



## General Terms of Sale for Isola Products

Effective from: March 2013

### 1. Offers

Orders are only accepted once we have issued written confirmation or made delivery. Ancillary agreements and alterations must be confirmed by us in writing in order to become effective.

### 2. Prices

We reserve the right to adjust our prices accordingly if increases or decreases in costs occur subsequent to contract conclusion, in particular as a result of labor agreements or due to changes in prices of materials. We shall notify the Customer immediately about any such adjustments to prices.

### 3. Delivery Periods

Any delivery periods are non-binding; they shall only be binding if agreed in writing and expressly termed binding. At all times, the period allowed for delivery shall not commence until all the documents, permits and approvals required for discharging the order have been received and clarified. The delivery date shall be deemed met provided the deliverable has left the works or notification that it is ready for shipment has been issued before the end of the delivery period. In the event of delivery not being effected within the period allowed, the Customer may withdraw from the contract after a period of grace of at least one month which it has set in writing has expired to no avail. If a deadline cannot be met owing to circumstances beyond our control (e.g. natural disasters, war, revolt, force majeure, energy shortages, labor disputes) occurring at our business or at our suppliers, such deadline shall be reasonably extended insofar as it can be proved that such obstacles to performance have a major impact on the completion or delivery of the item concerned. Nor shall we be held responsible for any of the aforementioned circumstances if they arise after any default on our part has already occurred. In important cases, we shall notify the Customer as soon as possible about any such obstacles to performance. If such obstacles still apply six months after the agreed delivery date has expired, either party may withdraw from the contract. Further claims by the Customer that are based on late delivery shall be excluded, unless the late delivery is due to a willful or grossly negligent breach of contract for which we are responsible. If a delivery deadline is exceeded as a result of a breach of contract which is caused by gross negligence attributable to ourselves, our liability for damages incurred once the aforementioned period of grace has expired to no avail shall be limited to the foreseeable loss or damage typically occurring.

### 4. Call-Off Orders

For call-off orders, each part-shipment shall legally be deemed a separate transaction. If a final date has been agreed, the Customer may no longer demand delivery after such date has expired. We must be allowed a reasonable period for handling each call-off order.

## 5. Shipment and Risk

The goods are shipped for the Customer's account. Risk shall always pass to the Customer when the goods leave the works. In the event of any delays in shipment for which the Customer is responsible, risk shall pass to the Customer on notification that the goods are ready for dispatch. Even if they have minor defects, the Customer shall take receipt of the items delivered notwithstanding the rights pursuant to Item 10 below.

## 6. Packaging

Our prices exclude packaging. Packaging shall be charged at cost price and shall not be taken back.

## 7. Excess Or Short Deliveries

In the case of goods for which it is not possible to calculate the final quantity ultimately produced in manufacture, we may deliver 10% more or less than the quantity ordered and charge accordingly. This shall also apply to individual part-deliveries.

## 8. Payment

Payment shall fall due at the latest within 14 days of date of invoice allowing a 2% discount, or within 30 days of date of invoice without deduction. Payments shall always be offset against the oldest payables. Checks shall be accepted in payment subject to the normal reservation of the amount being finally credited. Express prior agreement is required for using other modes of payment for performing payment obligations; in this case also, the aforementioned reservation shall still apply. Charges for discounting and debiting shall be borne by the Customer. If the payment date is exceeded (receipt of payment more than 30 days after receipt of invoice), we shall be entitled – even without issuing a reminder, and at the same time reserving further rights – to charge interest at a rate of 8% p.a. over and above the base rate in force at the time (Section 288 of the German Civil Code) on transactions not done with a consumer. If checks are not honored, if payments are discontinued, or if some debt settlement procedure is instituted, our entire receivables shall fall due for immediate payment. The Customer may only effect setoff against claims that are undisputed or have been declared *res judicata*. Similarly, the Customer is only entitled to assert right of retention if its counterclaim is undisputed or has been declared *res judicata*.

## 9. Reservation Of Title

We shall reserve title to the goods delivered until such time as all our claims vis-à-vis the Customer arising from its business relationship with us – including any claims created at some future date under contracts that are concurrently or subsequently concluded – have been settled. This shall also apply if any or all the claims have been posted in a current account and such account has been balanced and the statement of account has been acknowledged. Despite payment having been effected, our reservation of title shall persist until a bill of exchange which we have issued or accepted in connection with a supply of goods has been honored. The Customer shall be entitled to sell or process the goods in the normal course of business. It hereby assigns to us all the claims vis-à-vis its own customers or other third parties that accrue to it on resale. Even after such assignment, it shall remain entitled to collect the receivables until further notice. Our entitlement to collect the receivables ourselves shall remain unaffected; however, we shall not exercise such right as long as the Customer duly performs its payment and other obligations. On request, the

Customer shall inform us about the assigned claims and the respective debtors, hand over documents and notify the debtors about the assignment.

The processing or remodeling of reserved goods shall be performed by the Customer on our behalf at all times. If reserved goods are processed with other items not belonging to us, we shall be entitled to co-ownership of the new item in proportion to the value of the reserved goods at the time of processing in relation to the other items processed. In all other respects, the same shall apply to the item created via processing as for the reserved goods. We shall be entitled at any time to take back the goods in the event of any breach of contract by the Customer, in particular default in payment. If we take back or garnish items, this shall only be deemed withdrawal from the contract if the law so prescribes or if we expressly so declare in writing. For the purpose of taking back the goods, the Customer shall hereby irrevocably grant us permission to enter its business premises and storage facilities unhindered and remove the goods. To the extent that and as long as our reservation of title applies, the goods or any items made from them may neither be assigned by way of security nor pledged by the Customer without our permission. The Customer must notify us in writing without delay in the event of garnishment or any other interference by third parties. It may not make any arrangements with its own customers that might impair our rights.

If the value of the security provided exceeds collateralized claims by more than 10%, any security exceeding this amount shall be extinguished by clearing the longest-standing items of security.

#### 10. Liability For Defects

The Customer's rights in the event of defects shall be contingent upon it having duly performed its obligations to inspect the goods and report defects in accordance with Section 377 of the German Commercial Code. If the item bought is defective, we shall be entitled to effect post-performance by either eliminating the defect or by supplying a new item free of defects, at our own option. If the defect is eliminated, we shall be under obligation to bear all the expenses required to that end, in particular transport and travel costs and costs for labor and materials, only however up to a sum that does not exceed 20% of the purchase price, and only provided the costs are not increased due to the purchased item having been taken to some location other than the place of performance or installed in a complete system. The Customer shall bear any costs incurred if a defect is reported without good cause.

If post-performance fails, the Customer shall be entitled to either withdraw from the contract or demand a reduction in the price, at its own option.

We shall bear liability in accordance with statutory regulations insofar as the Customer asserts claims for damages that are based on intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. If we are not guilty of a willful breach of contract, our liability for damages shall be limited to the foreseeable loss or damage typically occurring.

We shall bear liability in accordance with statutory regulations if we culpably breach a cardinal duty; in this case however, our liability for damages shall be limited to the foreseeable loss or damage typically occurring.

Liability for any culpably caused mortal injury, physical harm or health damage shall remain unaffected; this shall also apply to mandatory liability under the Product Liability Act.

Liability shall be excluded, unless otherwise stipulated above.

The period of limitation for claims based on defects shall be 12 months as from the passing of risk.

#### 11. Total Liability

Liability for damages beyond that for which provision is made in Item 10 above is excluded, notwithstanding the legal nature of the claim asserted. This applies in particular to claims for damages based on *culpa in contrahendo* or any other breach of duty, and compensation claims for culpably caused material losses pursuant to Section 823 of the German Civil Code.

Limitation of liability pursuant to Paragraph 1 shall also apply if the Customer demands compensation for wasted outlay instead of compensation in lieu of performance.

If liability for damages towards ourselves is excluded or limited, this shall also apply with regard to claims based on the personal liability of our employees, workers, staff, representatives and vicarious agents.

#### 12. Dies, Tools

Dies, pressing and cutting tools, and any other tools having to be specially made for carrying out the assignment, shall be charged to the Customer when the patterns are delivered and shall fall due for payment immediately in cash, no deductions made. However, such tools shall remain our property. The tools shall be retained for any subsequent orders; however, we shall not be obliged to retain them for more than two years after the last order.

#### 13. General

The Customer's rights created under this agreement are not transferable. If any provision of these terms is invalid, this shall not affect the validity of the remaining terms. On placing an order, and at the latest on accepting the first delivery, the Customer acknowledges the exclusive validity of these terms, also for follow-up deliveries and also in the event of its own terms of purchase conflicting. Düren shall be place of performance for both parties' obligations and place of jurisdiction; this shall also apply to litigation involving bills of exchange and checks. However, we may also sue the Customer at any other court having jurisdiction by law. German law shall apply exclusively; application of CISG is excluded.

Isola GmbH, Düren