

GENERAL TERMS AND CONDITIONS

1. Scope of application of these General Terms and Conditions

1.1. The General Terms and Conditions set out herein shall apply exclusively to all business transactions of Linz Textil Gesellschaft m.b.H, Wiener Straße 435, A-4030 Linz, Commercial Register number FN 85402 t (hereinafter referred to as "Linz Textil", "seller", "we" or "us") and its affiliated companies as defined in Section 189a (8) of the Austrian Commercial Code (UGB). These General Terms and Conditions shall be binding for all current and future business transactions with Linz Textil, in particular transactions involving its spinning and weaving operations, even if no express reference is made thereto.

1.2. Any deviations from or amendments to these General Terms and Conditions – in particular the general terms of business or purchase of a contracting party – shall not become part of the contract unless this has been expressly confirmed in writing by Linz Textil.

2. Offer, order confirmation, conclusion of contract

2.1. Offers made by Linz Textil are non-binding and subject to change unless expressly designated as binding.

2.2. An order placed by a contracting party shall be deemed accepted only upon Linz Textil's written confirmation, which may be effected through email correspondence or by the issuance of a closing letter in a format customary in the industry, thereby establishing a contractual relationship between Linz Textil and the contracting party.

2.3. For orders involving spinning goods, the contracting party shall not assume that the ordered goods are a follow-up order related to previous deliveries. As such, the contracting party shall not expect that the quality of the goods will be identical to that of a previous delivery. Consequently, new trial dyeings or trial finishes must be performed. Notwithstanding the foregoing, exceptions are made for orders that Linz Textil specifically identifies as related to a previous delivery, which can then be processed as a continuation of that delivery.

3. Secrecy

3.1. The contracting party hereby irrevocably undertakes to maintain secrecy in relation to all business and trade secrets made accessible to the contracting party by Linz Textil or otherwise made known to the contracting party in connection with or on the basis of the business relationship or contact with Linz Textil, and not to make these accessible to third parties in any way without Linz Textil's prior consent. Furthermore, the contracting party undertakes to use information only on a "need to know" basis and solely for the purposes of the contract concluded with Linz Textil.

3.2. The obligation to maintain secrecy shall remain in force for 3 years after termination of the business relationship with Linz Textil or, irrespective of whether a business relationship exists, for 3 years after an offer has been provided by Linz Textil.

4. Prices and value preservation clause

4.1. Prices

4.1.1. Our prices are quoted in EUR (euros) and, unless expressly stated otherwise, are exclusive of applicable value-added tax. Upon invoicing, the applicable value-added tax will be added to these prices. Any duties and fees shall be paid by the contracting party.

4.1.2. Unless expressly agreed otherwise, the price list released by Linz Textil in effect at the time of order confirmation shall apply. The prices quoted are "ex works" Incoterms® 2020. The price list released by Linz Textil shall apply until revoked.

4.2. Value preservation

4.2.1. The agreed prices for the services to be provided by us are fixed prices for a period of 6 weeks from the time of entry into the contract (agreed delivery date).

4.2.2. Price changes are permissible if the period between the time of entry into the contract and the agreed delivery date is more than 6 weeks. Thereafter, if industry-wide collective bargaining agreements or internal company agreements lead to a change in labour costs or if there are changes in other costs that are essential for the provision of services, such as the cost of materials, market cost prices, the cost of energy, transportation, third-party work, financing, etc., Linz Textil shall be entitled to adjust the price accordingly.

5. Terms of payment

5.1. Unless agreed otherwise in writing, our payment claims shall be payable concurrently with handover of the goods. Invoicing by Linz Textil shall take place upon delivery. Postponement of the due date stipulated in the agreed terms of payment shall be excluded.

5.2. Cash discounts shall be granted only if expressly agreed upon and to the extent specified in such agreement.

5.3. Payment shall only be deemed to have been made on time if the

amount has been received or credited to our account by the due date.

5.4. In the event of a delay in payment, even if the contracting party is not at fault therefor, we shall be entitled to charge default interest at a rate of 9.2 percentage points above the annual base rate of Oesterreichische Nationalbank; claims for compensation of proven higher interest rates shall not be affected thereby.

5.5. In the event of a delay in payment, Linz Textil shall be entitled to suspend its delivery obligations until the outstanding payment, including default interest thereon, has been received.

5.6. In the event of a delay in payment, Linz Textil is entitled, pursuant to Section 458 UGB, to demand a lump sum of EUR 40.00 from the contracting party as compensation for any collection costs. For the compensation of collection costs in excess of this lump sum, Section 1333 (2) of the Austrian Civil Code (ABGB) applies, according to which Linz Textil is entitled to claim, in addition to default interest, compensation for other damages caused by the contracting party and incurred by Linz Textil, in particular the necessary costs of appropriate extrajudicial collection or recovery measures.

5.7. Partial invoices are always permissible in the event of partial deliveries. Default of payment will occur if even one partial payment is made late or not in full. Upon the occurrence of default of payment, the entire outstanding balance shall be due for payment immediately. In the event of default of payment, Linz Textil shall be entitled to take the goods delivered subject to retention of title into safekeeping without withdrawing from the purchase contract until the entire claim, including ancillary costs, has been satisfied in full.

5.8. Linz Textil shall be entitled to demand advance payments or other collateral prior to delivery after having checked the creditworthiness of the contracting party. In the event of insufficient creditworthiness or in the absence of satisfactory collateral, Linz Textil shall be released from its delivery obligation.

5.9. The contracting party is not entitled to withhold invoice amounts either in whole or in part; this applies in particular in cases where warranty claims or claims for damages are asserted against Linz Textil. Offsetting claims of Linz Textil with counterclaims of any kind shall be excluded.

6. Place of performance, assumption of cost and risk of transportation, packaging

6.1. The place of fulfilment is Linz Textil Gesellschaft m.b.H, Wiener Straße 435, 4030 Linz, Austria.

6.2. Unless agreed otherwise in writing, the contracting party shall bear the costs and risk of loading, transportation and unloading pursuant to "ex works" Incoterms® 2020.

6.3. The contracting party must accept the goods at the place of performance within 14 days of Linz Textil's notification of readiness.

6.4. Disposable pallets, cardboard packaging and other packaging will not be taken back by Linz Textil. The contracting party must either reuse all packaging supplied by Linz Textil or recycle it in compliance with the applicable packaging regulations and any other provisions of waste legislation governing the disposal of packaging. The contracting party must keep appropriate records of the whereabouts and treatment of packaging and make these available to Linz Textil upon request in a manner and extent that enables Linz Textil to fulfil its evidentiary obligations under applicable waste legislation.

7. Retention of title, rights of use

7.1. Linz Textil retains title of ownership to the goods until the purchase price and all costs and expenses have been paid in full. In the event of default of payment, Linz Textil can demand that the goods remaining in its ownership be returned and withdraw from the contract at its discretion.

7.2. Until full payment of the purchase price (including any costs, duties and fees), the contracting party shall keep the new item in safe custody at its own expense and risk; in particular, the contracting party shall bear the risk of loss or deterioration.

7.3. Delivered goods (subject to retention of title) may only be re-sold if the intention to do so has been announced sufficiently in advance and the prospective buyer's details have been provided, and only upon Linz Textil's approval. If such approval is granted, the contracting party's purchase price claim (including any costs, duties and fees) against the third-party buyer shall be deemed assigned to Linz Textil, and Linz Textil shall be entitled to notify the third-party debtor of that assignment at any time.

7.4. For as long as the reservation of title remains in force, any processing and/or mixing of the goods by the contracting party shall always be performed on behalf of Linz Textil; in such cases, Linz Textil shall acquire co-ownership in the new item thus created proportionate to the value of its title to the goods.

7.5. For as long as the reservation of title remains in force, the goods subject thereto may not be pledged or assigned for collateralisation purposes by the contracting party. In the event of seizure, attachment or other interventions by third parties, the

- contracting party must inform Linz Textil without delay and provide Linz Textil with all relevant information, documentation, etc. Enforcement bodies and third parties must be made aware of our rights.
- 7.6. Retention of title shall remain in force even in cases where individual claims against the contracting party are included in a current account, the account has been balanced and the statement of account has been accepted.
- 8. Default**
- 8.1.1. Delivery periods and dates will be met by Linz Textil to the maximum extent possible. Unless expressly agreed as binding, such periods and dates shall always be considered as non-binding, indicating the expected time of provision and handover of the goods to the contracting party.
- 8.1.2. If acceptance of the goods on the agreed delivery date is delayed due to circumstances for which the contracting party is responsible, the risk shall pass to the contracting party on the date on which the goods are ready for dispatch.
- 8.1.3. If delivery on call has been agreed, the goods shall be deemed to have been called no later than one year after the order has been placed. All time periods contingent upon fulfilment by Linz Textil shall commence with the dates stated.
- 8.1.4. Goods not accepted on the agreed delivery date will be stored for a period of 14 days at the contracting party's risk and expense, for which Linz Textil will charge a reasonable storage fee. At the same time, Linz Textil shall be entitled to insist on performance of the contract or to withdraw from the contract after setting a reasonable grace period and commercialise the goods otherwise. In the event of such commercialisation, a contractual penalty of 25% of the invoiced amount excluding VAT shall be deemed agreed.
- 9. Warranty**
- 9.1. The warranty period is 6 months from acceptance of the goods.
- 9.2. The existence of defects must be proven by the contracting party. Section 924 ABGB shall not apply. Natural wear and tear is excluded from the warranty. In cases where the delivered goods are processed for purposes not suitable pursuant to the relevant state of the art, the warranty shall be excluded. The absence of properties and features not expressly guaranteed and/or not customary in the trade shall not constitute grounds for a warranty claim on the part of the contracting party. The assessment of what constitutes customary trade practice shall be based on the intended use of the goods of which Linz Textil had or should have had knowledge. This also applies to cases where orders are placed on the basis of samples. Minor, technically unavoidable deviations in quality, colour, width, weight, finish or design do not constitute a material defect.
- 9.3. The contracting party must notify Linz Textil of any defects without delay, specifically and in writing within 12 days of delivery of the goods. If the delivery is not made to the contracting party but to a third party, the contracting party's obligation to inspect the goods and give notice of defects shall remain unaffected thereby.
- 9.4. The contracting party must perform continuous quality controls of the finishing (coating, dyeing, etc.) of the first 500 running meters of delivered (raw) goods and examine them for defects and a defective finishing result, otherwise any additional expenses and damages incurred by the contracting party as a result of continued production error shall be deemed a breach of the contracting party's duty to give notice of defects and its duty to mitigate damages.
- 9.5. If loading, transportation or unloading of the goods by or on behalf of Linz Textil has been agreed, the contracting party must examine the goods for any signs of damage incurred during transit before accepting them. If any damage is found, the contracting party must demand confirmation of such damage from the carrier.
- 9.6. The contracting party must refrain from processing the goods before any consultation or inspection of the damaged goods by Linz Textil or a third party or expert appointed by Linz Textil has occurred. If the contracting party fails to comply with this requirement, the goods shall be deemed to have been accepted without any defects.
- 9.7. In the event of a warranty claim, Linz Textil is entitled to determine the appropriate remedy at its discretion.
- 9.8. If "delivery on call" has been agreed and no call is made within 6 months after the contracting party has been notified that the goods are ready for dispatch, visual and qualitative changes to the goods emanating, in particular, from excessive storage shall not be deemed to constitute defects.
- 9.9. Quality controls carried out by and at Linz Textil do not release the contracting party from its obligation to inspect the goods and give notice of defects.
- 10. Compensation for damages**
- 10.1. In all cases where damages may be claimed, Linz Textil shall be liable only in the event of intent or gross negligence. In cases of slight negligence, Linz Textil shall be liable exclusively for personal injury. Any liability becomes time-barred after 6 months from the date on which the contracting party has become aware of the damage and the party causing it.
- 10.2. Linz Textil shall not be liable, as a matter of principle, for indirect damage, loss of profit, loss of interest, savings that did not materialise, consequential damage and financial loss, losses arising from third-party claims or for the loss of data and programs and their recovery.
- 10.3. To the extent permitted by law, the liability of Linz Textil is limited to the amount of the order value of the (partial) delivery on which the claim is based.
- 10.4. In the event of the contracting party's unjustified withdrawal from the contract, Linz Textil shall be entitled to liquidated damages (contractual penalty) in the amount of 25% of the order value excluding value-added tax. The right to claim further damages shall not be affected thereby.
- 10.5. In any instances where a contractual penalty has been agreed for Linz Textil, such penalty shall be subject to judicial mitigation, and the contracting party shall not be entitled to claim damages in excess of such penalty.
- 11. Force majeure, interruption of operations:**
- If a contracting party is prevented from complying with a contractual obligation by an event of force majeure, that party shall be released from its performance obligations for as long as the force majeure event makes compliance impossible. After the force majeure event has ceased to exist, the affected contracting party shall endeavour to make up for any services that have not yet been provided, to the extent this is possible within the scope of its technical capacities and to the extent it is reasonable taking into account its other obligations. In such cases, Section 4.2.2. shall apply in respect of price changes. For the calculation of applicable deadlines, the agreed date of delivery shall be replaced by the actual date of delivery. For the purposes of this provision, force majeure shall include, among other events, fire, flood, explosion, labour disputes and extraordinary operational disruptions that significantly exceed normal operational disruptions in both scope and frequency. The contracting parties shall notify each other without delay of any such events affecting them and provide evidence thereof upon request. If the force majeure event persists for more than three weeks, each contracting party shall be entitled to withdraw from the contract without notice. However, this right of withdrawal shall cease as soon as the affected contracting party has notified its readiness to supply the goods.
- 12. Place of jurisdiction and choice of law**
- 12.1. Any disputes arising out of a contract, including disputes concerning its existence or non-existence, shall be subject to the exclusive jurisdiction of the competent courts at the registered office of Linz Textil. However, Linz Textil is entitled to transfer jurisdiction to the ordinary court with local and subject-matter jurisdiction at the registered office of the contracting party.
- 12.2. The contract shall be governed exclusively by the laws of the Republic of Austria, excluding its conflict-of-law rules and excluding the UN Convention on Contracts for the International Sale of Goods.
- 13. Further provisions**
- 13.1. Should any provision of these General Terms and Conditions be or become invalid or unenforceable in whole or in part, this shall not affect the validity of any other provisions thereof. The contracting parties shall replace the invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the content and purpose of the invalid or unenforceable provision.
- 13.2. Amendments or additions to a contract must be made in writing. This also applies to changes to the written form requirement.

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