

# Framework Agreement for Suppliers



**bürkert**  
FLUID CONTROL SYSTEMS

Obligatory Agreements  
Bürkert Werke GmbH & Co.KG

Version 01/2020

# Framework Agreement for Suppliers

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**between**

Name of the supplier  
Street  
Post code Town

(hereinafter called the "Supplier")

and

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

(hereinafter called "Bürkert")

**as Customer.**

## Foreword:

This Agreement regulates the co-operation between the Supplier and Bürkert in regard to the supply of materials, components, sub-assemblies and products and other services relevant to the installation and production.

## **§1 Processing**

This Framework Agreement will be specified in more detail through quantity purchase contracts and/or individual orders.

Quantity purchase contracts represent a non-binding forecast of requirements which is intended to assist the Supplier in its planning. The details will be specified in the respective contract. In regard to commitments to purchase, see §3.

Unless noted to the contrary in the quantity purchase contracts and/or individual orders, the Supplier is itself under an obligation to procure all necessary individual components and raw materials for the manufacture of the article required. Otherwise, the components stated in the quantity purchase contracts/individual orders will be provided, either in whole or in part (sub-contracting or assembly services).

The components will be provided either order-related or in larger quantities in advance, in particular where a quantity purchase contract exists for the relevant sub-assemblies (contingency stock). The Supplier shall be obliged to report to Bürkert in good time if the parts to be provided are no longer sufficient for the upcoming orders.

Quantity purchase contracts and individual orders are to be transmitted by email, fax, by post or electronically (supplier portal, EDI).

The Supplier gives an assurance of its preparedness, where necessary, to create the conditions for an electronic data interchange.

## **§2 Warehousing**

For all parts for which a valid quantity purchase contract exists, the Supplier is to build up a level of stock in an amount of at least 25% of the respective target quantity quoted.

Bürkert shall ensure that follow-up contracts are issued in good time before the relevant contracts run out. Upon the issue of a contract for the first time, the corresponding level of stock at the Supplier must be built up within the guaranteed delivery period for normal orders as specified under §5. Should, in any individual case, this not be possible by reason of a high rise in demand, the Supplier shall inform Bürkert without delay and agree the course of action to be taken.

The contracts issued will be confirmed by the Supplier by legally binding signature and returned to Bürkert within one week of receipt.

The Supplier will in future constantly monitor the levels of stocks which it holds available. Should the level for any given contract part fall below 25% of the current target quantity (re-order level), the Supplier shall itself immediately put a new production into motion. This is to happen irrespective of any orders which have already been received from Bürkert.

In respect of all contract parts, the contingency stock level may not, as a basic principle, fall below 20% of the current target quantity at the Supplier as long as the remaining quantity under the respective contract lies above 20% of the current target quantity. As soon as the remaining quantity reaches 20% of the current target quantity or below, the Supplier shall, as a basic principle, hold the respective remaining quantity as contingency stock for the respective contract without replenishing the contingency stock for this contract. Where the contractually agreed target quantity is increased by Bürkert, the stock level is to be adjusted correspondingly.

The Supplier shall notify Bürkert on a monthly basis of the current stock level for all contract parts. Unless otherwise agreed, the transmission of stock levels must be made via the Bürkert supplier portal. Bürkert has the right to check the stock levels on site at the Supplier without prior notification.

### **§3 Purchase guarantee**

Bürkert guarantees that it will purchase the levels of stock available at the Supplier, even in the case of changes in design or other changes or where a part is no longer needed.

This purchase guarantee extends to a maximum of 40% of the contractually agreed target quantity or the highest contract target quantity specified where the target quantity has changed during the term of the contract.

### **§4 Terms and Conditions of Delivery and Payment**

The Supplier shall make delivery exclusively DAP in accordance with the delivery point specified in the order (in accordance with Incoterms 2010).

Payments by Bürkert will be made in the customary commercial manner within 14 days net with a deduction of a 3% prompt payment discount or 30 days net.

### **§5 Delivery periods**

For all contract parts, the Supplier guarantees a maximum delivery period of x calendar days.

For parts for which no quantity purchase contracts are issued (individual orders), the Supplier guarantees a maximum delivery period of x calendar days.

These delivery periods include in each case the transport of the goods to the place of delivery specified in the order.

Irrespective of these agreed delivery periods and of specific orders or contracts placed, the Supplier shall inform Bürkert without delay if any delivery periods for relevant raw materials will be significantly prolonged.

In so far as delivery dates are oriented on these delivery periods, they are binding and are to be adhered to by the Supplier. Should, in exceptional cases, delivery dates be postponed by the Supplier, the Supplier shall, unprompted and stating all relevant details, inform Bürkert within 2 days after the facts become known and state the new binding delivery date.

The Supplier may only make partial deliveries following consultation with the stock disposition section at Bürkert.

## **§6 Supply during works holidays**

If works holidays or works shutdowns are planned, the Supplier shall specifically inform the contact person in the purchasing section at Bürkert at least 6 months in advance in writing. A simple reference on invoices and confirmations of order is not sufficient for this purpose!

The Supplier shall take active steps to ensure that even during any works closures all (Kanban) call-ups and orders will be delivered to Bürkert on schedule (e.g. through contingency stocks and emergency services in administration and warehousing/shipping). Bürkert is unable to undertake pre-dispositioning in respect of all articles concerned.

## **§7 Quality assurance**

The Supplier shall ensure that qualitatively flawless goods are delivered. Accordingly, Bürkert shall only be obliged to inspect the goods for visible defects by checking random samples.

Where Bürkert is to provide material, the Supplier assumes the responsibility for the overall processing and shall carry out a final inspection of the works performed.

The Supplier shall be obliged to check any material provided as to identity, quantity and freedom from damage.

It shall, unprompted, report any obvious defects to Bürkert without delay.

Where a general quality assurance agreement exists between Bürkert and the Supplier, the provisions stipulated therein shall apply additionally.

## **§8 Contractual penalty**

Should the Supplier postpone any delivery dates, it shall pay Bürkert compensation for the delay in an amount of 5% of the order value per full calendar week of delay as a lump sum contractual penalty, subject, however, to a maximum of 20%. The right to assert claims for further damage caused by the delay pursuant to the General Terms and Conditions of Purchase of the Bürkert corporate group in their currently valid version remains unaffected hereby.

Bürkert may charge the Supplier with the compensation for delay up to 12 months in retrospect.

## **§9 Product liability**

The Supplier shall submit evidence of its product liability insurance with minimum cover of €2 million.

## **§10 Further integral parts of the Agreement**

Together with the General Terms and Conditions of Purchase of the Bürkert corporate group, namely the General Terms and Conditions of Purchase of Production Material and Other Material and also the General Terms and Conditions of Purchase for Services in their respectively valid versions and all other contracts concluded between the Supplier and Bürkert, this Agreement forms the basis for quantity purchase contracts and orders placed by Bürkert with the Supplier.

The following arrangements in the following order shall govern the legal relationship between the Supplier and Bürkert:

- Stipulations laid down by Bürkert in the individual orders
- Stipulations laid down by Bürkert in the purchase quantity contracts
- Provisions of this Agreement together with any Annexes
- Any quality assurance agreements
- Bürkert's Terms and Conditions of Purchase in their respectively valid version

The Terms and Conditions of Purchase in their respectively valid version may be viewed and downloaded under <https://www.buerkert.de/de>.

No verbal ancillary agreements have been made – status as at the date of signature on this Agreement. Any earlier verbal agreements are hereby expressly excluded.

### **§11 Validity**

This Agreement is valid as from xx.xx.xxxx. It may be terminated by either party upon notice of 6 months, at the earliest, however, so as to take effect as of xx.xx.xxxx. Notice of termination must be served by registered post with confirmation supplied of delivery to the letter box of the recipient.

### **§12 Severability**

Should individual provisions of this Supply and Warehousing Agreement be legally ineffective, the effectiveness of the remaining provisions shall not be thereby impaired.

Bürkert Werke GmbH & Co.KG

Ingelfingen,

\_\_\_\_\_  
Date, signature (legally binding)

\_\_\_\_\_  
Name in printed letters and company stamp

Name of Supplier

Town,

\_\_\_\_\_  
Date, signature (legally binding)

\_\_\_\_\_  
Name in printed letters and company stamp