

General Terms and Conditions of Sale

1. Scope of Application

These General Terms and Conditions of Sale ("GTCS") apply to all our business relations with our Customers ("Customer").

Our GTCS shall apply exclusively. Deviating, conflicting or supplementary terms and conditions of the Customer shall only become part of the contract if and to the extent that we have expressly consented to their application. This requirement of consent shall apply in any case, for example even if we carry out the delivery to the Customer without reservation in the knowledge of the Customer's terms and conditions.

2. Offers

Our offers are subject to change and non-binding. This shall also apply if we have provided the Customer with catalogues, technical documentation (e.g., drawings, plans, calculations, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to which we reserve property rights and copyrights. 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.

3. Prices and Packaging

Unless otherwise agreed in individual cases, our current prices at the time of conclusion of the contract shall apply, ex warehouse, plus statutory value added tax. We reserve the right to adjust our prices at our reasonable discretion if, after conclusion of the contract, cost reductions or cost increases occur, in particular due to wage or material price changes. We shall prove such price adjustments and will notify the Customer without undue delay.

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

4. Delivery Periods and Delay in Delivery

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.

Should a delivery not be made on time, 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, pandemics, war, revolt, force majeure, energy shortages, labour 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 wilful 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.

5. 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.

6. Shipment and Risk

Delivery shall be ex warehouse, which is also the place of performance for the delivery and any subsequent performance. At the request and expense of the Customer, the goods shall be shipped to another destination (sale by delivery to a place other than the place of performance). Unless otherwise agreed, we are entitled to determine the type of shipment (in particular transport company, shipping route, packaging) ourselves.

The goods are shipped for the Customer's account. The risk of accidental destruction and accidental deterioration of the goods 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.

7. Excess or Short Deliveries

Goods for the manufacture of which the final output cannot be precisely foreseen may be delivered with a variation of plus/minus 10 % of the order quantity. The price to be paid by the customer shall be adjusted 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 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 honoured, 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 setoff 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 honoured.

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 debtor, hand over documents and notify the debtors about the assignment.

The processing or remodelling 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 statutory provisions shall apply to the rights of the Customer in the event of material defects and defects of title, unless otherwise stipulated below. In all cases, the special statutory provisions shall remain unaffected in the case of final delivery of the unprocessed goods to a consumer, even if the consumer has processed them further (supplier recourse pursuant to sect. 478 German Civil Code). Claims from supplier recourse are excluded if the defective goods have been further processed by the Customer or another entrepreneur (e.g., by incorporation into another product).

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 Sections 377, 381 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 labour 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.

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

11. Other liability

Unless otherwise stipulated in these GTCS, including the following provisions, we shall be liable in accordance with the statutory provisions in the event of a breach of contractual and non-contractual obligations.

We shall be liable for damages - irrespective of the legal grounds - within the scope of culpability in the event of intent and gross negligence. In the event of simple negligence, we shall be liable, subject to statutory limitations of liability (e.g., care in own affairs; insignificant breach of duty), only:

- a) for damages resulting from injury to life, body or health, and
- b) for damages arising from the breach of a material contractual obligation (obligation the fulfilment of which is a prerequisite for the proper performance of the contract and on the

observance of which the contractual partner regularly relies and may rely); in this case, however, our liability shall be limited to compensation for the foreseeable, typically occurring damage.

The above limitations of liability shall also apply to third parties as well as in the event of breaches of duty by persons (also in their favour) whose fault we are responsible for according to statutory provisions. They do not apply if a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the customer under the Product Liability Act.

The limitation period for claims for damages is 12 months, calculated from the transfer of risk. In the case of claims for damages under the Product Liability Act, the statutory limitation provisions shall apply.

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. Final Provisions

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.

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; the United Nations Convention on Contract for the International Sale of Goods (CISG) shall not apply.

(May 2021)

Isola GmbH, Düren