



GENERAL TERMS AND CONDITIONS for certification contracts concluded with Bio Garancia Kft.

I. Scope of application

These General Terms and Conditions apply to Bio Garancia Kft. (hereinafter referred to as: 'Certification Body') and its Client. The scope of application shall include the inspection and/or certification and other services unless otherwise agreed in writing or mandatorily provided by law.

II. Scope of inspection and certification

The norms and/or standards requested by the client in the respective contract(s) concluded shall form the basis of contract. The client herewith declares that it is in possession of the relevant regulations and/or guidelines, and is aware of and complies with their provisions. The currently valid version can be requested from the competent authority or organization and retrieved from the homepage of the certification body (see Appendix to the General Terms and Conditions) at all times. Clients shall be responsible for keeping themselves informed of any changes of the standards.

III. Rights and obligations of the certification body

In the course of its contractual activities, each certification body undertakes to observe the provisions named in Appendix 1 of the respective contract(s) concluded and, if conformity with the relevant requirements is determined to be given, to issue a report and/or certificate to the client, based on which the client can declare the products named in the certificate in accordance with the relevant guidelines.

The frequency of inspections shall depend on Appendix 1 of the contract(s) concluded, e.g. in the organic sector, an inspection of the premises shall be conducted at least once a year, and additional unannounced and/or announced inspections, as specified by the currently valid version of Regulation (EU) 2018/848, its Delegated Regulations and Implementing Regulations as amended shall be conducted.

The client commissions or authorizes the respective certification body to report the activity in accordance with Regulation (EU) 2018/848, Article 34 (1) to the respective authority in the country in which the activity is carried out and in which the company is subject to the control system is to report.

The client shall authorize the relevant certification body to keep records on the scope and duration of the certificate's validity and to make these records available to the public.

The client shall authorize the relevant certification body to process certification data electronically and online and to keep records on the scope and duration of the certificate's validity. The signing of contract(s) by the client shall indicate the client's explicit permission, until revoked, for the publication of this data.

As part of the contractual relationship, the client expressly permits the respective certification body to send official notifications via newsletter / info mail to the client's email address

IV. Rights and obligations of the Client

The client undertakes to adhere to the provisions named in Appendix 1 of the contract(s) concluded (in the organic sector particularly to the provisions of the currently valid version of Regulation (EC) 2018/848, as well as the related implementing Regulations, and VM (Ministry of Rural Development) Decree No. 34/2013 (V.14.) – at all times during the effective term of the

contract(s), and to allow and cooperate in any inspections necessary. If the certification concerns continuous production, the certified product shall meet the requirements applicable to it at all times.

The Client agrees to keep records and documentation in the form and with the content prescribed by the certification body, and to retain those for at least 10 years. Should the Client quit the inspection scheme, it acknowledges that the Certification Body will retain its inspection documents for at least a further 5-year period.

The Client shall have the option to reject the inspectors appointed by the Certification Body, provided that it specifies – in writing – a conflict of interest that calls into question the impartiality of the inspectors appointed. The Certification Body shall decide in these cases, and, where necessary, appoint another inspector.

The Certification Body and the independent inspectors appointed by it shall be entitled to enter any facility of the Client company and access any relevant records and vouchers, including the financial and accounting records of the company, in order to investigate complaints concerned the organic products produced or distributed by the Client. The Certification Body and the independent inspectors appointed by it shall also be entitled to inspect the production/factory processes and follow the route of the products to be certified together with the accompanying personnel designated by the Client. This right applies to inspection of the premises and production facilities of not only the Client but also any of its subcontractors. Subject to consultation with the Client, the Certification Body may also be accompanied by representatives of the supervisory authorities specified in the legislation and the private criteria bodies during the inspection of compliance, where the Client is a contractual partner of one of these organisations.

Photos or footage may only be taken of the products, animals and production equipment during the inspection for the purpose of documentation subject to the Client's approval.

If the manager in charge specified in this agreement or the facility specification and/or the manager/contact person in charge of organic production is not present during the annual general inspection, the signing of the inspection report by another person clearly authorised to dispose over the operation of the facility shall also be binding towards the actual Client too.

If the Client makes the certification documents available to other persons, it shall copy them in full and in accordance with the applicable requirements.

The client undertakes to comply with the requirements prescribed in Appendix 1 of the respective contract(s) and in the Design Manual of the respective trademark logotypes and information at all times and to refrain from use in such a misleading manner as to bring the relevant certification body into disrepute.

The Client agrees to inform the authority (authorities) concerned and the Certification Body without delay if any violation or infringement takes place with respect to the provisions set out in Clause 1 of the contract(s) that could impact the status of its own products or products procured from other companies or subcontractors negatively.



If the Client uses the certificate in an unlawful manner, the Certification Body shall be entitled to revoke it with immediate effect. After communication of the withdrawal of the certificate, the Client shall not use the mark specified in Clause 1 of the contract concluded on the products concerned and the related advertising materials.

The Client shall be entitled to access the details of the proceeding of the Certification Body concluding with the issue of the certificate. The Client shall be entitled to submit a written complaint to the Certification Body against the certification decisions of the Certification Body within 15 days, but this objection shall have no suspending effect on the implementation of the measures specified in Section 15 of VM Decree No. 34/2013. Further, pursuant to Section 16 of VM Decree No. 34/2013, the Client may – in accordance with the division of tasks set out in Section 10(5) of the same – request the district office having competence over the Client's address, registered office or premises and for food chain safety and animal health or proceeding in the field of plant protection and soil conservation to investigate the procedures related to the exercise of the Certification Body's inspection and certification tasks. Further, the Client shall be entitled to submit a complaint against the decisions of the Certification Body at the National Accreditation Authority (*Nemzeti Akkreditáló Hatóság*).

The Client agrees to bear the costs associated with the inspection and certification. The Client acknowledges and agrees that the amount of the fees to be charged will be dependant on the current economic situation. The Certification Body shall send the effective rates – constituting the basis of settlement – to the Client in writing, to the last address (or email address) specified by the Client. The new rates communicated in the foregoing manner shall constitute a contractual agreement, unless the Client objects thereto in writing. If a written objection is submitted and the Parties are unable to reach an agreement, the Certification Body shall be entitled to terminate the contract(s) with immediate effect, without complying with any notice period. The effective rates constitute an integral part of the General Terms and Conditions, and may be accessed at any time on the website of the Certification Body (see the Appendix to the General Terms and Conditions).

Any claims arising from the contract(s) concluded shall be settled within 14 days. If the contractual relationship is terminated during the calendar year, any costs that have arisen to date shall be settled by the Client. If the Client fails to settle the fees in full and within the deadline applicable thereto, the Certification Body shall be relieved from its inspection and certification obligation. In addition, in the case of a payment default, the Certification Body shall, following written notification and the unsuccessful lapse of the 14-day deadline for remedy set out therein, be entitled to terminate the contract(s) early, with immediate effect.

The Client agrees to notify the Certification Body in writing without delay regarding any material operative changes compared to the data specified in the facility specification. The Client shall provide notice of any changes that could jeopardise the fulfilment of the requirements of certification (e.g. change of economic or organisational status, change of ownership structure, organisational changes, changes in management and quality assurance, change of the product or the methodology of production, change of contact details, etc.). Further, the Client agrees to notify the Certification Body without delay, in writing, should the Client quit the inspection scheme or the facility or a part thereof be transferred into the ownership of or be operated in the future by another entity. Further, the Client agrees to assign any rights and obligations arising from the contract(s) concluded to its legal successor(s).

In addition, the Client shall record any complaints made by third parties or concerning the inspection and certification activity, as well as any issue related to the products, retain any documents related thereto, and notify the Certification Body thereof in writing without delay. The Client shall inspect the complaints and take appropriate, immediate corrective measures, which shall be documented.

Upon request the Client shall be entitled to access the password-protected part of the online database of the Certification Body with the password provided to it. In accordance with the effective data protection regulations, the Client agrees to be bound by confidentiality regarding the data disclosed and the password, and shall treat these with diligence. These obligations are also fully applicable to the Client's employees.

The information disclosed to the Client are strictly confidential and serve only for the information of the Client. In the case of any abuse of the data disclosed or any breach of the above provisions, the Client shall lose the right to access the database.

Further, the Client agrees to hold harmless and indemnify the Certification Body with respect to any damage and/or claim arising from the unauthorised disclosure of the data and passwords or any abuse thereof.

V. Use of the trademark logotypes of the Certification Body

The client shall be entitled, after inspection and/or certification, to use the inspection and certification logotypes registered for the relevant certification body. Use shall be subject to the Design Manual of the certification body.

VI. General provisions

In addition to the case of termination with immediate effect resulting from the sanctions specified in Clause 2 of the contract and Clause IV of the General Terms and Conditions, both Contracting Parties shall also be entitled to terminate the contract(s) concluded without a notice period in the following cases:

- (a) The Certification Body shall be entitled to termination if
 - insolvency proceedings are initiated against the Client, or the initiation thereof is refused in the absence of an estate that could be expected to cover the costs related to the proceeding,
 - the Client misled the Certification Body regarding the material circumstances constituting the basis of the inspection contract, and/or it repeatedly breaches its obligations set out in the contract(s) concluded, and because of this, the Client or its owner or responsible representative has been banned from the inspection scheme for organic production by the district office acting in its authority concerning food chain safety and animal health or plant and soil protection in accordance with those set out in Section 25(1)(c) of VM Decree No. 34/2013.
- (b) The Client shall be entitled to termination if
 - insolvency proceedings are initiated against the Certification Body, or the initiation thereof is refused in the absence of an estate that could be expected to cover the costs related to the proceeding,
 - the Certification Body repeatedly breaches the provisions of the contract(s) concluded.

The above provisions do not affect the right to termination of the contract(s) by mutual agreement.

Communication may take place via phone, fax, letter or email.

VII. Duties, formal requirements

Any amendment of the contract(s) concluded shall be in writing. This also applies to any waiver of the requirement of written form. Should certain provisions be or become invalid, this shall



not affect the validity of the remaining provisions. The invalid provision shall be replaced with a provision that aligns to the assumed original intention of the Parties the most. There are no further oral agreements other than the contract(s) concluded.

VIII. Confidentiality

The Contracting Parties agree to be bound by confidentiality regarding any information concerning the business situation of the other Party they become aware of under the contract(s) concluded.

The Contracting Parties shall also ensure that any employees and inspectors involved in the performance of the contract(s) also be bound by confidentiality with regard to the information specified above.

The provision of information to authorities in relation to fulfilment of the legal obligations, compliance with which the Certification Body is obliged to check, shall be exempt from this confidentiality. The provision of information to other Certification Bodies and/or professional organisations and/or trademark organisations as set out in Clause 1 of the contract(s) concluded regarding the results of the inspections and certifications, violations and infringements or other circumstances affecting the product shall also be exempt from the confidentiality obligation, provided that the Client is a contractual partner of such organisations.

IX. Liability

The respective certification body is liable within the European countries in accordance with statutory provisions at the headquarters of the respective certification body.

The client shall be liable vis-à-vis the relevant certification body in the case of violation of the respective contract(s) concluded for damages resulting from this violation. The client shall indemnify and hold the certification body and its personnel harmless with respect to any claims for damages raised by third parties.

X. Agreement on the place of jurisdiction

The place of jurisdiction and the law to be applied to the contract with regard to the relevant certification body are referred to in the Appendix to the General Terms and Conditions

XI. Integral parts of the General Terms and Conditions

- Tariffs of the certification body,
- Design Manual of the trademark logotypes of the relevant certification body and the combined BG HU/EU organic farming logo (see relevant homepage of the certification body, request a hard copy from the respective office).

As of: 01.01.2022



Appendix to the General Terms and Conditions

These General Terms and Conditions apply to the following certification body:

- **Bio Garancia Kft.**
H-1036 Budapest, Dereglye utca 5/2. I. em. 5.
Company registration number: 01-09-690810
VAT number: 12525658-2-41
Homepage: www.bio-garancia.hu

Jurisdiction

Any matters not regulated in the contract shall be governed by the provisions of the Hungarian civil code and the other relevant legislation. The Parties shall strive to settle their disputes amicably, via negotiation. The Parties agree in the exclusive competence of the Budapest District II and III Court for settling any dispute between them – falling into the authority of the local court – that they are unable to settle via negotiation.