

**PANAVISION INTERNATIONAL, L.P.**  
**STANDARD PURCHASE ORDER TERMS AND CONDITIONS**

1. **ACCEPTANCE OF AGREEMENT.** Seller agrees to perform the services and/or provide the items or service deliveries (collectively referred to as "Goods"), described in this Purchase Order, in accordance with these Terms and Conditions. Seller's acknowledgment of this Purchase Order, or any commencement of work on the Goods subject to this Purchase Order, or its identification of or shipment of such Goods shall constitute an effective acceptance of this Purchase Order. Any acceptance of this Purchase Order is limited to acceptance of express terms and conditions contained on the face (front) page hereof or incorporated herein. Any proposal for additional or different items, or any attempt by Seller to vary in any degree any of the terms of this offer in Seller's acknowledgment or acceptance is hereby objected to and rejected as an attempt to materially alter this offer, and this offer shall be deemed accepted by Seller without said additional or different terms. Purchaser may treat this offer as rejected by Seller if Seller's counter-offer varies the terms of the description, quality, price or delivery schedule of the Goods. If this Purchase Order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained herein. This Writing does not constitute a firm offer within the meaning of Section 2205 of the California Commercial Code, and may be revoked by Purchaser at any time prior to acceptance by Seller.
2. **TERMINATION FOR CONVENIENCE OF PURCHASER.** Purchaser reserves the right to terminate this Purchase Order or any part hereof at its sole convenience at any time, without cause. Purchaser shall terminate by delivering to Seller a Notice of Termination specifying the extent of termination. In the event of such termination, Seller shall immediately stop all terminated work hereunder and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall be paid as the sole compensation a reasonable termination charge consisting of a percentage of the Purchase Order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for any work done after receipt of the Notice of Termination, or for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided, or for anticipatory profits. If only part of the Purchase Order is terminated, Seller shall complete performance of the Purchase Order to the extent not terminated.
3. **TERMINATION FOR CAUSE.** Purchaser may also terminate this Purchase Order or any part hereof for cause in the event of any default by Seller, or if the Seller fails to comply with any of the terms and conditions of this offer, violates or is in violation of any applicable law, or if Seller files or has filed against it a petition for reorganization or liquidation under the Bankruptcy Code or any other insolvency law providing for the relief of debtors. Late deliveries, deliveries of defective Goods or Goods which do not conform to this Purchase Order, and failure to provide Purchaser, upon request, with reasonable assurances of future performance shall all be causes allowing Purchaser to terminate this Purchase Order for cause. Purchaser shall terminate by delivering to Seller a written Notice of Default Termination specifying the extent of such termination. In the event of such termination, Purchaser shall be liable to Seller only for the contract price of completed goods delivered and accepted, in accordance with the terms of this Purchase Order. Purchaser shall not be liable to Seller for any other amount. If only part of the Purchase Order is terminated, Seller shall complete performance of the Purchase Order to the extent not terminated.
4. **WARRANTY.** 4.1 Seller expressly warrants that all Goods furnished under this Purchase Order shall conform to all applicable specifications, drawings, models, samples, representations and appropriate standards, and will be free from defects in design, material and workmanship. Seller warrants that all such Goods will conform to any statements made on the containers or labels or advertisements for such Goods and that all Goods will be new and not contain any used or reconditioned parts, and will be adequately contained, packaged, marked and labeled. Seller warrants that all Goods furnished hereunder will be merchantable and will be safe and appropriate for the purpose for which Goods of such kind are used. If Seller knows or has reason to know the particular purpose for which Purchaser intends to use the Goods, Seller warrants that such Goods will be fit for such particular purpose. Inspection, test, acceptance and use of the Goods furnished hereunder shall not affect Seller's obligation under this warranty, and such warranty shall survive inspection, test, acceptance and use. Seller's warranty shall run to Purchaser, its successors, assigns, customers and users of the Goods. Seller agrees, at Purchaser's option, to replace Goods or to correct defects, malfunctions or non-conformities in any Goods not conforming to the foregoing warranty, without expense to Purchaser within ten (10) days of notification to Seller; provided Purchaser elects to offer Seller the opportunity to do so. In the event of a failure of Seller to correct defects in or replace non-conforming Goods promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such Goods and charge Seller for the cost incurred by Purchaser in doing so together with incidental and consequential damages resulting from the breach of this warranty. 4.2 The foregoing warranty shall extend for a period of two (2) years from the date of delivery to Purchaser or for the period provided in Seller's standard warranty covering the Goods, whichever is longer. Seller hereby agrees that it will make spare parts available to Purchaser for a period of five (5) years from the date of shipment at Seller's then current price, less applicable discounts. Additionally, Goods purchased shall be subject to all written and oral express warranties made by Seller's agents, and to all warranties provided for by the California Commercial Code. All warranties shall be construed as conditions of sale as well as warranties and shall not be exclusive. Seller shall furnish to Purchaser Seller's standard warranty and service guaranty applicable to the Goods.
5. **PAYMENT; SETOFF.** No payment shall be due from Purchaser until the submission by Seller of a correct invoice and all supporting documentation that Purchaser may reasonably request. Each invoice must be submitted within ninety (90) days of completion of services or delivery of items and must reference this Purchase Order Number. Purchaser shall be entitled to a three percent (3%) discount of the invoiced amount for all invoices that are submitted more than ninety (90) days after completion of services or delivery of items. If Seller fails to invoice within one hundred eighty (180) days after completion of services or delivery of items, Seller shall be deemed to have waived its rights to pursue Purchaser for the payments therefor, and Purchaser shall have no obligation to make any payments for such Goods. All claims for money due or to become due from Purchaser shall be subject to deduction or setoff by Purchaser by reason of any counterclaim of Purchaser arising out of this or any other transaction with Seller.
6. **CHANGES.** Purchaser shall have the right at any time before completion of this Purchase Order to make changes in drawings, designs, specifications, materials, quantities, packaging, time and place of delivery and method of transportation. If any such changes cause any material increase or decrease in the cost, or the time required for the performance, equitable adjustments shall be made in the contract price or delivery schedule to the extent affected, and this Purchase Order shall be modified in writing accordingly. Seller shall not make changes unless ordered to do so in writing by an authorized representative of Purchaser. Seller agrees to accept any changes, subject to the adjustments provided for in this paragraph. Seller must assert its right to an adjustment under this clause within ten (10) days from the date of receipt of the changes.
7. **INSPECTION AND TESTING.** Payment for the goods delivered hereunder shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any and all of said goods which are in Purchaser's judgment defective or nonconforming. Rejected goods and goods supplied in excess of quantities called for herein or goods which are not delivered by the required delivery date may be returned to Seller at its expense. In addition to damages resulting from Seller's breach and in addition to Purchaser's other remedies, Purchaser may charge Seller all expenses of unpacking, examining, repacking, reshipping and storing such goods. In the event Purchaser receives goods with defects or non-conformities which are not apparent on examination, Purchaser reserves the right to require repair or replacement, as well as payment of damages, after discovery of defect or nonconformity. Nothing contained in this Purchase Order shall relieve in any way Seller from the obligation of testing, inspection and quality control.
8. **DELIVERY.** 8.1 Time is of the essence in performing this Purchase Order. If any delivery of items or rendering of services is not completed by the time promised, Purchaser reserves the right, without liability and in addition to its other rights and remedies, to terminate this Purchase Order by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred. 8.2 Delivery of Goods shall be made pursuant to the delivery schedule, via the carrier and to the place specified on the face of this Purchase Order. Purchaser reserves the right to return, shipping charges collect, all Goods received in advance of the delivery schedule. If no delivery schedule is specified, the order shall be filled promptly and delivery will be made by the most expeditious form of land transportation. If no method of shipment is specified in this Purchase Order, Seller shall use the least expensive carrier. Seller shall package all items in suitable containers to permit safe transportation and handling. Each delivered container must be labeled and marked to identify contents without opening and all boxes and packages must contain packing sheets listing contents. Purchaser's Purchase Order number must appear on all shipping containers, packing sheets, delivery tickets and bills of lading.
9. **SPECIAL PURCHASER FEATURES.** All special or unique designs, drawings, dies, plates, engravings, gauges, tools and features of Goods which have been supplied by Purchaser to Seller or which have been specially created or developed for Purchaser by Seller (collectively "Special Purchaser Features"),

shall be the property of Purchaser and shall be used only in items manufactured for Purchaser. In addition, Purchaser may use the special features in items manufactured by others that are incorporated into the Goods supplied hereunder. Seller shall assist Purchaser, at Purchaser's expense, in obtaining such legal protection as may be available for the Special Purchaser Features, including, without limitation, patents, design patents, copyrights and trademarks. Seller shall execute any and all instruments deemed by Purchaser to be necessary or desirable to obtain such protection and hereby irrevocably assigns and transfers to Purchaser all of Seller's worldwide right, title and interest to the Special Purchaser Features including all associated intellectual property rights.

10. **INFRINGEMENT.** Seller warrants that the Goods and the sale or use of the Goods supplied under this Purchase Order do not infringe on any patents, trade secrets, trademarks or copyrights, and Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Purchaser or its agents, customers or other vendors for alleged infringement as well as for any alleged act of unfair competition resulting from similarity in design, trademark or appearance of Goods furnished hereunder. Seller further agrees to indemnify Purchaser, its agents and customers against any and all expenses, loss, royalties, profits and damages including court costs and reasonable attorneys' fees resulting from any such suit or proceeding, including any settlement. Purchaser may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires, and the cost of such representation shall be paid by Seller. Purchaser shall hold Seller harmless for any expense or loss resulting from infringements of patents arising from Seller's compliance with Purchaser's designs and specifications.

11. **PROPRIETARY INFORMATION; CONFIDENTIALITY; ADVERTISING.** Seller shall consider all information furnished by Purchaser to be confidential and shall not disclose any such information to any other person or use such information itself for any purpose other than performing this Purchase Order unless Seller obtains written permission from Purchaser to do so. This provision shall also apply to drawing specifications and other documents prepared by Seller for Purchaser in connection with this Purchase Order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods from Seller, nor shall any information relating to the Purchase Order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret or confidential, and Seller shall have no rights against Purchaser with respect thereto except such rights as may exist under any laws, including, without limitation, patent laws.

12. **INDEMNITY.** Seller agrees to and shall indemnify and hold harmless Purchaser, its officers, directors, agents and employees from and against all claims, losses, damages, causes of action, suits and liabilities of every kind, including all expenses of litigation, court costs and attorneys' fees, for injury to or death of any person, or for damage to any property, arising out of or in connection with any alleged or real defect, non-conformity or deficiency in the Goods furnished by Seller under the terms of this Purchase Order, from any act or omission of Seller, its agents, employees or subcontractors, or from the failure of the Goods to comply with applicable statutes, regulations and accepted industry standards. This indemnity shall apply whether or not such injury, death or damage results in whole or in part from the design, manufacture, marketing, distribution of, or failure to warn about such defects in Seller's own products or services, and whether such defect or defects be the sole or a concurring cause of the injury, death or damage.

13. **SELLER RESPONSIBLE FOR TAXES AND RECORDS.** Seller shall be solely responsible for filing the appropriate federal, state and local tax forms, and paying all such taxes or fees, including estimated taxes and employment taxes, due with respect to Seller's receipt of payment under this Agreement. Seller further agrees to provide Purchaser with reasonable assistance in the event of a government audit of payments or other matters relating to this Purchase Order. Purchaser shall have no responsibility to pay or withhold from any payment to Seller under this Agreement, any federal, state or local taxes or fees. Purchaser will regularly report amounts paid to Seller by filing Form 1099-MISC, or such other form as applicable, with the Internal Revenue Service.

14. **INSURANCE.** Seller shall be solely responsible for maintaining such adequate health, auto, workers' compensation, unemployment compensation, disability, liability, and other insurance, as is required by law or as is the common practice in Seller's trade or business, whichever affords greater coverage. Upon request, Seller shall provide Purchaser with certificates of insurance or evidence of coverage before commencing performance under this Purchase Order. Seller shall provide adequate insurance coverage for any Purchaser property under the care, custody or control of Seller.

15. **IDENTIFICATION, RISK OF LOSS AND DESTRUCTION OF GOODS.** Identification of the Goods shall occur in accordance with Section 2501 of the California Commercial Code. Title to the Goods shall pass to Purchaser upon receipt by it of the Goods at the designated destination. If the Goods ordered are destroyed prior to title passing to Purchaser, Purchaser may at its option cancel the Purchase Order or require delivery of substitute Goods of equal quantity and quality. Such delivery will be made as soon as commercially practicable. If loss of Goods is partial, Purchaser shall have the right to require delivery of the Goods not destroyed. Risk of loss shall remain with Seller until Goods have been properly received and signed for by Purchaser at their destination (FOB: Purchaser Destination).

16. **DELAYS; FORCE MAJEURE.** Purchaser may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such Goods at the direction of Purchaser and shall deliver them when the cause affecting the delay has been removed. Purchaser shall be responsible only for Seller's reasonable direct additional costs in holding the Goods or delaying performance of this Purchase Order at Purchaser's request.

17. **ASSIGNMENTS AND SUBCONTRACTING.** No part of this Purchase Order, or any of Seller's rights or obligations hereunder, may be assigned, novated or subcontracted by Seller without the prior written approval of Purchaser.

18. **NON-SOLICITATION.** Seller shall not solicit, for the purpose of diverting any business from Purchaser, any customer of Purchaser whose identity has been disclosed to Seller.

19. **INDEPENDENT CONTRACTOR.** Seller is and will remain an independent contractor and at no time will Seller represent itself to be an employee, agent, affiliate or representative of Purchaser.

20. **LIMITATION OF LIABILITY.** In no event shall Purchaser be liable for Seller's anticipated or lost profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this Purchase Order or from the performance or breach hereof shall in no case exceed the price allocable to the Goods or unit thereof which gives rise to the claim. Purchaser shall not be liable for penalties of any description. SELLER SPECIFICALLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY CLAIM FOR INCIDENTAL, RESERVOIR, SPECIAL, INDIRECT, CONSEQUENTIAL AND EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO MULTIPLE DAMAGES UNDER ANY DECEPTIVE TRADE PRACTICE OR CONSUMER PROTECTION LAWS, LOST PROFITS, LOST REVENUE, OR LOST SAVINGS, EVEN IF PURCHASER HAS BEEN ADVISED, OR KNEW, OR SHOULD HAVE KNOWN, OF THE POSSIBILITY THEREOF.

21. **COMPLIANCE WITH LAWS AND REGULATIONS.** In furnishing the Goods ordered hereunder, Seller shall comply with all applicable laws, regulations, rules, interpretations, decisions, orders and directions of all federal, state and municipal governments and agencies and subdivisions thereof. Purchaser is subject to the California Transparency in Supply Chains Act of 2010. Sellers doing business with Purchaser are required to comply with Purchaser's Supplier Code of Conduct on Purchaser's website at <http://www.panavision.com/compliance>. If a Seller fails to comply with Purchaser's Supplier Code of Conduct, Purchaser may terminate this Purchase Order in accordance with Section 3 hereof. Purchaser reserves the right upon providing Seller with 24 hours' notice to gain access to Seller's facilities and records during normal business hours for the purpose of auditing Seller's compliance with this Section.

22. **MISCELLANEOUS.** This Purchase Order shall constitute the entire agreement between the parties relating to the Goods purchased hereunder. Any prior understandings, negotiations or representations, whether written or oral, have not been relied on by Seller in the acceptance of this Purchase Order, are expressly superseded, and shall not be admissible to vary the terms hereof. This Purchase Order cannot be altered except by an instrument in writing signed by an authorized officer of both parties. Purchaser's failure to insist on performance of any of the terms or conditions herein or failure to exercise any right or privilege, or Purchaser's waiver of any breach hereunder shall not be thereafter deemed to waive any other terms, conditions, or privileges, whether of the same or similar type. There shall be no waiver by course of dealings or performance. To be effective against Purchaser, any waiver must be in writing and signed by Purchaser. In case any one or more of the provisions contained in this Purchase Order should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any obligations and duties which by their nature extend beyond the expiration or termination of this Purchase Order shall survive the expiration or termination of this Purchase Order. This Agreement and any dispute arising hereunder or relating hereto shall be interpreted and construed under the laws of the State of California, excluding any provision thereof that would direct the application of the laws of another jurisdiction. Any suit arising hereunder or relating hereto shall be brought in a court of competent jurisdiction resident in Los Angeles County in the State of California.