

Since 1911

SOCIEDADE TÊXTIL

Vital Marques Rodrigues, Filhos, S.A. ®

TECELAGEM, TINTURARIA E ACABAMENTOS

VITAL *tecidos*

Specs Book

Terms and Conditions of Sale of Sociedade Têxtil
Vital Marques Rodrigues, Filhos, S.A.

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1. Introduction

1.1. Company Overview – Sociedade Têxtil Vital Marques Rodrigues, Filhos S.A.

Sociedade Têxtil Vital Marques Rodrigues, Filhos S.A. was founded in 1911 by Etelvina de Jesus Machado, a pioneering woman in the textile industry. Originally operating under the name Manual de Tecidos de Algodão, the company specialized in handcrafted bedspreads, with a strong focus on artisanal quality.

In 1925, Etelvina married Vital Marques Rodrigues. Together, they expanded the business by introducing new fabric lines and establishing an in-house dyeing facility, enabling the company to diversify and broaden its product range.

Today, the company is managed by the third and fourth generations of the founding family. With over a century of experience, it stands out for its innovation, strong customer relationships, and ongoing commitment to quality.

1.2. Brand Portfolio: Vital Tecidos, Vital Home, and Etelvina

Sociedade Têxtil Vital Marques Rodrigues, Filhos S.A. (hereinafter referred to as STVMR), VAT number 500 269 106, operates through two distinct divisions, each focused on specific market segments:

1.2.1. Vital Tecidos

Head Office:

Rua de Santo Amaro, 510, Apartado 2062

4811-909 Mascotelos, Guimarães, Portugal

Phone: +351 253 523 099 | Email: geral@vitaltecidos.pt

STVMR offers a wide range of products tailored to meet diverse customer needs. Key product lines include:

Mattress Fabrics: Knitted fabrics, double jacquard, damask, piqué, and viscose, designed to meet the high standards required for premium mattress covers.

Decorative Fabrics: Includes chenille and upholstery textiles that combine modern design with durability.

1.2.2. Vital Home

Manufacturing Unit 2:

Rua de Pardelhas, 1048 – Industrial Zone

4765-420 Guardizela, Guimarães, Portugal

Phone: +351 253 560 011 | Email: geral@vitaltecidos.pt

Vital Home offers a broad selection of home textile products, including:

Home Textiles: Towels, bedspreads, table linens, bed linens, blankets, rugs, and bathrobes, all designed for comfort and superior quality.

Hospitality Products: Specially tailored items such as towels, bed linens, decorative and bath rugs, duvets, pillows, and slippers, crafted to high standards of durability and excellence.

1.2.3. Etelvina

Etelvina's brand offers a wide range of home textile products, including baby and children's collections, bed linens, pajamas, and bathrobes.

All products are available from stock and can be sold to individuals or businesses, subject to mutually agreed commercial terms. Supply is available in both small and large quantities, depending on client needs and subject to availability and prior approval by STVMR.

1.3. Logos and Trademarks



Logo 1: *Sociedade Têxtil Vital Marques Rodrigues, Filhos S.A. / Vital Tecidos*



Logo 2: *Vital Home*



Logo 3: *Etelvina*

1.4. Mission, Vision, and Values

1.4.1. Mission

To create and manufacture knitted fabrics, woven fabrics, and home textile products that meet customer needs, delivering high-quality designs with the speed and reliability that define our company.

1.4.2. Vision

To be a leader in the textile industry, distinguished by advanced production capabilities and long-term partnerships. We are committed to anticipating global market needs and trends.

1.4.3. Values

We strive to exceed customer expectations through tradition, innovation, quality, and integrity, upholding sustainable practices and fostering lasting relationships.

1.5. Production Capacity and Structure

STVMR continuously invests in innovation and quality. Key operational areas include:

- Product Design and Development
- Research and Development Laboratory
- Warping
- Weaving
- Yarn and Terry Dyeing
- Finishing
- Garment Manufacturing
- Quality Control
- Packaging and Logistics

STVMR takes pride in being a vertically integrated company, housing all essential departments within its facilities to ensure efficient product development. It offers home textile and mattress fabric collections that combine innovation, quality, and competitive pricing.

1.6. Purpose of This Terms and Conditions Document

The purpose of this document is to present, clearly and concisely, the terms and conditions of sale for STVMR.

It has been prepared to provide all stakeholders with the necessary information to ensure a transparent, efficient, and mutually beneficial relationship.

For any questions or additional information regarding the content of this document, please contact us at: **geral@vitaltecidos.pt**.

Our team is available to assist you during the following hours:

- Monday to Friday: 9:00 AM – 6:00 PM

Requests received outside of these hours will be reviewed and answered during the next business period.

1.7. Application

The terms outlined in this document are automatically applicable and shall be incorporated into the relevant Service Agreement, thereby eliminating any doubts regarding their validity.

Any offer made by the Seller and/or acceptance of a Purchase Order shall constitute explicit **agreement to these Terms and Conditions and a commitment to full compliance.**

These Conditions override any other terms, conditions, agreements, customs, or practices, whether written, verbal, expressed, or implied. Any provisions in conflict with these Conditions are hereby expressly excluded.

This section aims to ensure clarity and consistency in all processes, eliminating ambiguity and guaranteeing that all parties operate under the same contractual guidelines.

STVMR reserves the right to modify this document at any time, without prior notice or individual communication to stakeholders. Any updates will be reflected on the company's official communication channels.

2. Glossary of Terms

2.1. Product: An item or good manufactured by STVMR.

2.2. Purchase Order: A formal document issued by the customer, specifying the requested products, quantities, and purchase terms.

2.3. Order: The process by which a customer formally requests products, based on a Purchase Order.

2.4. Delivery Date: The scheduled date for delivering the products to the customer, as agreed upon during the ordering process.

2.5. Order Confirmation: The final acceptance of the supply proposal, validating the order and confirming agreed details such as quantities, specifications, pricing, delivery timelines, and payment terms.

2.6. Product Specification: A document or detailed description that defines the technical and aesthetic characteristics of the product.

2.7. Quality Certification: A declaration of compliance confirming that the products meet specific quality and safety standards.

2.8. Delivery Delay: A situation in which products are not delivered within the agreed timeframe, which may be justified by force majeure or other conditions outlined in the contract.

2.9. Return Policy: A set of rules outlining the terms and procedures for returning products.

2.10. Product Compliance: Verification that products meet applicable technical, legal, and regulatory standards.

2.11. Warranty: The company's commitment to correct defects or manufacturing faults within a specified period.

2.12. Subcontracting: The process by which part of the production or related services is carried out by third parties under STVMR's supervision.

2.13. Force Majeure: An extraordinary and unforeseeable event, such as natural disasters, strikes, or conflicts that may affect production, delivery, or contract execution.

2.14. Intellectual Property: Exclusive rights to designs, trademarks, and other creations developed by the company.

2.15. Buyer: The entity purchasing the goods or services.

2.16. Terms and Conditions: These terms and conditions for the purchase of products and/or services, which are incorporated into and form part of the Purchase Order.

3. Certifications and Quality

STVMR holds the **OEKO-TEX® Standard 100 certification**, Classes I and II, ensuring that its products are free from harmful chemical substances. This guarantees they are safe for both skin contact and the environment. The renewal and monitoring of this certification are managed by our textile engineers.

Customers may request additional certifications, such as **GOTS** or **REACH**, provided the supplied items fall within the scope of those certifications. These certificates must be requested **prior to order confirmation** and will only be made available **after the production of the respective items**.

4. Order Process

4.1. Order Management

The order process at STVMR is centrally managed by our **commercial department**.

Customers must communicate directly with the **sales representative** responsible for their order, who will oversee the entire process, from initial request to final delivery.

Placing an order **implies full acceptance of the General Terms and Conditions** in effect at the time of the transaction. STVMR reserves the right to amend these conditions at any time.

4.2. How to Place an Order

To place an order, the customer must contact the designated sales representative in writing. The **sales representative** will provide all necessary support, also in writing, throughout the process. The customer must provide the following essential information in writing to ensure proper processing:

- Billing details
- Article information (reference, detailed product description)
- Quantities
- Proposed payment method (optional)
- Raw materials to be used
- Requested packaging
- Specific product dimensions
- Desired types of manufacturing/finishing
- Delivery deadlines
- Shipping information (destination and delivery conditions)

4.3. Minimum Order Quantities (MOQ)

As a vertically integrated company, STVMR controls all departments involved in order fulfillment internally.

This structure allows us to offer flexible order quantities tailored to specific client needs. **The minimum order quantity (MOQ)** must be negotiated directly and in writing with the assigned sales representative, who will align the request with production capacity.

4.4. Customization Procedures

For orders involving customizations, such as logos or custom designs, the following steps must be followed:

4.4.1. Logos and/or designs must be submitted in writing, in editable formats and high enough quality for production.

4.4.2. Once received, the design will be validated, including color selection and material definition.

4.4.3. Once the design and all details are approved, production will begin. No changes to the design or specifications will be accepted after final approval of the mock-up and/or product photo.

4.5. Sample Development

Due to limitations inherent in the production process, such as minimum dyeing quantities or availability of raw materials matching the client's specifications, final samples may not be provided prior to order approval.

Exceptions may be made in specific cases where samples are technically and operationally feasible.

4.6. Quantity Variations

All order quantities may vary by up to $\pm 5\%$ due to natural production adjustments. Excess units cannot be returned, nor will shortages be compensated. We therefore recommend accurate calculation of required quantities.

By accepting our sales policy, the customer agrees to the above conditions.

This policy ensures clear and precise order handling, promoting a smooth and efficient customer experience.

4.7. Quality and Description

All products and services are delivered:

4.7.1. in accordance with the quality, description, and other specifications listed in the order confirmation;

4.7.2. in line with any sample, drawing, description, or specification provided by STVMR in response to the customer's request;

4.7.3. meeting all performance requirements explicitly outlined in this Contract.

4.8. Testing and Certifications

STVMR does not assume responsibility for conducting tests related to flammability, wash resistance, abrasion, or colorfastness.

If the customer wishes to carry out such tests, they must do so at their own expense and responsibility after receiving the order.

Alternatively, if such testing is a condition for order confirmation, all related costs must be fully borne by the customer.

5. Payment and Invoicing Terms

5.1. Payment Terms

Payment terms must be clearly defined and agreed upon in writing prior to the confirmation of any order. These conditions may vary depending on the order value, the customer profile, and the established commercial relationship.

For first-time orders or orders under €6,000, advance payment before shipment may be requested in writing.

For customers with credit insurance coverage and orders equal to or above €6,000, payment terms of 30 or 60 days may be granted, as previously agreed in writing between the sales representative and the customer.

For customers without credit insurance or with no prior transaction history, payment terms will either be 50% upon order confirmation and 50% before shipment, or 100% upfront before shipment, depending on the arrangement made with the sales representative. This must be agreed upon in writing in advance. These policies are in place to ensure order reliability and to mitigate financial risks for both parties.

Failure to comply with payment deadlines may result in written notification of revised payment terms for future orders, or the suspension of pending shipments until all outstanding payments are settled.

In cases of international trade, these General Terms and Conditions take precedence over the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

5.2. Credit Policy

STVMR works with an external insurance provider to assess and assign credit limits to its customers. The current insurance provider is Atradius Crédito y Caución, S.A. de Seguros y Reaseguros.

The process works as follows:

5.2.1. Customer Assessment

The insurer evaluates the latest financial statements and information submitted by customers and assigns a credit limit based on their analysis.

If the insurer denies coverage due to missing or outdated documentation, the customer may be asked, in writing, to submit the necessary documents directly to the insurer at the specified email address for reassessment.

5.2.2. Credit Limit

The credit limit is requested by the responsible sales representative; however, the insurer may approve a lower amount than requested.

In such cases, the customer will be notified and may be asked—always in writing—to pay the uncovered portion. This may apply to a single order or to overdue payments.

5.2.3. Internal Management

STVMR is responsible for submitting credit insurance requests to the insurer and monitoring the process. Sales representatives are tasked with maintaining written communication with the customer and managing any necessary adjustments.

If a previously insured customer loses their credit coverage, a renegotiation of payment terms will be required.

This procedure is designed to ensure the security of both parties in commercial transactions and to foster a relationship of trust aligned with the company's credit management policies.

5.3. Invoicing Methods

STVMR is committed to improving the efficiency and sustainability of its internal processes. Therefore, invoices are sent exclusively by email.

It is the customer's responsibility to provide the contact information for the accounting team responsible for handling billing matters.

Invoices will be issued on the date the goods are ready for shipment.

6. Delivery and Logistics

6.1. Estimated Delivery Date

Once the order is confirmed in writing, the responsible sales representative will provide the customer with a written estimated delivery date. This estimate is based on the time required for various stages of the process, including preparation, production, dyeing, assembly, and packaging. However, unforeseen circumstances may occur that could impact the timeline.

In the event of a delay, the customer will be notified in writing by the sales representative as soon as a new delivery date is available.

The production timeline may vary depending on the type of product and the quantities ordered. For orders requiring specific approvals—such as color, design, accessories, or other elements—the delivery period will begin only after all necessary approvals and information have been received to initiate production.

It is important to note that the delivery timeline does not start from the customer's order submission, but rather from the moment all conditions are met to proceed with production.

6.2. Shipping Procedures

Shipping arrangements must be agreed upon in writing between the responsible sales representative and the client at the time of the price request. It is essential that the client communicates their shipping preferences in writing so they can be considered during the negotiation process.

If the delivery address provided by the client does not allow access for the international transport vehicle, due to physical, logistical, or legal restrictions, the delivery will be carried out via transshipment of the goods to a smaller vehicle operated by a local agent. All costs and charges resulting from this process, including but not limited to handling fees, additional transport, and intermediary services, will be fully charged to the client.

Additionally, if the client requires a truck with a tail lift for unloading the goods, this requirement must be communicated at the time the order is confirmed. If this information is not provided in due time and the client is unable to unload the goods without a tail lift upon delivery, STVMR may, at its discretion, arrange a suitable solution. In such cases, the full cost of the necessary logistical adjustments will be borne by the client.

Below are the most commonly used shipping options offered by STVMR, along with their respective descriptions:

6.2.1. FOB Porto (Free On Board)

The goods are delivered at the Port of Leixões, with all costs up to that point covered by STVMR. From there, the customer assumes all transportation costs and risks.

6.2.2. CIF (Cost, Insurance, and Freight)

This includes the cost of the goods, insurance, and freight to the specified destination. A minimum order value may be required for freight costs to be included.

6.2.3. EX WORKS

The goods are made available at STVMR's facilities. The customer takes full responsibility for transportation from the factory to the final destination.

In specific cases, STVMR may arrange transportation and charge the corresponding cost to the customer. Such arrangements must be pre-agreed in writing by both parties.

For shipments within mainland Portugal, delivery includes only one initial delivery attempt. Any additional delivery attempts may incur charges to the customer without prior notice.

6.3. Product Packaging and Labeling

Regarding packaging and labeling, the customer is responsible for communicating all specific requirements in writing at the time of the price request. Any changes to packaging specifications after price confirmation may result in a revision of the quoted prices, in line with the modifications requested in writing.

All accessories developed and supplied by STVMR are subject to the customer's final written approval.

If the customer provides the necessary packaging accessories, STVMR may or may not charge for the application of those materials. This cost will be agreed upon in writing between the sales representative and the customer.

If the customer supplies packaging accessories, STVMR will not accept any complaints related to faults or issues caused by those materials.

STVMR's standard packaging consists of packs in a simple bag. If the customer requires alternative packaging, additional costs may apply. Furthermore, if different box dimensions from those used internally are requested, the customer will be charged for the extra acquisition costs.

For further details, customers should contact their sales representative before confirming the order.

7. Delivery Management

7.1. Delivery Monitoring and Procedures in Case of Delays

All communications regarding the order must be made exclusively in writing through the designated sales representative, who is responsible for coordinating internal production. Customers do not have direct access to the system used for delivery tracking; therefore, all updates will be provided in writing by the assigned sales representative.

The sales representative is responsible for keeping the customer informed in writing about the status of the order, including delivery details and any potential delays, as soon as that information becomes available.

No claims for compensation due to delivery delays will be accepted, except in exceptional cases that have been pre-negotiated in writing between STVMR's management (or an authorized representative) and the customer prior to order confirmation.

7.2. Change of Delivery Address

Any change to the delivery address after the order has been confirmed may result in an increase in the originally agreed prices, particularly with regard to transportation costs. These additional costs may be fully charged to the client.

8. Product Compliance and Quality

8.1. Compliance Standards

Products manufactured by STVMR must meet strict compliance standards to ensure their quality and suitability for the market. Key criteria include:

8.1.1. Design

Product mock-ups are three-dimensional representations of the approved design, intended to provide an approximate preview of the final product. Due to production variables, the final product may differ slightly from the mock-up, such as logo size variations, within a tolerance of up to 5%. These variations are deemed acceptable and are not grounds for claims.

Approval of the mock-up by the customer constitutes express and binding acceptance of its form and content, thereby authorizing the corresponding development and production. As

such, complaints, modification requests, or objections after approval will not be accepted. The supplier assumes full responsibility for the validated material.

8.1.2. Color

When reproducing color from an original sample provided by the customer or from a Pantone reference, the lab dip developed by STVMR will take precedence. It will be sent to the customer for approval either as a digital scan or as a physical sample.

Approval of the lab dip in writing by the customer is considered an express agreement on the shade, which becomes binding for production. No claims or revision requests will be accepted after approval. The supplier assumes full responsibility for the validated material.

Color difference (ΔE) is assessed against a known standard, with the following maximum acceptable values:

Disperse Dyes: $\Delta E = 1.2$

Reactive Dyes: $\Delta E = 1.2$

Vat Dyes: $\Delta E = 2$

For white tones, whiteness is assessed using the following parameters:

White: $140-160^{\circ}$

Visual color evaluation is also performed in a light box using a D65 screen, based on the lab dip approved by the customer.

8.1.2.1. Color Deviation

The final color of textile products may exhibit slight variations due to several factors inherent to the production process, such as:

- Yarn batch differences: Minor variations in raw materials can affect the final shade.
- Dyeing conditions: Factors such as temperature, immersion time, and dye concentration can influence color outcomes.

- Fiber type and dye absorption: Different fibers—whether natural, synthetic, or blended—react differently to dyes, which may result in slight color discrepancies.
- Lighting and metamerism: Color perception can vary depending on the type of lighting under which the material is viewed.

Color difference is expressed by the ΔE value, which measures the distance in color space between the sample and the reference standard. The definition of an acceptable tolerance for color deviation depends on the product specifications and the agreements established between the supplier and the customer.

Generally, ΔE^*_{ab} values up to 1.0 are considered acceptable for high-quality products, while values up to 2.0 may be tolerated for products where slight color variations do not compromise functionality or appearance.

In accordance with European Union textile industry standards, color deviations within established industry tolerances are considered acceptable. Acceptance of such deviations must be based on technical criteria, ensuring that the variation does not affect the product's visual appeal or functional quality.

8.1.3. Embroidery Customization

The customer must provide the positioning, dimensions, color references, and logo design prior to order confirmation.

STVMR uses the Madeira thread color chart for embroidery. Therefore, the customer is required to specify the desired thread color numbers in advance. If the customer chooses to delegate this selection to STVMR, such delegation will be considered tacit approval of the chosen colors. No complaints, revisions, or change requests will be accepted once the colors have been selected and applied.

A photo of the first embroidery sample can be sent for customer approval, if requested at the time of order confirmation.

The design digitization cost is offered free of charge by STVMR. However, any changes requested by the customer after digitization will incur a fee of €40.

8.1.4. Composition and Technical Information

STVMR guarantees that the fabric composition of the supplied product fully corresponds to the specifications provided to the customer at the time of purchase. This ensures alignment between the delivered product and the information communicated during the sales process.

Upon customer request, the product's technical data sheet will be made available, containing all relevant specifications of the purchased item.

8.1.5. Dimensions

Product dimensions must be provided by the customer, taking into account potential shrinkage that may occur after washing. If the customer requests support from STVMR in determining these dimensions, suggestions may be provided based on the company's technical expertise. However, the final responsibility for approving the dimensions lies solely with the customer, and STVMR shall not be held liable for any discrepancies between the final product and customer expectations.

The dimensions of the product will reflect the specifications outlined in the order confirmation. However, due to normal technical tolerances in the production process, a variation of up to $\pm 5\%$ is permitted and will not be considered a non-conformity.

8.1.6. Fabric Weight (GSM)

The weight of the product will correspond to the value specified in the order confirmation. However, due to natural variations in the production process, a tolerance of up to $\pm 5\%$ is permitted. Any deviation within this range is not considered a non-conformity.

8.1.7. Washing Instructions and Additional Care

The washing instructions provided by STVMR are recommendations based on the technical characteristics of the supplied items and are printed on the company's standard brand labels.

In cases where custom labels with the customer's brand are developed, STVMR will provide guidance on the appropriate care instructions. If the customer chooses to include

instructions that differ from STVMR's recommendations, the company shall bear no responsibility for any damage or non-conformity resulting from improper care, and no claims will be accepted in such cases.

8.1.8. Shrinkage

All textile products are subject to natural shrinkage as a result of washing and regular use. In the specific case of bed linen, an additional allowance of up to 3% may be applied to the stated measurements to compensate for expected shrinkage.

This variation is considered acceptable and does not constitute a product non-conformity.

8.1.9. Defects

Given the nature of textile and industrial processes, occasional minor defects may occur. However, only those that significantly affect the appearance, functionality, or usability of the final product will be classified as major defects.

Minor imperfections that do not impact performance or intended use of the item will not be considered grounds for claims or returns.

8.1.9.1. Defect Acceptance Criteria

STVMR's quality control follows the AQL (Acceptance Quality Limit) methodology, specifically using AQL 2.5, which determines the maximum acceptable number of defects in a production batch.

Defects are classified into three main categories:

- Critical Defects: Not acceptable, as they prevent the product from being used.

Example: major structural flaws, holes, or irreparable stains.

- Major Defects: Acceptable within AQL 2.5 limits, as they may affect aesthetics but do not prevent use.

Example: significant weight deviation, visible flaws in the weave.

- Minor Defects: Subtle variations that do not materially impact the final quality of the product.

Example: slight texture irregularities, minor color differences within approved tolerances, or loose threads that can be trimmed without affecting the item.

All products are inspected before shipment to ensure they meet STVMR's defined quality standards. Should any adjustment be required, customers must report any non-conformity within the agreed timeframe for it to be reviewed and resolved.

These guidelines ensure that all STVMR products meet both technical and aesthetic requirements, reinforcing quality assurance and transparency throughout the production process.

8.1.9.2. Sheeting Fabric

STVMR assesses the quality of sheeting fabrics sold by the meter in accordance with the international technical standard ASTM D5430 – 4-Point System for Fabric Inspection.

Pursuant to this standard, defects found in the fabric are not counted in absolute numbers, but are instead evaluated using a scoring system that reflects the severity and size of the defect, as outlined below:

- Defects up to 3 inches in length: 1 point
- Defects between 3 and 6 inches: 2 points
- Defects between 6 and 9 inches: 3 points
- Defects over 9 inches: 4 points

Unless otherwise agreed, the total score assigned to a fabric roll shall not exceed 40 points per 100 meters, which corresponds to the commercial quality standard. Should this limit be exceeded, the product may be deemed non-compliant.

Where there is a prior, express, and written agreement entered into between the client and STVMR before the order confirmation, the following alternative quality standards may apply:

- Standard Quality: maximum of 30 points per 100 meters
- Premium Quality: maximum of 20 points per 100 meters

The application of any quality standard other than the commercial one is strictly subject to the existence of such prior formal agreement. No changes will be accepted after the order has been confirmed.

8.1.10. Yarn Contamination

STVMR does not use contamination-free yarns. As the company is not a yarn manufacturer, it sources raw materials that may contain an acceptable level of contamination, in line with industry standards.

Yarn contamination may result from:

- Particles of foreign fibers
- Residues from previous processing stages
- Natural impurities present in the raw material

8.2. Quality Control

8.2.1. In-Process Quality Control

Whenever a new item is introduced into the system, its weight and dimensions are verified. Production begins only after these parameters are confirmed to be within specification. Quality control is conducted by our in-house team, which assesses all key parameters, including measurements, weight, and any potential defects.

As a vertically integrated company, STVMR operates with all necessary departments across its two production units to closely monitor every stage of the manufacturing process. Each department follows defined methods and action flowcharts to ensure effective quality control throughout the production cycle.

Unless otherwise requested in writing, quality control will be performed internally by STVMR. If the customer explicitly requests quality control by an external entity, the cost and organization of such inspections are the customer's sole responsibility. STVMR will only provide access to a designated space within its facilities to carry out these inspections.

8.2.2. Quality Records and Reports

During the quality control process, STVMR's team prepares detailed inspection reports for each order, documenting the compliance of the produced items. These reports are intended for internal use only and are not shared unless otherwise agreed.

9. Claims and Returns

9.1. Claims Submission Procedure

As stated on the invoice issued to the customer, no claims will be accepted more than 8 days after the delivery date. Under no circumstances will claims be accepted after the fabric has been cut, sewn, or washed.

Additionally, if a product sample is internally produced by STVMR and approved by the customer, such approval constitutes full acceptance of the product's characteristics. Once the sample is approved and final production has begun, no claims regarding that product will be accepted, as it is assumed the customer agrees with the specifications of the approved sample.

Claims must be submitted in writing, preferably by email, and must include all relevant details and be properly documented with photographs. Emails should be addressed to the sales representative responsible for the order, within the stated timeframe.

9.2. Returns and Exchange Policy

Exchanges or returns will only be accepted in cases of confirmed manufacturing defects, in accordance with applicable law. Returns based on the customer's unilateral decision will not be accepted. Any return must be pre-authorized in writing by the responsible sales representative.

In the event of a complaint, the customer may be asked to send one or more samples of the affected product(s) for analysis before a final decision is made.

STVMR is only liable for lack of quality or non-conformity that is attributable to the company and that exists at the time of delivery.

If such defects are confirmed, the sales representative will negotiate a suitable solution with the customer. Possible resolutions may include:

- Collection of the defective goods and refund of the corresponding value;
- Replacement of defective items with new, compliant products;
- Application of a discount, proposed by STVMR, to compensate the customer and support the sale of the affected item.

9.3. Dispute Resolution

STVMR and its customers agree to seek an amicable resolution to any disputes arising from this agreement. If a friendly resolution cannot be reached, the dispute shall fall under the jurisdiction of the Judicial Court of the District of Guimarães, with explicit waiver of any other jurisdiction.

10. Warranties and Insurance

10.1. Warranty

STVMR is committed to ensuring the quality and integrity of its products throughout the transport and storage process.

Unless expressly stated otherwise, the products supplied by STVMR do not carry any contractual or legal warranty period. The customer is required to inspect the goods immediately upon receipt and report, in writing, any defects, non-conformities, or anomalies

within **eight (8) days** from the delivery date. After this period, if no claim is submitted, the products will be considered definitively accepted, and no further claims will be entertained.

10.2. Transport Insurance

Most STVMR deliveries are carried out by external transport companies, although company-owned vehicles may be used for national deliveries.

STVMR holds a transport insurance policy covering theft, accidents, physical damage, and losses only when transportation is handled directly by STVMR. When transport is arranged by the customer or a third-party carrier appointed by the customer, STVMR assumes no responsibility for any loss or damage incurred during transit.

Responsibility for such damages lies with the carrier, except in exceptional cases that have been pre-negotiated in writing.

Any delivery-related claim made by the customer will be reviewed individually by STVMR's team to ensure quick and effective resolution in collaboration with the customer. In the event of a transport issue, replacement of goods will be coordinated directly with the customer in writing, ensuring an efficient solution.

If the customer requires additional or custom insurance, it is their sole responsibility to arrange it. However, STVMR can provide written documentation regarding its existing insurance coverage upon written request.

10.2.1. Customer Responsibility Upon Delivery

It is essential that the customer carefully inspects the goods at the time of unloading.

If any anomalies are detected, they must be recorded on the transport document. This step is crucial, as signing the document without noting any issues constitutes confirmation that the goods were delivered in perfect condition. No claims will be accepted after signature if issues were not documented.

10.2.1.1. Examples of anomalies to check during unloading:

- Damaged or dismantled pallets
- Open or damaged boxes (e.g., torn or resealed with non-original tape)
- Discrepancy in the number of boxes and/or pallets compared to the transport document

10.2.2. Claims Review and Resolution

Any claim submitted by the customer will be individually assessed by STVMR's team to ensure swift and effective resolution, in cooperation with the customer.

10.3. Applicable Legislation

In Portugal, transport insurance is governed by several legal instruments outlining the responsibilities and obligations of the parties involved in the transport of goods.

10.3.1. Mandatory Motor Vehicle Liability Insurance

Decree-Law No. 291/2007 of August 21 establishes the framework for mandatory civil liability motor insurance, which includes coverage for third-party damage during road transport.

Source: PGDLisboa

10.3.2. Insurance Contract Law (LCS)

Decree-Law No. 72/2008 of April 16 approves the Insurance Contract Law, which governs all insurance agreements, including freight transport insurance. Key provisions include:

- **Scope of Coverage:** From receipt of goods by the carrier to final delivery
- **Policy Types:** "Single shipment," "open," "floating," "voyage-based," or "time-based" policies
- **Insured Capital:** Covers the value of goods at the time and place of loading, plus transport costs to the destination

10.3.3. Carrier Liability

Carriers are responsible for loss or damage to goods during transit. While not legally required, it is common practice for transport companies to carry civil liability insurance to cover potential claims.

10.3.4. Cargo Insurance

Though not mandatory, cargo insurance is highly recommended. This coverage protects the owner of the goods against loss or damage during transport—whether by land, sea, or air.

If the customer arranges transportation, STVMR strongly recommends securing cargo insurance to cover any potential issues in transit.

10.3.5. CMR Convention

The Convention on the Contract for the International Carriage of Goods by Road (CMR) outlines the responsibilities of international carriers. Although not a national law, Portugal is a signatory, and the convention influences domestic legal practices in international freight transport.

10.3.6. Carrier Civil Liability Insurance

Although not legally required, many customers and freight forwarders require carriers to hold civil liability insurance that covers damage or loss of goods during transportation.

11. Assignment of Contract and Subcontracting

11.1. Terms of Contract Assignment

The assignment of contractual position by either party, in relation to any agreements established between STVMR and its customer, requires prior written consent from the other party.

11.2. Subcontracting Rules

STVMR reserves the right to subcontract the execution of any Sales and/or Service Agreement to third parties at any time and at its discretion.

11.3. Responsibility of the Involved Parties

The subcontracting described above does not release STVMR from any of its rights or obligations towards the customer under the respective agreement.

12. Intellectual Property

12.1. Rights to Designs and Trademarks

Any sale or service agreement between STVMR and the customer does not imply the transfer of any intellectual property rights related to designs or trademarks and their respective ownership, unless otherwise agreed in writing by both parties.

12.2. Use of Intellectual Property by Third Parties

The rights mentioned above may not be transferred to third parties, unless expressly authorized in writing by the rights holder.

13. Confidentiality

Confidentiality is a fundamental aspect of the relationship between STVMR and its clients. This section outlines the obligations and policies related to the protection of confidential information.

13.1. Confidential Information Protection Policy

STVMR and the client mutually agree to maintain the confidentiality of all information obtained through their commercial relationship. This includes, but is not limited to, manufacturing processes and commercial, economic, financial, and administrative information.

13.2. Confidentiality Obligations of the Parties

Specifically, both parties are strictly prohibited from copying, reproducing, disclosing, or using such confidential information and materials without prior written consent from the other party.

Consent shall not be unreasonably withheld but must be obtained in advance of any action.

Any breach of this clause shall result in civil liability under applicable law, and the responsible party shall be held liable for any resulting damages.

13.3. STVMR's Confidentiality Obligations

STVMR undertakes to:

13.3.1. Disclose confidential information only to employees or agents who need access in order to fulfill the contract.

13.3.2. Ensure that such employees or agents are bound by the same confidentiality obligations.

13.4. General Provisions

STVMR is committed to protecting its clients' information and intellectual property, ensuring compliance with the highest standards of confidentiality.

14. Legal Provisions and Compliance

14.1. Audits and Inspections

STVMR ensures compliance with regulatory standards through regular audits and inspections conducted by certification bodies and government authorities.

- With each renewal of the **OEKO-TEX certification**, STVMR verifies that all suppliers also hold the same certification, in the corresponding class, thereby ensuring compliance throughout the entire production chain.
- Certification audits are carried out by **specialized external organizations**, ensuring adherence to the required quality and safety standards.
- The **Authority for Working Conditions** (ACT) may also conduct inspections to verify compliance with labor regulations, particularly in response to employee complaints.
- Employee safety is a priority and is maintained through strict **Occupational Health and Safety protocols**, along with access to **Occupational Medicine**, ensuring a safe working environment that complies with current legislation.

15. Contract Termination Procedures

Contract termination shall take effect through written notice sent to the defaulting party by registered mail, becoming effective eight (8) business days after the date of receipt.

15.1. Procedures in Cases of Suspension Due to Force Majeure

In the event of force majeure, the affected party must notify the other party in writing, either immediately or as soon as reasonably possible, specifying:

- The nature of the event;
- The impact on their contractual obligations;
- The estimated duration of the suspension.

15.2. Definition and Examples of Force Majeure Events

Events considered as force majeure include, but are not limited to:

15.2.1. Natural phenomena: fires, floods, storms, or explosions

15.2.2. Social and political unrest: war, riots, strikes, blockades, labor or trade disputes

15.2.3. Operational disruptions: serious accidents or breakdowns in essential machinery or production facilities

15.2.4. Health or governmental crises: epidemics, pandemics, or unforeseen, large-scale government actions

15.3. Force Majeure Provisions

In the event of force majeure, either party may suspend or terminate the contract, depending on whether the event is temporary or permanent. In such cases, the other party shall not be entitled to any compensation or indemnity.

Force majeure refers to unforeseeable events beyond the control of the parties that prevent contract performance and could not have been reasonably foreseen at the time of negotiation and conclusion.

15.4. Temporary Suspension

During the duration of the force majeure event, the affected party's contractual obligations will be suspended as necessary to mitigate its effects.

15.5. Mitigation Efforts

The affected party must take all reasonable measures to minimize the impact of the event and resume fulfillment of its obligations as soon as possible.

15.6. Renegotiation or Contract Termination

If the force majeure event extends beyond a reasonable period and compromises the intent or viability of the contract, the parties may:

- Renegotiate the contract terms;
- Terminate the contract by mutual agreement.

This Terms and Conditions document sets forth the technical, commercial, and contractual conditions governing the supply of the goods and/or services described herein. All customers acknowledge and fully accept the contents of this document and agree to comply with its terms upon award of contract.

Any exception, reservation, or deviation from these conditions must be expressly stated in the submitted proposal; otherwise, it will be deemed as full acceptance of the terms.

For all legal purposes, the parties acknowledge the binding nature of this document and agree to its full enforcement.

The Management
June 2025