



CHROPYNSKA

Engineering. Production. Flexibility.

Complaints procedure for the company's suppliers

Chropynska Slovakia a. s. (hereinafter referred to as "CP")

Preamble

Chropynska Slovakia a. s., Dúbravy, Areál PPS 48, 962 12 Detva, Slovak Republic, Company ID: 46772219, registered with the Companies House of Banská Bystrica District Court, Section: Sa, Entry 1046/S (hereinafter referred to as "CHR SK") is a manufacturer of mainly automated production lines, technological jigs and single-purpose machines with the highest quality standards. The goods purchased by CHR SK from the supplier are intended for the CHR SK production within the scope of the aforementioned business.

I.

Definitions

Except for terms specifically defined in the text of these CP, terms in boldface shall have the following meanings:

supply contract – shall mean a contract (in particular a contract of sale, a contract for work or any other contract having similar effect) and/or an order for monetary consideration concluded between one or more persons on the one hand and CHR SK on the other hand, the subject matter of which is the supply of goods, the execution of works or the provision of a service to CHR SK; for the avoidance of doubt, a confirmed order with the same subject matter shall also be deemed to be a supply contract

supplier - shall mean a party to a supply contract with CHR SK

'goods' - shall mean any performance to be provided to CHR SK under the supply contract

'price' - shall mean the purchase price, the price of the work or any other monetary consideration which CHR SK is obliged to provide to the supplier for the goods supplied under the supply contract

parties to the contract - shall mean the supplier and CHR SK together, party to the contract shall mean either of the parties individually

II.

Subject matter

1. The subject matter of this CP is regulation of the rights and obligations of the supplier and CHR SK governing claims for defects in the goods and claims related to defects made by CHR SK unless otherwise agreed in the supply contract.

2. The provisions of the supply contract shall take precedence over the provisions of the CP.

III.

Warranty and claims for defects in the goods

1. The supplier is obliged to deliver the goods to CHR SK in quantity and quality in accordance with the specification set out in the supply contract, in particular with regard to the agreed quality, size or weight. The goods delivered under the supply contract must comply with the binding technical standards. If the supply contract does not specify the quality or design of the goods, the supplier shall be obliged to deliver the goods in a quality and design suitable for the purpose specified in the supply contract or, if that purpose is not specified in the supply contract, for the purpose for which such goods are normally used.

2. If the supplier breaches the obligation set out in clause 1 hereof, the goods so delivered shall be defective.

3. The supplier shall be liable for defects which the goods have at the time when the risk passes to CHR SK, even if the defect becomes apparent only after that time. The supplier shall also be liable for any defect which arises after the time of the passing of the risk to the CHR SK if it is caused by a breach of the supplier's obligations.

4. CHR SK is obliged to inspect the goods delivered under the supply contract not later than within 60 days of the date of delivery. CHR SK shall be obliged to make claims for defects in the goods which it could have detected applying ordinary care during the inspection referred to in the preceding sentence not later than within 60 days of the date of delivery of the goods.

5. Goods delivered under a supply contract must be fit for the purpose agreed, otherwise for customary purpose or retain the agreed, otherwise customary characteristics for a period of 24 months from the date on which the goods are put into service as part of the final product, but for a maximum of 27 months from the date of delivery of the goods. The warranty period shall not apply to any period during which the goods cannot be used by CHR SK because of defects for which the supplier is liable.

6. The goods are legally defective if the goods sold are encumbered by a third-party right, unless CHR SK has expressly agreed to such restriction.

7. If a third-party right with which the goods are encumbered arises from industrial or other intellectual property, the goods are legally defective,

(a) if that right enjoys legal protection under the law of the State in the territory of which the supplier has its registered office or place of business; or

(b) if the supplier knew or ought to have known at the time of the conclusion of the supply contract that the right was protected under the law of the State in the territory of which the CHR SK has its registered office or place of business or under the law of the State to which the goods were to be resold or used and the CHR SK was aware of that sale or place of use at the time of the conclusion of the supply contract.

8. If the delivery of defective goods is a material breach of the supply contract, CHR SK may:

(a) require the defects to be remedied by supplying replacement goods for the defective goods, supplying the defective goods, supplying the missing goods and requiring the legal defects to be remedied,

(b) require the defects to be remedied by repairing the goods if the defects are repairable,

- (c) require a reasonable discount from the price; or
- d) withdraw from the supply contract.

The choice between the aforementioned entitlements belongs to the CHR SK and the CHR SK shall indicate this choice in the Complaint Report or 8D-Report pursuant to clause 10 hereof, which it shall deliver to the supplier. If the supplier fails to remedy the defects in the goods within a reasonable grace period, or if the Supplier communicates before the expiry of that period that it will not remedy the defects, CHR SK may withdraw from the supply contract or demand an appropriate price reduction.

9. If the delivery of defective goods is a breach of the supply contract in a non-substantial manner, CHR SK may demand:

- (a) the delivery of the missing goods and the rectification of any other defects in the goods; or
- (b) a price reduction

The choice between the above claims belongs to CHR SK and CHR SK shall indicate this choice in the complaint report or 8D - report pursuant to clause 10 hereof, which it shall serve on the supplier. If the supplier fails to remedy the defects in the goods within a reasonable grace period, or if the supplier communicates before the expiry of that period that it will not remedy the defects, CHR SK may withdraw from the supply contract or demand an appropriate price reduction. In the event of the expiry of the time limit for rectifying defects in the goods, CHR SK shall have the right to withdraw from the supply contract without having to give the supplier special notice of exercising this right.

10. In the event that defects are found in goods supplied under a supply contract, the CHR SK quality control officer will issue a complaint report or 8D report, which will be forwarded to the supplier by the CHR SK purchasing personnel. The complaint report or 8D report shall contain, in particular, identification of the delivery (name of the goods, designation of the supply contract, delivery note....) and the defect description, which may be accompanied by photographic documentation or, where appropriate, the results of the tests.

11. The supplier is obliged to deliver to CHR SK its statement responding to claims made about defects in the goods within 14 calendar days from the date of receipt of the complaint report or 8D-report pursuant to clause 10 hereof. In the event that the supplier's written statement responding to the claim is not received by CHR SK within the aforementioned period, such failure by the supplier to act shall be deemed a manifestation of intent by which the supplier accepts its liability for the defects in the goods referred to in the claim in question.

12. If the supplier:

- (a) refuses to remedy the defects in the goods claimed in a written complaint it has received,
- (b) does not proceed without undue delay after acknowledgement of the complaint received to remedy the defects claimed; or
- (c) fails to deliver to CHR SK a statement responding to the complaint within the period referred to in clause 11 hereof.

CHR SK shall be entitled to remedy the defects itself, in the manner of its own choice, at the supplier's expense. The said costs shall be charged to the Supplier once the repair has been carried out and the supplier shall be obliged to reimburse these costs immediately upon receipt of the invoice.

13. Even if none of the conditions set out in the preceding clause are met, CHR SK shall be entitled to rectify defects in the goods at the supplier's expense, provided that such costs do not exceed EUR 100 in any individual case. These costs shall be charged to the Supplier after the repair has been carried out and the supplier shall be obliged to pay these costs immediately upon receipt of the invoice.
14. In order to minimize losses from delivery of defective goods, it is possible to agree between CHR SK and the supplier that CHR SK would repair the defective goods delivered. In the event that CHR SK carries out the repair, it shall be entitled to reimbursement of the costs actually and demonstrably incurred by such repair. The cost of the repair shall be determined on the basis of a valuation by CHR SK. CHR SK shall be entitled and the supplier shall be liable to pay such costs as well as damages and costs incurred by CHR SK if the defect is discovered in the CHR SK manufacturing process. The supplier shall reimburse CHR SK for the cost of repair or replacement of defective goods on the basis of an invoice issued by CHR SK without undue delay after its receipt.
15. The supplier is obliged to pay CHR SK a lump-sum reimbursement of the costs associated with the administrative activities related to the issuance of the complaint report or 8D-report in the amount of EUR 100 for each reasonably issued complaint report or 8D-report.
16. In addition to the right to a lump-sum compensation for the costs associated with administrative activities, CHR SK is entitled to compensation for damages caused by the defective goods, including lost profit, as well as compensation for the costs incurred by CHR SK in connection with the defective goods.

IV.

Withdrawal from the supply contract

1. By withdrawal from the supply contract, the supply contract is terminated when the declaration of intent of CHR SK is delivered to the supplier. Withdrawal from the supply contract shall extinguish all rights and obligations of the parties under the supply contract in question. However, the withdrawal from the supply contract shall not affect the right to liquidated damages, the right to compensation for damages resulting from the breach of the supply contract, or contractual provisions relating to the governing law, the settlement of disputes between the parties and other provisions which, according to the expressed intention of the parties or by their nature, are intended to survive the termination of the supply contract.

V.

Delivery

1. Service of documents between the supplier and the CHR SK in connection with the supply contract shall be affected in person, by registered (mail) or by electronic communication (e-mail).
2. A document shall be deemed delivered upon receipt by the relevant party to the contract.
3. All documents sent to the contracting party by regular mail shall also be deemed delivered if they are returned to the contracting party – the sender - as undeliverable, provided they were sent to the address of the registered office of the contracting party – the addressee - indicated in the header of the supply contract or to another address, which the contracting party – the addressee - has communicated in writing to the contracting party – the sender

- after the supply contract has been signed. All documents sent to the supplier by e-mail shall be deemed received at the time of dispatch.
- 4. The legal effects of service shall arise if the party - the addressee (i) refuses to accept the document or (ii) fails to communicate its new address (or e-mail address) for service of documents or (iii) through omission (in particular by failing to collect the document in custody of the postal service, failing to open the e-mail) thwarts the service of a document, an e-mail. The date of service in such a case shall be i) the date of refusal to accept the document, an e-mail by the addressee party ii) the date the postal service notifies the sender party that the addressee party has not been found at the address, iii) or the last day of the postal service document custody period.
- 5. Each party shall notify the other party in writing of any change of address as specified in the header of the supply contract. Until written notice of the change of address of a party has been received, any documents, e-mails sent to the original address of the party shall be deemed duly served.

At Detva this 1st day of January, 2023.