

## General Terms and Condition of Business

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### INNOVATEXT Textile Technical Development and Testing Institute Ltd. General Terms and Conditions of Business (GTC)

#### Introduction

The "General Terms and Conditions" (hereinafter GTC) of INNOVATEXT Textile Engineering and Testing Institute Co. (hereinafter INNOVATEXT) as Contractor cover all existing business relationships for further and follow-up orders and services provided by the company, either independently or with the help of subcontractors, or as an OEKO-TEX® testing and certification institute in accordance with the "Terms and Conditions of Use" of OEKO-TEX Service GmbH, Zurich (see <https://www.oeko-tex.com/en/terms-of-use>). Any amendment to these GTC shall only be valid if expressly accepted in writing by INNOVATEXT in advance. INNOVATEXT does not accept any other general terms and conditions of the client, even if INNOVATEXT does not explicitly contradict them.

#### 1. Subject of assignment

The services of INNOVATEXT cover the testing, certifying and inspection of textile and clothing products (raw materials, semi-finished and finished products, auxiliary, chemicals, accessories), personal protective equipment and production processes in its designated fields, as well as the preparation of technical documentation, expert opinion, research and development work, assessment. The company's activities also include the rental and use of real estate.

#### 2. Validity of the assignment

- 2.1 The offers, performances and services provided by INNOVATEXT are exclusively based on these terms and conditions and are valid for the duration of the business relationship with the business partner, even if there is no specific reference to this.
- 2.2 The Client accepts the General Terms and Conditions of INNOVATEXT, any other business conditions will only be accepted if they are confirmed by the parties in writing.
- 2.3 The parties must agree in writing on the manner in which the service is to be provided.
- 2.4 The contract is concluded in writing, whereby the client has accepted INNOVATEXT's quotation or the contractor has received written confirmation of the order for the service. An assignment is only valid if its subject, scope and price are clear (e.g. test report, certification, expertise, consultancy, etc.). If no other date is indicated on the offer, its validity is 30 days. Confirmation or acceptance of the unchanged content of the offer is deemed to have been concluded of the contract.

#### 3. Obligation of the Client

- 3.1 The Client shall provide INNOVATEXT with all documentation, materials and information relating to the assignment and necessary for the performance of the assignment in a timely manner and free of charge, in particular with regard to the documents to be examined and the quantity of test samples. A Client wishing to use the results of the expert opinion in the course of any test event is under the obligation to procure the test material on his own responsibility regarding selection of the test material and sending the test material to contractor.
- 3.2 The Client shall not give any instruction that would falsify the Contractor's factual findings or the results of its expert opinion.

#### 4. Payment of fees

- 4.1 The prices for the service provided by INNOVATEXT are those of the bilaterally agreed price. VAT will be charged in accordance with the actual and official VAT regulation.
- 4.2 The client is obliged to provide all the information necessary for the correct issue of the invoice, such as the name, address and tax number of the company. Invoicing shall be made in the currency of the

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quotation (HUF or EUR) and the currency in which the order was placed. If no other agreement has been concluded, INNOVATEXT will issue a pro forma invoice to the client for the conclusion of the order.

- 4.3 The issued invoice shall be paid until its expiry. Unless otherwise expressly agreed the remuneration is due for payment 8 working days from the date of invoicing. Payment after the expiry of the invoice shall constitute a default, which shall be subject to the provisions of the Civil Code (Ptk. 6:47, paragraph (2) and the Hungarian National Bank's base rate shall be charged.
- 4.4 The Client shall only be entitled to refuse payment if the consideration has indisputably not been paid or if the fact of payment has been legally established.

### 5 Liability

- 5.1 INNOVATEXT shall only be liable for damages if they can be proven to be due to its intent or gross negligence. In case of simple negligence attributable to the Client, INNOVATEXT is exempt from liability for consequential damages.
- 5.2 In case of gross negligence, breach of contract concerning essential contractual elements, endangerment of life, health and physical integrity, the liability shall be governed by the law.
- 5.3 The party in breach of contract shall be exempt from liability if it proves that it acted as can normally be expected in the given situation in order to prevent the damage.
- 5.4 INNOVATEXT shall only be liable for facts in relation to which it has sufficient information from the client. See limitation of liability under point 5.3.

### 6 Place of fulfilment and failure to meet deadlines

- 6.1 Unless otherwise agreed, the assignment shall be carried out in accordance with the provisions in force at the time of the conclusion of the contract.
- 6.2 Place of performance is the registered place of business of the Contractor but INNOVATEXT is entitled to involve also subcontractors to fulfil the order.
- 6.3 The commitment periods communicated by INNOVATEXT are not binding, unless their binding nature is expressly agreed upon in writing by the parties.
- 6.4 If a deadline is agreed between Client and Contractor for delivery of the expert opinion this period shall commence upon conclusion of the contract or receipt of the samples on a laboratory working day. If the Contractor requires documentation from the Client for preparation of the expert opinion or if payment of an advance is agreed the period allowed for the deadline only commences following receipt of the documentation or the advance.
- 6.5 For damages caused by intentional delay for which the principal can be held liable, the principal shall be entitled to claim damages at the rate of 1% of the delayed order value for each calendar week of delay, but not exceeding a total of 25% of the order value.

### 7 Fulfilment of the assignment

- 7.1 INNOVATEXT shall be entitled to determine the method of performance on the basis of its own professional competence, unless the parties agree otherwise in writing or if binding regulations require a specific method of performance. INNOVATEXT shall carry out the tests according to internationally accepted standard methods. If these are not available, it shall use its own methods or new methods agreed with the customer.
- 7.2 INNOVATEXT shall carry out its activities independently, professionally and scientifically. INNOVATEXT has a quality management system and carry out the assignment and test in his laboratory accredited in accordance with MSZ EN ISO/IEC 17025. The assignment will be fulfilled impartially and to the best of its knowledge, using the best available technology and experience and/or experience gained during the period of the assignment.
- 7.3 INNOVATEXT will execute the assignment only for the subject of the order.

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7.4 The Client shall indicate in writing if he intends to use INNOVATEXT's expert opinion, test reports for manufacturing or marketing authorisations or if he intends to use them for the assessment of parts/performances other than those tested by INNOVATEXT but identical to them.

7.5 Materials received from the client, in particular test samples, will be stored for a maximum of 3 months, if their nature allows it. Storage for longer periods by the customer can only be expected on the basis of a legal requirement or bilateral agreement.

### 8. Amendment of the contract, withdrawal

8.1 If, prior to the deadline for performance, changes to the content of the previously agreed order become necessary, the parties must agree on these in advance, in addition and in writing.

8.2 Contractor shall be entitled to withdraw from the contract if adherence to the contract with regard to changes or extensions could no longer reasonably be expected of him.

8.3 Significant grounds which entitle the Client to cancel are, amongst other things, any infringement of the obligations to provide an objective, independent and impartial expert opinion.

8.4 If the contract is cancelled on significant grounds for which the Contractor is responsible, he shall be due any remuneration for partial services provided up to the point of cancellation only to the extent that this is objectively of use to the Client.

8.5 In all other cases the Contractor retains claim to the full contractually agreed remuneration - subject however to deduction of expenses saved.

### 9. Confidentiality, copyright

9.1 The technical documentation and reports prepared by the contractor may only be disseminated in their entirety and only parts thereof may not be made public. Advertising or other purposes shall be subject to a bilateral agreement between the client and INNOVATEXT.

9.2 The parties agree to the rules of confidentiality in relation to the subject of the assignment as binding for themselves.

9.3 All information, protocols, technical and other documents and all claims in connection with the assignment shall remain the property of INNOVATEXT until the client has paid the full amount of the assignment.

9.4 The Contractor processes Clients' personal data for correct order execution and for his own purposes. The Contractor uses data processing systems for this. The data processing complies with all applicable data protection requirements.

### 10. Jurisdiction

10.1 The legal relationship between the Client and INNOVATEXT shall be governed by Hungarian law, excluding the conflict of laws rules of private international law (IPR) and the Convention on Contracts for the International Sale of Goods (CISG).

10.2 Depending on the value of the claim, the Central District Court, Pest or the Metropolitan Court of Budapest shall have jurisdiction to enforce the claim.

### 11. Territorial scope of validity

11.1 These GTC apply to contractors and all public entities, unless otherwise expressly agreed by the parties. If the Principal is not a person as defined herein, these General Terms and Conditions shall apply subject to the following limitations:

- Unlike clause 6.4, the commissioning deadlines given by INNOVATEXT are binding.

- Clause 10.2 shall apply with the limitation that the Central District Court of Pest or the Metropolitan Court of Budapest shall be designated by the parties as the place of jurisdiction in the event that the Principal transfers its registered office, place of residence or habitual abode outside the jurisdiction

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of the law of Hungary or if the registered office, place of residence or habitual abode of the Principal is unknown at the time of filing the action.

- Point 6.2 shall not apply.

### 12. Guarantee

The guarantee of INNOVATEXT shall only cover the performance expressly commissioned to it in accordance with clauses 1.2 and 7, and in particular it shall not be liable for the regularity and the functioning and execution of the products and processes tested, unless these matters are expressly covered by the commission. The manufacturer's warranty obligations and legal liability shall not be limited or transferred in the latter case either.

### 13. Final provisions

If any part of these GTC is not applicable, the remaining parts shall remain in force. INNOVATEXT reserves the right to make changes to these GTC at any time. All matters not covered herein are governed by the Civil Code (Act V of 2013 on the Civil Code).

Place and date of approval: Budapest, 03.March 2023.

*ÁSZF\_INNOVATEXT\_V4/2023/EN*

Approved by:	Dr. Livia Kokas Palicska CEO	Signature:
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