to inspect the Products and all materials and parts required by the Supplier in order to produce the Product at the business premises of the Supplier. For this purpose, Leitz is at all times granted access to the business premises of the Supplier and to the facilities of the Supplier's sub-suppliers, during normal business hours, in order to be able to audit all processes for the production of the Product.

10. Rights

10.1 Regarding all copyright-protected works or intellectual property rights required for extensive worldwide utilization of the Product, in particular standard software, the Supplier hereby grants Leitz

an irrevocable, simple right of use (including currently still unknown types of use) unlimited in terms of time, territory and content. Leitz is in particular entitled to process the works and to transfer the rights granted to it to third parties, or to grant sub-licenses to third parties.

With regard to performance results individually designed for Leitz, Leitz shall receive all proprietary rights as direct sole rights holder. Regarding copyrights, Leitz shall receive the irrevocable, exclusive right, unlimited in terms of time, territory and content, to fully use (including currently still unknown types of use) the performance results either itself or through third parties.

10.2 The Supplier has to deliver standard software to Leitz on customary data carriers, executable in object code. In each case of individual software, and otherwise if agreed, the source code shall also be provided (including documentation and development tools).

10.3 Leitz is entitled to the exclusive rights of use according to clause 10.1 regarding any form of work results which newly arise upon or in connection with the agreed use of the copyrightprotected works or intellectual property rights.

11. Warranty/rights in case of defects

11.1 The statutory regulations on defects of quality and title apply without limitation, unless otherwise provided for hereinafter.

11.2 In urgent cases Leitz shall be entitled to carry out subsequent performance at the expense of the Supplier, either itself or through a third party, in particular in order to avert imminent danger or prevent greater damage.

11.3 Defects of quality and title become statutebarred 36 months from passing of risk.

11.4 The Supplier has to bear towards Leitz all costs caused by the culpably deficient delivery of the Products, in particular those costs exceeding the usual costs for transportation, travel, work and material, and inspection exceeding the usual scope. Leitz shall be entitled to invoice therefore a lump sum of 85 Euros per each complained delivery. The parties may provide evidence of higher or lower damages.

11.5 If Leitz has to accept return of the produced and/or sold items due to the defectiveness of the Product delivered by the Supplier, or if for that

reason the purchase price was reduced towards Leitz, or if claims were asserted against Leitz in any other manner, Leitz reserves the right to take recourse to the Supplier. Special notification of a time limit for the recourse is not required.

11.6 In the event of recourse, Leitz shall be entitled to claim compensation from the Supplier for the expenses which Leitz has to bear in the relationship with its customers due to the defectiveness of the performance.

11.7 If the resale of the Product is a consumer good purchase within the meaning of Sections 474 et seq. German Civil Code, the following shall apply: Irrespective of the provisions set forth in clause 11.3, the statute of limitations shall in the cases of clauses 11.6 and 11.7 occur at the earliest two months after the time when Leitz has settled the claims asserted against it by the customers.

11.8 In the event of a withdrawal, Leitz shall be entitled to use the deliveries and services of the Supplier without costs until suitable replacement has been obtained. The Supplier shall bear all costs incurred in connection with the withdrawal and shall be responsible for disposal.

12. Liability

In addition, the Supplier is liable in accordance with the statutory regulations.

13. Product Liability

13.1 In the event that product liability claims are asserted against Leitz, the Supplier shall be obliged to indemnify Leitz against such claims if and to the extent that the damage was caused by a defect of the Product delivered by the Supplier and - in the event of liability dependent on fault - if the Supplier is at fault. If the damage was caused within the sphere of the Supplier's responsibility, the Supplier shall insofar bear the burden of proof.

13.2 In these cases the Supplier shall bear all costs and expenses, including the costs of any legal action or recall campaigns. In addition, the statutory regulations shall apply.

14. Insurances

For the duration of the contract, including the time of guarantee and limitation periods pertaining to claims based on defects, the Supplier has to take out and maintain corresponding insurance contracts at conditions as customary in this line of business, with a minimum coverage sum of 5 million Euros per

event of damage, and to prove this to Leitz at any time upon request.

15. Items to be provided by Leitz, tools, spare parts

15.1 Leitz shall be entitled to provide materials, appliances and tools for the production of the Products. Any materials, appliances and tools provided by Leitz shall remain the property of Leitz. They shall irremovably be marked as "Property of Ernst Leitz Wetzlar GmbH" and specified in a list. Upon request such list shall be provided to Leitz for inventory- or test purposes. This also applies to such materials, appliances and tools obtained or produced by the Supplier or by order of the Supplier, but which are separately paid by Leitz. Title to such items passes to Leitz upon full payment.

15.2 The handling/processing, transformation, combination, intermixture or finishing of supplied materials is carried out on behalf of Leitz. If the Supplier makes use of other parts thereby, that are not owned by Leitz, Leitz will acquire coownership of the new product in the ratio of the supplied material by Leitz (purchase price plus VAT) to such other parts/materials at the time of handling/processing, transformation, combination, intermixture or finishing.

15.3 Leitz may at any time request surrender of its property. The Supplier expressly waives any right of retention for any legal reason whatsoever.

15.4 The Supplier ensures and undertakes to take care that Leitz or the customers of Leitz can be delivered with replacements or spare parts for the Products for a period of further 10 years after the last serial delivery, at reasonable and customary conditions.

15.5 The Supplier shall inform Leitz of the discontinuation of a serial delivery beforehand, with a notice period of 12 months – 36 months in the case of glass components. Leitz is entitled to place a last order before the serial delivery is actually discontinued.

16. Corporate responsibility

16.1 Within his corporate responsibility the Supplier commits himself that in the production of the Products human rights are protected, labour standards are observed and discrimination as well as forced labour and child labour shall not be permitted. The Supplier further ensures that also its sub-suppliers comply with these obligations.

16.2 The Supplier commits that he will neither tolerate any kind of corruption or bribe nor get involved in it in any way.

17. Secrecy

17.1 All business or technical information provided to the Supplier by Leitz has to be kept secret towards third parties as long as and to the extent that they are not provably in the public domain, nor the latest state of the art in technology and science nor expressly released by Leitz. Such information remains the exclusive property of Leitz; Leitz reserves all rights to such information. Without prior written approval of Leitz such information must not be duplicated or commercially used - except for the purpose of contractual performance towards Leitz. Upon request, the Supplier shall at Leitz's choice without undue delay and completely return or provably destroy all information originating from Leitz, in particular drawings or data carriers (including - if applicable - copies or records thereof) as well as any items made available on loan.

17.2 The Supplier must not for any own purposes use any items manufactured according to documents designed by Leitz, such as drawings, models, formulations, or the like, nor may such products be offered or delivered to third parties.

17.3 In the event of culpable breach of the duty to observe secrecy, the Supplier has to pay to Leitz a contract penalty to be stipulated by Leitz at its reasonable discretion; in case of dispute, such contract penalty shall be reviewed and re-determined by the competent court.

17.4 The Supplier undertakes to comply with data protection regulations, in particular when being granted access to the operations or to hardware and software of Leitz. The Supplier ensures that his vicarious agents also comply with these provisions and in particular obliges them to data secrecy before they take up work. The parties do not intend any processing or use of personal data on behalf of the other party. Rather, personal data will be transferred only in exceptional cases as side effect of contractual performances. The Supplier shall treat any personal data in compliance with the provisions of data protection law.

18. Final provisions

18.1 Should individual provisions of these Terms and Conditions be or become invalid as a whole or in part, the validity of the remaining provisions shall

remain unaffected thereby. For such case, the Parties undertake to agree on a provision which to the greatest possible extent ensures the corresponding economic and legal outcome intended by the invalid provision.

18.2 Place of jurisdiction is the registered office of the respective purchasing Leitz company. Leitz is entitled to also take legal action at the general place of jurisdiction of the Supplier. Exclusive statutory places of jurisdiction shall remain unaffected thereby.

18.3 All legal relationships between the Supplier and Ernst Leitz Wetzlar GmbH shall be governed by the laws of the Federal Republic of Germany, to the exclusion of the conflict of laws provisions and the UN Convention on the International Sale of Goods (CISG).

Ernst Leitz Wetzlar GmbH Wetzlar (Germany),
May 2019