

Delivery and Inventory Agreement for Suppliers



bürkert
FLUID CONTROL SYSTEMS

Obligatory Agreements
Bürkert Werke GmbH & Co.KG

Version 09/2017

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between

(hereinafter „Supplier“)

and

Bürkert Werke GmbH & Co.KG
Christian Bürkert Straße 13 – 17
74653 Ingelfingen

(hereinafter "Bürkert")

as customer.

§1 Inventory

For all parts for which a valid quantity contract exists, the Supplier shall establish an inventory amounting to at least 25% of the respective specified target quantity no later than _____.

Bürkert shall ensure that follow-on contracts are awarded in due time prior to expiration. For the first-time awarding of a contract, the Supplier shall establish the corresponding inventory within the delivery period for normal orders guaranteed in section 3. If this is not possible in specific cases due to a significantly increased demand, the Supplier shall notify Bürkert of this without delay to coordinate further action.

The awarded contracts shall be confirmed by the Supplier with a legally binding signature and returned to Bürkert within one week of receipt.

In the future, the Supplier shall constantly monitor the inventories at its facilities. If the inventory drops below 25% of the current target quantity (reorder level) for a contracted part, the Supplier shall promptly initiate new production. This shall take place independent of existing orders on the part of Bürkert.

A safety inventory of 20% of the current target quantity shall be maintained by the Supplier for all contracted parts, as long as the remaining quantity of the respective contract is more than 20% of the current target quantity. As soon as the remaining quantity is at 20% of the current target quantity or less, the Supplier shall maintain the respective remaining quantity as a safety inventory for the respective contract, without refilling the safety inventory for that contract.

In addition, the Supplier shall notify Bürkert on a monthly basis of the current inventory for all contracted parts.

In the event of an increase in the target quantity, the inventory shall be adapted accordingly.

Bürkert reserves the right to inspect the inventories at the Supplier's facilities without previous notice.

§2 Guarantee to take delivery

Bürkert guarantees to take delivery of the Supplier's existing inventory also in the event of changes in design or other changes or the discontinuation of a part.

This guarantee to take delivery extends to a max. of _____ of the contract target quantity or of the maximum specified contract target quantity, in the event that the target quantity has changed during the term of the contract.

§3 Delivery times

For all contracted parts, the Supplier guarantees a maximum delivery time of _____ calendar days. For parts for which no contract was awarded (normal orders), the Supplier guarantees a maximum delivery time of _____ calendar days.

These delivery times include transport of the goods to the delivery point stated in the order.

Delivery deadlines, insofar as they are based on these delivery times, are binding and shall be observed by the Supplier. In the event of delays, in exceptional cases, the Supplier shall notify Bürkert unrequested immediately upon becoming aware of the situation, together with notification of the new delivery date.

§4 Deliveries during suppliers company holidays

Prior to a planned company holiday or closure of the business for other reasons, the supplier must inform the Bürkert purchasing department at least six months in advance in writing. A simple note on invoices and order confirmations is not deemed sufficient!

The supplier must take suitable measures to ensure that all deliveries to Bürkert based on (Kanban) requests or orders are made on time, for example by keeping a reserve stock and skeleton staff on duty at the administrative offices and warehouse/dispatch department. Bürkert is not in a position to pre-order and store all products whose delivery might be affected by the closure of the business

§5 Quality assurance

The Supplier shall make partial deliveries only after consulting the material requirements planning department at Bürkert and shall ensure that only goods in perfect condition are delivered. Bürkert is accordingly exempt from the obligation of inspection of the incoming deliveries; section 377 of the Uniform Commercial Code does not apply.

§6 Penalty

In the event of delays in the delivery date by the Supplier, a penalty for delay amounting to 2% of the contract value for each full calendar week of delay, however a maximum of 20%, shall be paid to Bürkert by the Supplier as a flat penalty. The assertion of further claims for damages caused by delay pursuant to section 4, paragraph 3 of the General Terms and Conditions of Purchase of the Bürkert Group (version 06/2003) remains unaffected by this clause.

The compensation for damages caused by delay can be charged to the Supplier by Bürkert up to 12 months afterwards.

§7 Terms of delivery and payment

The Supplier shall deliver all goods free of charge. The payments by Bürkert shall be made in accordance with standard practice in the trade, namely within _____ .

§8 Product liability

The Supplier shall show proof of product liability insurance with a minimum amount covered of 2 million EUR.

§9 Other elements of the contract

This agreement, together with the Terms and Conditions of Purchase of the Bürkert Group (version 06/2003) and all other contracts concluded between the Supplier and Bürkert, is the basis for general contracts and orders by Bürkert from the Supplier. A copy of the Terms and Conditions of Purchase is attached and is hereby acknowledged. Furthermore, additional stipulations by Bürkert for execution of the deliveries apply according to the individual orders.

§10 Validity

This agreement is valid starting _____. It can be terminated by either party by giving 6 months' notice, however no sooner than _____. The notice of termination must be delivered by registered mail.

§11 Severability clause

If single provisions of this Delivery and Inventory Agreement should be invalid, this will not affect the validity of the remaining provisions.

Bürkert Werke GmbH & Co.KG

Ingelfingen, Date _____

Supplier

Place, Date _____