GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS AND SERVICES

These General Terms and Conditions (the “GTC”) shall apply to the supply of goods and services to Miki Diffusion France (hereinafter “MDF”) and shall apply in addition to any terms contained in each supply order from MDF to the Supplier (a “Supply Order”) and agreement between MDF and the Supplier (an “Agreement”), where they are not in conflict with the terms and conditions contained in such Supply Orders and / or Agreements. Other than any special condition agreed to in writing by MDF (for example any purchase / supply conditions issued by the Supplier) these GTC are the only terms and conditions upon which MDF is prepared to deal with the Supplier. Each Supply Order shall be deemed to be an offer by MDF to buy goods and / or services subject to these GTC. Unless special terms have been negotiated with the Supplier and agreed to in writing by MDF, the performance by the Supplier of the Supply Order represents full acceptance of these General Terms and Conditions. The acceptance of goods and services or the payment for such goods and services by MDF shall not be regarded as implicit acceptance of any term or condition differing from these GTC.

Section 1 - SUPPLY OF GOODS AND PRODUCTS

1A.1 Supply prices shall be fixed for the entire duration of the Supply Order.

1A.2 The Supplier:
   a) shall deliver, at its own care and expense, the goods and products ordered, in accordance with the times and locations specified in the Supply Order and / or Agreement;
   b) shall undertake, at its own care and expense and in accordance with all applicable laws, the packaging, loading, transport, delivery and unloading of the goods and products ordered, and clearance or disposal of any residual materials;
   c) shall deliver the goods and products together, with applicable merchandise transport documentation (or other valid documentation in accordance with applicable laws) which records details of the Supply Order Number, the product description, the MDF product codes, and the quantity and unit of measurement for the goods/products delivered;
   d) guarantees that the products delivered are free from flaws and defects and fully meet the requirements expressed by MDF (such requirements may relate to technical specifications, quality requirements, and delivery and packaging specifications), and all applicable French and EU laws and regulations. Any good or product that is either defective or non-compliant with the applicable laws or the agreed terms and conditions shall be refused by MDF and made available to the Supplier;
   e) guarantees that if the Supplier becomes aware at any time of any incidents, events or discoveries which are in any way relevant to the safe operation of the goods and products, or has reason to believe that there is a defect in the goods and products rendering them unsafe to use, the Supplier shall without delay issue written notice of them to MDF;
   f) guarantees the prompt repair or replacement, free of charge, of any goods or products that are defective or do not comply with MDF’s technical specifications or applicable laws. In such circumstances and without prejudice to MDF’s right to claim compensation for further damages, the Supplier shall bear the costs relating to the disassembly, assembly, and ascertainement of such defect or non-compliance, as well as any transport expenses.

1A.3 The goods and products shall be delivered to the headquarters / facilities of MDF as indicated in the Supply Order and / or Agreement in accordance with DDP Incoterms 2010, except if otherwise provided by the Supply Orders and/or Agreements. The handover of merchandise to the carrier or forwarding agent does not release the Supplier from its delivery obligations.

1A.4 The Supplier acknowledges that the Supply Order and/or Agreement may include provision for compensation in respect of any loss, expenses or costs incurred by MDF due to late delivery, non-compliance of the delivered goods/products, etc, other than in the case of events of force majeure. The Supplier acknowledges that the delivery time indicated in any Supply Order and / or Agreement is of the essence and that MDF may incur loss, expenses or costs in the event of any failure to meet such delivery time(s). In case of total failure to deliver or of partial delivery only of goods/products at the agreed delivery date, other than in the case of events of force majeure, that is not cured within15 (fifteen) consecutive days, MDF shall have the right to cancel the Supply Order and/or terminate the Agreement with immediate effect provided such total or partial failure is not remedied eight (8) days after a formal request to do so sent by MDF, without prejudice to the right to claim compensation for damages or any other legal remedy that may be available to MDF. MDF shall not be liable to the Supplier for or in respect of the termination of the Supply Order and / or Agreement in accordance with this provision.

1A.5 At any time prior to the acceptance of the supply of goods and products MDF may undertake, at its own care and expense and in accordance with all applicable laws, the packaging, loading, transport, delivery and unloading of the goods and products. If the results of such inspection or testing cause MDF to be of the reasonable opinion that the goods and products do not conform or are unlikely to conform with the Supply Order and / or Agreement MDF shall inform the Supplier and the Supplier shall immediately take such action as is necessary to ensure conformity and in addition MDF shall have the right to require further testing and inspection. The Supplier agrees to replace and/or restore the delivered goods or products within the times established by MDF and agreed by the Supplier. Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for ensuring that the goods and products comply with the Supply Order and / or Agreement and any such inspection or testing shall not diminish or otherwise affect the Supplier’s obligations under these GTC or any applicable laws. Furthermore, MDF shall be entitled to claim compensation for damages resulting from late / failed delivery.

1A.6 Without prejudice to MDF’s right to reject the goods and products, title of the goods and products shall pass to MDF upon delivery.

1A.7 If excess goods and products are delivered to MDF which were not previously agreed with the Supplier in a Supply Order and / or Agreement or otherwise in writing, MDF shall not be bound to pay for the excess and any excess shall be and shall remain at the Supplier’s risk and shall be returnable at the Supplier’s expense, provided always that MDF shall at its sole option be entitled to purchase the excess merchandise at the supply price specified in the applicable Supply Order.

Section 2 - PAYMENT TERMS AND CONDITIONS

2.1 The Supplier acknowledges that:
   a) invoices may be issued by the Supplier only after the acceptance of the supply by MDF;
   b) invoices shall state the Supply Order number, and, in relation to the supply of goods and products, they shall also state details of the transport documentation, the applicable MDF codes, the quantity and the unit of measurement/price/currency, and shall be issued in compliance with the schedule which may be previously agreed with MDF;
   c) in case of any disparity between the Supply Orders and the invoice data, the Supplier shall correct said invoices in line with these GTC, and particularly with Section 6 (such requirements may relate to technical specifications, quality requirements, and delivery and packaging specifications), and all applicable French and EU laws and regulations. Any good or product that is either defective or non-compliant with the applicable laws or the agreed terms and conditions shall be refused by MDF and made available to the Supplier;
   d) guarantees that the Supplier becomes aware at any time of any incidents, events or discoveries which are in any way relevant to the safe operation of the goods and products, or has reason to believe that there is a defect in the goods and products rendering them unsafe to use, the Supplier shall without delay issue written notice of them to MDF;
   e) guarantees the prompt repair or replacement, free of charge, of any goods or products that are defective or do not comply with MDF’s technical specifications or applicable laws. In such circumstances and without prejudice to MDF’s right to claim compensation for further damages, the Supplier shall bear the costs relating to the disassembly, assembly, and ascertainement of such defect or non-compliance, as well as any transport expenses.

2.3 In the case of a request for compensation in accordance with these GTC, MDF shall issue an invoice/debit note and the Supplier shall make payment 60 days from the date of issue of the invoice / debit note.

2.4 The Supplier agrees to provide details of one single bank account to MDF which clearly indicates the IBAN code relating to that account, in which payment is to be made. The bank account details shall be valid for the entire duration of the Supply Order and / or Agreement and in the case of variation, the Supplier agrees to provide the new details to MDF at least 60 (sixty) days prior to the term of payment.

Section 3 - AUTHORIZED THIRD-PARTY SUPPLIERS - NON-ASSIGNMENT

3.1 The Supplier shall not assign to any third party, in whole or in part, the production and/or provision of the goods or services without the prior authorization in writing of MDF. Should the Supplier assign its obligations with regard to the supply of goods or services to third-party suppliers duly authorized by MDF pursuant to this Art. 3.1 (hereafter “Authorized Third-Party Suppliers”), the Supplier shall not be released from its obligations towards MDF under these GTC and / or the Supply Order and / or Agreements.

In order to obtain the prior authorization in writing of MDF, the Supplier shall provide a written confirmation to MDF detailing the name and address of the headquarters of the third-party supplier, as well as the site of production and the activities that may be assigned to said sub-supplier, and any other information which MDF may deem useful or necessary. For any supply assigned to Authorized Third Party Suppliers, the Supplier agrees to also cause such Authorized Third Party Suppliers to carry out the supply in compliance with the terms and conditions requested by MDF, and in line with these GTC, and particularly with Section 6 – Intellectual Property Rights.
Should any Authorized Third Party Supplier carry out one or more of the actions expressly prohibited under these GTC and/or Supply Order and / or the Agreement, the Supplier shall, upon MDF’s request, cease any relationship with said Authorized Third Party Supplier and terminate any agreement with said Authorized Third Party Supplier relating to supplies to MDF, causing the latter to immediately cease any activity relating to the supplies assigned.

3.2 Subject to Art. 3.1, the Supplier is otherwise expressly prohibited from assigning Supply Orders and/or Agreements and credits payable by MDF, or granting collection orders to any third party.

Section 4 - TERMINATION – WITHDRAWAL – FORCE MAJEURE

4.1 The Supplier acknowledges that the execution of certain obligations provided under the Supply Orders and/or Agreements is deemed to be of the essence, and that MDF shall have the right, in addition to the right to claim damages or other legal remedy available to MDF, to terminate such Supply Orders and/or Agreements in the following circumstances:

a) delay in the delivery of supplies, other than in the case of events of force majeure, over 15 (fifteen) consecutive days, as provided under Art. 1A.4 and 1B.3 of these GTC;

b) the Supplier is non-compliant with its obligations under Articles 12.1, 12.2, 3.5 and 6 of these GTC;

c) the Supplier’s company, or company branch involved in the supply of the goods and services herein undertaken, is transferred/assigned; the Supplier’s company structure undergoes changes affecting its control; or

d) the Supplier is subjected to liquidation procedures, including voluntary liquidation; a petition is filed or the Supplier is subjected to composition procedures, including out-of-court settlements, or other insolvency proceedings.

4.2 The Supplier acknowledges that MDF may have additional rights under the Supply Orders and/or Agreements.

4.3 Neither Party shall be liable in any way for any delay or failure to perform its obligations under any Supply Order and/or Agreement resulting from any cause beyond its reasonable control (such causes to include but not be limited to acts of God, war, strike, lock out, riot, trade dispute, labour disturbance and storm) (“Force Majeure”), provided that in such an event that Party shall forthwith advise the other and in any event in writing within forty-eight (48) hours of the happening of such event to the other Party.

Section 5 - PRINCIPLES OF CONDUCT - PERSONNEL - PRIVACY

5.1 In carrying out the Supply Orders and/or Agreements the Supplier agrees, that the Supplier and its employees, agents and consultants, collaborators, and any Authorized Third Party Suppliers shall abide by the ethics and principles of conduct enunciated by MDF as part of its Ethical Code, published on MDF’s website (http://www.MDF.com/en/our-way/our-way-doing-business/code-ethics), and declares to have read and understood such Ethical Code, which constitutes an integral and substantive part of this document.

5.2 The Supplier declares, warrants and guarantees that the Supplier and Authorized Third Party Suppliers are not subject to:

a) any pending insolvency proceedings;

b) any deeds of protest or other actions detrimental to the reliability and integrity of the Supplier and/or its sub-contractors and/or their respective partners and legal representatives/administrators; or

c) any major administrative penalties, including penalties for violating applicable environmental protection, health and safety laws.

In the case of non-compliance with the requirements of Section 5, or false declarations relating thereto, MDF shall have the right to terminate any Supply Order and/or Agreement without prejudice to the right to claim compensation for damages or other legal remedy that may be available to MDF.

5.3 The Supplier agrees to conform, where required under applicable laws, with mandatory collective work agreements, and to comply with all applicable laws and regulations relating to social insurance, taxes, social contribution, salary and compensation, welfare, social security and health and accident insurance. The Supplier also agrees to pay any social contributions or other charges required by applicable laws, including taxes and fiscal duties, relating to employment of workforce, employment contracts, social assistance, and social security, and to regularly and punctually pay any compensation due to its employed personnel required by the applicable laws. The Supplier agrees to cause the above contractual and legal obligations to be observed also by its Authorized Third Party Suppliers, if any.

The Supplier warrants, therefore, that it is intended that its personnel and its Authorized Third Party Suppliers, if any, shall not have any claim towards MDF for any activity performed in carrying out the Supply Orders and/or Agreements arising under applicable employment laws. The Supplier shall indemnify MDF, on demand and without objection, in respect of any amount which MDF may be held to pay to such personnel under applicable employment laws, for any reason whatsoever, including legal fees and charges.

5.4 The parties acknowledge that the data gathered, recorded, and registered with regard to these GTC and the Supply Orders and/or Agreements shall be processed, both manually as well as through automated means, by MDF through duly authorized persons, in order to fulfill legal and contractual obligations, and to manage commercial relationships, in compliance with the provisions of the Act n°78-17 of 6 January 1978 on Information Technology, Data Files and Civil Liberties and the Supplier declares to grant his authorization, where needed, to the processing and communication of his data. The data gathered and processed may be communicated to third parties, without limitations of territory, exclusively for the purposes of this document. The Supplier may exercise his rights as per Article 40 of the Act n°78-17 of 6 January 1978 and particularly the right to object to the processing of his data, and/or to obtain the cancellation, transformation, updating, rectification, and amendment of such data, referring such requests to the Data Controller. The Data Controller for such data is MDF (as defined above), which is also the beneficiary of the supply of goods and products object of the Supply Orders and/or Agreements.

Section 6 - INTELLECTUAL PROPERTY RIGHTS - CONFIDENTIALITY

6.1 The marks owned by or granted under license to MDF and/or Luxottica Group S.p.A. (the “Marks”) are and remain the exclusive property and licensed material of MDF and/or Luxottica Group S.p.A., and may not in any way whatsoever be transferred to any third party, modified, or utilized for uses other than those expressly provided in the Supply Orders and/or Agreements.

6.2 The Supplier agrees to use the Marks in the manner specified in writing by MDF, and solely for the purpose of complying with the Supply Orders / Agreements, and agrees that:

a) the Authorized Third Party Suppliers may place the Marks, only where authorized in writing by MDF;

b) the Authorized Third Party Suppliers shall not deliver or under any circumstance supply or sell to third parties, other than the Supplier and MDF, any products featuring the Marks; and

c) the Supplier will remain fully responsible for the use of the Marks by the Authorized Third Party Suppliers.

6.3 The Supplier warrants that the goods and services provided to MDF do not violate, in any manner whatsoever, the rights of any third party. Should the Supplier, in carrying out the Supply Orders and/or Agreements, intend to utilize the equipment, technical solutions, and any other material subject to intellectual property rights owned by any third party, the Supplier shall, having previously informed MDF, obtain the rights to utilize such intellectual property and claim no additional charges in respect of such utilization.

The Supplier shall indemnify MDF for any damage and any cost or expense, including legal fees and charges which may ensue, against any claim or legal action moved against MDF for any reason whatsoever, where such claim or legal action is connected to the violation by the Supplier of third party intellectual property rights.

6.4 The Supplier acknowledges that the information and the materials (including, but not limited to, drawings, samples, technical specifications and data, etc.), received from MDF, belong exclusively to MDF, and are to be considered confidential. Thus, the Supplier may claim no right whatsoever to such information or material.

The Supplier shall, and shall procure that its directors, employees, Authorized Third Party Suppliers, agents and consultants, and/or collaborators engaged in the activities, in whatsoever office or duty, use the information and the materials, as mentioned above, exclusively to comply with the Supply Orders and/or Agreements, and to handle and keep such information and materials as confidential, so that such information and materials are not divulged to any third party, and to return them to MDF (or destroy them if requested by MDF to do so), upon MDF’s request, and on completion or termination of any Supply Order and / or Agreements.

6.5 The Supplier shall, and shall procure (if applicable) that its directors, employees, Authorized Third Party Suppliers, agents and consultants, and/or collaborators engaged in the activities in whatsoever office or duty, grant to MDF the right to any intellectual property right or right to the use and enjoyment of Intellectual Property (with the exception of moral rights) which may derive from the goods exclusively designed, customized or provided to MDF in carrying out the Supply Orders and/or Agreements.

6.6 All the goods (i.e., molds, machinery, etc.), owned by MDF and made available to the Supplier in order to carry out the Supply Orders shall be returned at the end of the period of validity of the Supply Order / Agreement, unless otherwise agreed by the Parties. The Supplier may not transfer to any third party, modify, nor use the goods made available by MDF for any other purpose whatsoever, and shall be responsible for the custody, safeguarding, and proper use of the same. In particular, the Supplier agrees to use said goods with the utmost care and diligence. In case of destruction, damage, or loss caused by the Supplier, the Supplier shall replace or repair said goods at its own cost and expense, or, where repair or replacement is not possible, the Supplier shall refund MDF the residual value of the goods, such value being calculated using current market prices and without prejudice to the right to claim compensation for greater damage or other legal remedy that may be available to MDF. The Supplier shall not be liable to MDF for the damage due to the normal wear and tear of the materials ensuing from the proper handling and use of the materials. Any packaging, transport, installation, uninstallation, and maintenance costs relating to the goods or materials provided by MDF shall be borne by the Supplier. Having inspected such materials and ascertained their good working condition and fitness for their intended use, to the fullest extent permitted under applicable laws, the Supplier releases and agrees to indemnify and hold harmless MDF from any liability for damages caused to persons and/or things which may derive from the improper use of the goods/materials.

6.7 The Supplier acknowledges that MDF and Luxottica Group S.p.A. shall have the right to verify the correct use of its Marks, materials, goods, confidential information and any other intellectual property rights thoroughly inspections to Supplier’s and Authorized Third Party Suppliers’ facilities.

Section 7 - INSURANCE

The Supplier shall take out and maintain at its own cost such insurance policies as are appropriate and adequate to cover its obligations and liabilities under the Supply Orders and / or Agreements.

Section 8 - APPLICABLE LAW - JURISDICTION AND VENUE

These General Terms and Conditions are governed under French law. Any dispute which may arise therefrom shall be submitted to the exclusive jurisdiction of the Commercial Court of Paris.