



General Terms and Conditions of Purchase of Leica Camera AG

1. Scope of application

1.1 These Terms and Conditions of Purchase apply exclusively; Leica Camera AG as well as its subsidiary Leica Aparelhos Ópticos de Precisão S.A. (collectively referred to as "Leica") do not acknowledge any conflicting or deviating General Terms and Conditions of the Supplier, unless Leica has expressly approved their applicability in writing. Leica's Terms and Conditions of Purchase also apply if Leica 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 Leica'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. Orders, requests for delivery of on-call orders and quantity contracts 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 Insofar as commercial clauses pursuant to the International Commercial Terms (INCOTERMS) have been agreed, the INCOTERMS 2010 (7th revision) 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.

3.4 Default occurs only after expiry of the due date and reminder. The amount of the default interest is exclusively determined according to the statutory interest rate for commercial transactions as stipulated in the German

Commercial Code (HGB). In case of deliveries to and/or performances for the subsidiary Leica Aparelhos Ópticos de Precisão S.A. the Portuguese Commercial Code (CC) shall apply.

3.5 Leica 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 goods by Leica or third parties instructed by Leica at the location to which the goods have to be delivered according to the order.

4.2 The Supplier owes delivery of exclusively brand-new goods.

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 Leica 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 Leica upon receiving inspection shall be decisive, except as otherwise proved.

4.6 Title to the Products passes to Leica upon full payment. Any extended or prolonged retention of title requires specific agreement. Leica 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 Leica 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 Leica 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 Leica or a company appointed by Leica 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 will be returned to the Supplier's address on a carriage forward basis.
- 5.3 Transportation is insured by Leica if it is carried out at the risk of Leica. Leica does not reimburse any transportation insurance costs caused by the Supplier.
- 5.4 If the Supplier does not comply with the aforementioned dispatch requirements, Leica 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 Leica 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, Leica shall be entitled to charge a contract penalty of 0.5% of the net value of the delayed products per working day, at most however 5% of the value of the goods.
- 6.4 The unconditional acceptance of the delayed delivery or performance does not constitute a waiver of the claims to which Leica is entitled due to the delayed delivery or service; this shall apply until full payment of the remuneration owed by Leica.
- 7. Information obligations, force majeure, export control**
- 7.1 The Supplier shall expressly point out to Leica any classification of the Products according to the applicable export control regulations.
- 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 Leica without undue delay. The agreed delivery time is not extended by such information.
- 7.4 Events of force majeure and events that Leica cannot influence entitle Leica – irrespective of any other rights – to withdraw from the contract as a whole or in part, insofar as Leica's interest in the performance consequently ceases to exist.
- 8. Quality assurance, inspection of incoming deliveries**
- 8.1 The Supplier undertakes to produce the goods in compliance with all national and international statutory requirements, orders and other regulations – in particular all regulations regarding safety and the environment as well as embargo requirements.
- 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 Leica 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, Leica 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 goods are delivered. The Supplier is obliged to prove the existence of its quality management system to Leica. Leica is furthermore entitled to examine the quality management system by a quality audit.
- 8.4 The Supplier is obliged to also agree the obligations set forth in clauses 8.2 and 8.3 with its own suppliers, and to prove this to Leica upon request.
- 8.5 Before any serial delivery the Supplier shall for the purpose of a quality check provide Leica with initial samples of a number to be defined as well as a first sample inspection report of its own quality controls. Leica will inform the Supplier about the results of the quality check. In the event that the samples pass the check, serial delivery can commence. In the event that the samples do not meet the quality and specification standards of Leica, new samples have to be delivered for further quality checks. This also applies in the case of changes to any goods already approved by Leica 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 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 goods. Besides, the inspection of incoming deliveries is replaced by the quality assurance at the Supplier according to clause 8.1, and the Supplier waives the defence of delayed complaint according to Section 377 German Commercial Code (HGB). In case of deliveries to the subsidiary Leica Aparelhos Ópticos de Precisão S.A. the Portuguese Commercial Code (CC) shall apply.
- 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 written approval of Leica. If Leica 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 Leica.
- 9.2 Leica is at any time entitled to inspect the Product 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, the aforementioned parties are 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 audit all processes for the production of the Product.
- 10. Rights**
- 10.1 With regard to the Product the Supplier hereby grants Leica the irrevocable, and exclusive right, unlimited in terms of time, territory and content, to use all copyright-protected works or intellectual property rights, in particular software. Leica is in particular entitled to process the works and to transfer the rights granted to it to third parties, or to grant sub-licences to third parties.
- 10.2 The Supplier has to deliver software to Leica on customary data carriers, executable in object code. If it is agreed that the delivery also comprises the source code of the software, then such source code has to be delivered together with the complete development documentation and the development tools.
- 10.3 Leica is entitled to the exclusive rights of use according to clause 10.1 regarding any form of work results which arise upon or in connection with the use of the copyright-protected 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 Leica shall be entitled to carry out supplementary 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 statute-barred upon expiry of the regular limitation period.
- 11.4 For any new delivery or restored or repaired parts of the delivery provided within the limitation period, the limitation period

recommences as from the time when the Supplier has completely settled our claims for supplementary performance.

- 11.5 The Supplier has to bear towards Leica all costs caused by the deficient delivery of the Products, in particular transportation costs, travel expenses, costs of work and material, and the costs of inspection exceeding the usual scope.
- 11.6 If Leica 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 Leica, or if claims were asserted against Leica in any other manner, Leica reserves the right to take recourse to the Supplier. Special notification of a time limit for the recourse is not required.
- 11.7 In the event of recourse, Leica shall be entitled to claim compensation from the Supplier for the expenses which Leica has to bear in the relationship with its customers due to the defectiveness of the performance.
- 11.8 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 Leica has settled the claims asserted against it by the customers.
- 11.9 In the event of a withdrawal, Leica 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

The Parties are mutually liable in accordance with the statutory regulations.

13. Product liability

- 13.1 In the event that product liability claims are asserted against Leica, the Supplier shall be obliged to indemnify Leica against such claims on first demand 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. Apart from the foregoing, 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 insurances at conditions as customary in this line of business, with a minimum coverage sum of 5 million euros per event of damage.

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

- 15.1 Leica shall be entitled to provide materials, appliances and tools for the production of the Products. Any materials, appliances and tools provided by Leica shall remain the property of Leica. They shall irremovably be marked as "Property of Leica Camera AG" and specified in a list. Upon request such list shall be provided to Leica 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 Leica. Title to such items passes to Leica upon full payment.
- 15.2 The handling/processing, transformation, combination, intermixture or finishing of supplied materials is carried out on behalf of Leica. If the Supplier makes use of other parts thereby, that are not owned by Leica, Leica will acquire co-ownership of the new product in the ratio of the supplied material by Leica (purchase price plus VAT) to such other parts/materials at the time of handling/processing, transformation, combination, intermixture or finishing.
- 15.3 Leica 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 Leica or the customers of Leica 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 Leica of the discontinuation of a serial delivery beforehand, with a notice period of 12 months - 36 months in the case of glass components. Leica 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 confirms 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 Leica has to be kept secret towards third parties as long as and to the extent that they are not provably in the public domain. Such information remains the exclusive property of Leica; Leica reserves all rights to such information. Without prior written approval of Leica such information must not be duplicated or commercially used - except for the purpose of contractual performance towards Leica. Upon request, the Supplier shall without undue delay and completely return or destroy all information originating from Leica, in particular drawings or data carriers (if applicable including 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 products manufactured according to documents designed by Leica, 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 Leica a contract penalty to be stipulated by Leica at its reasonable discretion; in case of dispute, such contract penalty shall be reviewed and re-determined by the competent court.

18. Final provisions

- 18.1 The Supplier shall comply with all laws and regulations applicable to the Products, including anti-corruption laws and export control regulations.
- 18.2 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.

- 18.3 Place of jurisdiction is the registered office of the respective purchasing Leica company. Leica 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.
- 18.4 All legal relationships between the Supplier and Leica Camera AG 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). All legal relationships between the Supplier and Leica Aparelhos Ópticos de Precisão S.A. shall be governed by the laws of Portugal, to the exclusion of the conflict of laws provisions and the UN Convention on the International Sale of Goods (CISG).

Wetzlar (Germany), March 2014
Leica Camera AG