

# General Terms and Conditions of Sale and Delivery for Yarns of Indorama Ventures Schoeller Wool Austria GmbH

## Applicable Conditions and Applicable Law

The following terms and conditions of sale and delivery shall apply to all contracts of Indorama Ventures Schoeller Wool Austria GmbH (Seller) for the delivery of yarns, in particular also to all future transactions. Subsidiarily, the respective valid rules of the IWTG, which are laid down in the so-called "Blue Book", shall apply. Other terms and conditions, in particular general terms and conditions of purchase, submitted by the Buyer shall only become part of the contract if the validity of such other terms and conditions is confirmed in writing by the Seller. Counter-confirmations by the Buyer with reference to his terms and conditions of business and purchase are hereby objected to. These terms and conditions of sale and delivery shall be deemed accepted by the Buyer at the latest upon receipt of the goods. Should any provision in these terms and conditions be invalid, this shall not affect the validity of all other provisions or agreements. The invalid provision shall be replaced by a provision that comes as close as possible from an economic point of view.

The contractual relations existing between the Seller and the Buyer shall be governed exclusively by Austrian law, unless expressly agreed otherwise in writing. The application of the UN Convention on the International Sale of Goods (CISG) is excluded.

## Place of Performance and Place of Venue

The place of performance for deliveries and services is Dornbirn/Austria. The exclusive place of jurisdiction is Dornbirn/Austria. However, the Seller is also entitled to sue the Buyer before any other court having jurisdiction over the Buyer.

## Orders

Orders of the Seller are subject to change. Orders and all delivery contracts shall only become binding for the Seller upon written confirmation by the Seller. Orders are only binding for the Seller if and insofar as they are confirmed in writing by the Seller or if they are complied with by sending the goods and issuing an invoice.

## Delivery and Delivery Dates

If a bindingly agreed delivery period is exceeded by more than three weeks, the Buyer shall be entitled to withdraw from the contract with regard to the partial delivery affected by the delay after expiry of a further reasonable grace period of at least four weeks. The Seller shall not be responsible for delays in delivery due to force majeure and due to events that make delivery difficult or impossible for the Seller - even if they occur at the Seller's suppliers - even in the case of bindingly agreed deadlines and dates. The agreed delivery period shall be extended by the duration of the disruption and its consequences. The Buyer shall be notified of the occurrence of the event and of its probable effect within a reasonable period of time. If the delivery has not been made within 2 months after the confirmed delivery date, both the Buyer and the Seller have the right to withdraw from the contract with regard to the partial delivery affected by the delay. Claims for damages in this respect due to non-fulfilment or untimely fulfilment are excluded in any case.

A delivery is on time if the yarn is dispatched from the spinning mill or from the warehouse at the latest on the last day of the delivery period or is held ready for dispatch in the absence of shipping instructions from the Buyer. Partial deliveries are permissible.

## Framework Contracts and Distributions

In the case of framework contracts, the Buyer must allocate all the goods within a period of 6 months after conclusion of the contract.

## Passing of Risk

The risk shall pass to the Buyer as soon as the consignment has been handed over to the person carrying out the transport. If dispatch is impossible without a fault of the Seller (e.g. due to lack of timely dispatch instructions by the Buyer), the risk shall already pass to the Buyer upon notification of readiness for dispatch.

## Complaints

The Buyer must inspect the delivered goods thoroughly immediately after delivery. Complaints must be made immediately and in any case before processing and can only be taken into account if they are made in writing to the Seller within 3 days of receipt of the goods by the Buyer at the latest. Otherwise, the delivery shall be deemed to have been accepted without reservation and warranty and damage compensation claims in this respect are waived.

The Buyer's right to demand rescission of the contract is excluded. The Buyer shall only be entitled to claim improvement or reduction of the purchase price at the Seller's discretion. Hidden defects must be reported to the Seller in writing immediately after discovery, but at the latest within 6 months from the date of dispatch, otherwise any claims of the Buyer are excluded. In any case, the goods may only be returned with the express consent of the Seller.

Customary or technically unavoidable deviations in quality, colour, equipment, etc. do not entitle to any notice of defects and are to be accepted.

## Price Calculation and Payment

The commercial weight (dry weight plus permissible moisture surcharge) shall be decisive for the calculation of the price. Unless otherwise agreed, the price shall be "EX WORKS".

Incidental expenses, such as bank charges incurred when transferring the invoice value as well as charges when cashing the insurance documents, shall be borne by the Buyer.

Bills of exchange shall only be accepted on account of payment after prior express agreement and to the exclusion of the Seller's liability for the timeliness and regularity of presentation and protest. Credit notes for bills of exchange and cheques are subject to receipt and value date of the day on which the equivalent value is available. Discount, collection and other charges and expenses including bill of exchange stamp fees shall be borne by the Buyer.

If the Buyer defaults on the payment of a due claim or if there are doubts about the Buyer's ability to pay, the Seller reserves the right to demand advance payment and to revoke payment terms. If a payment deadline is exceeded, the Seller is entitled - subject to further claims for damages - to charge annual interest on arrears in the amount of 12%. Furthermore, in this case the Seller shall not be obliged to make any further deliveries under any current contracts. In this case, the Seller may in particular demand payment for all outstanding deliveries before delivery of the goods. In the event of default in payment, the Seller shall also be entitled to withdraw from the purchase contract with regard to all or part of the goods not yet delivered and to claim damages. The Seller is entitled to set off payments against any older debts, outstanding costs and outstanding interest, despite the Buyer's payment notes to the contrary. The Buyer is only entitled to set-off, retention or price reduction, even if notices of defects or counterclaims are asserted, if the counterclaims have been legally established by a court or are undisputed.

## Retention of Title

The goods delivered shall remain the property of the Seller until payment has been made in full. If a foreign law does not permit a retention of title but allows the Seller to reserve other rights to the delivered goods, such rights shall be deemed agreed and the Seller may exercise all rights of this kind. The Buyer is obliged to cooperate in any measures which the Seller wishes to take to protect his title to the goods delivered. If third parties wish to establish or assert a right to the goods subject to retention of title, the Buyer shall notify the Seller thereof without delay.

If the goods subject to retention of title are processed by the Buyer, the processing is carried out for the Seller, who thus acquires ownership of the intermediate or final product. In the event of processing with other goods not belonging to the Buyer, the Seller shall acquire co-ownership of the new item in the ratio of the value of the goods delivered by him to the value of the third-party goods at the time of processing.

The Buyer is entitled to sell the reserved goods or the processed product in the ordinary course of business. He already assigns all his claims against the purchaser from the resale to the Seller as security. The Buyer is authorised and obliged to collect the claims as long as the Seller does not revoke this authorisation. The Buyer is obliged to inform the Seller of the third party debtors upon request and to notify them of the assignment. The Buyer's authorisation to collect shall expire without express declaration by the Seller if the Buyer ceases to make payments or is in arrears with a payment obligation to the Seller. The Seller shall not make use of its collection authority as long as the Buyer meets its payment obligations in due time.

The Buyer shall be obliged to surrender any unprocessed goods subject to retention of title at the Seller's first request. However, this does not constitute a withdrawal from the purchase contract. The pledging or transfer by way of security of the reserved goods or the assigned claims to third parties is not permitted without the consent of the Seller. In the event of seizure of the reserved goods by third parties, the Buyer must notify the Seller immediately.

The Buyer is obliged to send the Seller a list of the goods subject to retention of title that are still available, even if they have been processed, and a list of the claims against the third-party debtors immediately after notification of the cessation of payments.

## Limitation of Liability of the Seller

Claims for damages arising from a breach of contract, from culpa in contrahendo, from tort or non-performance shall be excluded against the Seller as well as against the Seller's vicarious agents and persons employed by the Seller in the performance of its obligations in any case, unless intentional or grossly negligent conduct is involved. Liability for consequential damages caused by a defect is excluded in any case, any liability for other damages of any kind is limited in total to twice the purchase price.

## Technical Conditions according to the TKG

The permissible moisture allowance on the dry weight for yarns is as follows

pure cotton	8.50%
pure flax	12.00%
pure wool and fine animal hair	18.25%
pure rayon	13.00%
pure polyamide fibre (e.g. perlon, nylon)	6.25%
pure polyacrylic, polyvinyl chloride, polypropylene	2.00%
pure polyester	1.50%

## Number Variation

Upward and downward deviations of the set number are permissible:

under Nm 10	¼ Nm
10 Nm up to and including 14.999	½ Nm
15 Nm up to and including 29.999	¾ Nm
30 Nm and more	2.5 %

In the case of twisted yarns, the number variation shall be calculated from the single threads making up the twisted yarn. The above provisions shall not apply to crepon, mouliné and voile effect yarns and other special yarns.

## Weight Variation

On delivery of the yarns, the following variations upwards and downwards are permissible in relation to the quantity classified in one colour, quality and number:

for delivery from 500 kg	5%	10 %
for delivery less than 500 kg		

All weight, case and number differences are only decided by means of the conditioning procedure on the basis of the relevant EN standard provisions.

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