

# General Purchasing Conditions

RKR Gebläse und Verdichter GmbH  
Braasstraße 1 • 31737 Rinteln  
Tel. +49 (0) 57 51 40 04 -0  
Fax +49 (0) 57 51 40 04 30  
E-Mail: info@rkr.de



## I. General

The purchase of goods shall be governed exclusively by the present standard terms and conditions of the company RKR unless explicitly amended by written agreement between the two parties concerned. These agreements shall also apply even if the purchaser accepts consignments delivered by the seller and seller has divergent terms of sale which, however, do not constitute the basis for the contract. Any agreement reached by and between seller and purchaser shall only be legally valid if set out by the parties in writing. Additional terms or contractual clauses introduced by the seller shall be deemed to have been rejected as long as the purchaser does not agree to them in writing. All individual contracts concluded between purchaser and seller in future shall be based on the present terms and conditions – and all divergent general contractual terms shall simultaneously be excluded and rejected. All divergent general terms of business of the seller shall be explicitly rejected.

## II. Quotations

Quotations shall be drawn up free of charge for RKR. Visits, cost estimates, the compilation of planning documents, etc. shall not be remunerated as a matter of principle.

## III. Conclusion of a contract

A contract of sale shall only be deemed to have been concluded when a written purchase order is placed by the purchaser following receipt of a quotation. This purchase order shall be confirmed to us in writing within three working days.

Any order placed by RKR may only be subcontracted with our written consent. Weights and dimensions, quantities, prices, other descriptions and other data as contained in catalogues, circulars, advertisements or price lists shall be merely approximate and shall not be binding for the purchaser until explicitly included in the contract. The data shall be transmitted to the seller prior to conclusion of the contract and shall remain the exclusive property of the purchaser; they may not be disclosed to third parties. If RKR provides the seller with drawings (engineering drawings, parts lists, etc.) for the production of goods, the latter shall be manufactured and delivered exclusively in accordance with RKR's engineering specifications. Deviations from these specifications shall only be permitted with the prior written approval of RKR. Parameters specified in drawings shall be deemed properties warranted by the seller.

## IV. Shipping regulations

Additional costs attributable to non-compliance with the address for delivery and delivery times for goods shall be borne by the seller. If RKR has agreed to bear the cost of freight, the seller shall be obliged to select the most cost-efficient form of shipment unless RKR explicitly demands a certain form of shipment. Additional costs incurred due to choosing a less favourable and more expensive means of transport shall be borne by the seller.

### Delivery times for goods:

Monday – Thursday: 7.30 to 12.15, 13.15 to 15.30; Friday from 7.30 to 12.00 noon.

### Delivery address:

RKR Gebläse und Verdichter GmbH, Braasstr. 14, 31737 Rinteln, Germany

The supplier must note the delivery details specified in the relevant order.

### Direct deliveries:

If RKR orders any goods and/or services to be directly delivered to the customer/supplier, the supplying business partner must promptly verify fulfillment of contract by providing RKR's purchase department with the delivery note and proof of delivery.

This evidence of proof is required so RKR is able to effect orderly and timely incoming goods transactions and is part of supplier assessment.

Should there be no proof of evidence on the confirmed delivery date, then the supplier is automatically considered to be in default.

Delivery notes must always show RKR's order number as well as the RKR article number. Delivered goods must also be clearly and traceably marked with the RKR article numbers.

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RKR reserves the right to refuse acceptance of the goods in the event of non-compliance and / or to invoice or deduct any costs incurred due to additional work in the acceptance and inspection of goods separately. In the event of refusal to accept the goods, the seller will bear the resulting costs.

## V. Provision of material

If RKR provides the seller with material, it may only be used for RKR in accordance with the order placed. The material provided shall remain the property of RKR. It shall be stored separately in such a way as to ensure that it can be used for its intended purpose. In addition, it shall be clearly identified as our property. The seller shall bear the risk of accidental loss for the material provided. The seller undertakes to effect suitable and adequate insurance for this material.

## VI. Purchase price / remuneration

The price stated in the purchase order shall be binding and based on clause DAP as per Incoterms 2010 (Revision 7), unless agreed otherwise. Packaging costs shall be included in the agreed purchase price.

## VII. Terms of payment

Unless agreed otherwise in individual cases, payment shall normally be effected with 5% discount within 7 days of complete delivery (including documents and test certificates) and receipt of the invoice, or with 3% discount within 14 days of delivery and receipt of the invoice, or net within 60 days. However, the period for payment shall not begin to run prior to the delivery date agreed in the purchase order for the ordered item, even if RKR receives the goods/service and invoice prior to that date. All invoices mentioned above shall, as a matter of principle, be sent in duplicate with specification of RKR's purchase order number; this shall constitute a prerequisite for due payment.

## VIII. Terms of delivery, deadlines, default, Acts of God

Delivery shall be effected on the date specified (fixed) in the contract of sale or purchase order.

The seller shall be obliged to inform the purchaser in writing and without delay if delivery is or may be delayed. If the seller defaults on delivery, the purchaser shall be entitled to demand compensation for defaulted performance and additionally incurred costs (e.g. for (air) transport, insurance, storage, etc.) from the supplier in writing. RKR shall be entitled to claim damages at a flat rate of 1% of the order value per week or part-week of defaulted delivery, without requiring any further submission of proof, but not more than 5% of the order value altogether. Notwithstanding the aforesaid, RKR shall also be entitled to claim higher damages upon submission of corresponding proof.

All flanges, connectors and openings in the goods / articles to be delivered shall be suitably sealed against dust and dirt to prevent the ingress of impurities.

If the consignment is delivered prior to the agreed date, we reserve the right to store the goods at the seller's risk and expense or to return the goods at the seller's expense.

Acts of God and labour disputes shall partly or completely relieve RKR from the duty to accept the ordered consignment / performance. In this respect, RKR shall be entitled to withdraw from the contract if the consignment / performance consequently cannot be utilized by RKR with due regard for economic aspects.

## IX. Transfer of risk

Unless specified otherwise in the individual delivery contracts, the risk shall be transferred in accordance with the Incoterms of the International Chamber of Trade and Commerce (Incoterms 2010, Revision 7). Clause DAP shall apply as a matter of principle unless agreed otherwise in individual instances.

## **X. Liability for defects**

The seller warrants that the goods delivered are free from defects, display the warranted properties (engineering specifications) and meet with the purchaser's requirements. Regardless of the actual value of the complaint, a flat-rate processing fee of EUR 50 shall be deducted from the invoice for every justified complaint.

Seller's liability for defects shall apply for 24 months as from the date on which the delivered goods are commissioned by RKR's customer, but not more than 36 months as from delivery by the seller. If a defect is found in the purchased goods, the purchaser shall be entitled to demand, at his discretion, that the defect be repaired or a substitute delivered by the seller, at the seller's expense.

All substitute deliveries and repairs shall similarly be covered by this warranty agreement as set out in the General Purchasing Conditions.

The seller warrants that execution of the individual contracts of sale shall not lead to any violation of the law, particularly as regards compliance with statutory or other official rules and regulations.

The seller warrants that all objects governed by the contracts of sale are his full property and free of all opposing third-party rights (such as rights of lien, other creditor claims from assignment of receivables or other collateral for credit, sale of receivables, lease-purchase agreements, conditional sale, etc.).

In the case of contracts based on VOB/B and VOB/L, the liability term for defects in the principal performance shall also include correction of the defects. The seller shall undertake quality assurance in a manner and to an extent corresponding with the state of the art and shall submit written proof thereof on request.

## **XI. Secrecy, other terms**

Neither the seller nor his vicarious agents may exploit company and business secrets belonging to the company RKR (business documents, drawings of every kind, etc.), nor disclose or make these available to third parties. The seller shall be obliged to maintain total confidentiality in relations with third parties. The seller shall take appropriate steps to ensure compliance with this obligation within his sphere of responsibility. This shall also apply even when the order is complete. The seller shall pay a contractual penalty of EUR 25,000 to RKR for each violation of this obligation.

The seller shall not be entitled to assign own claims arising from the business relationship or individual contracts concluded by and between the parties to third parties without the prior written consent of RKR.

## **XII. Insurance**

The seller undertakes to effect adequate business liability insurance to cover the purchase order and to maintain this insurance until the order has been discharged. In addition, the seller shall obtain adequate insurance to cover all product liability risks, as well as environmental liability, in an amount commensurate with the intended purpose of the contractual performance and shall submit corresponding proof of insurance to RKR on demand.

## **XIII. Termination**

RKR shall be entitled to terminate the contract with immediate effect by suspending payment if the seller's company is wound up or if a petition for the institution of bankruptcy proceedings has been filed against the seller's assets.

## **XIV. Jurisdiction, applicable law, saving clause**

The present agreement and all contracts of sale shall be governed by German law. Place of jurisdiction shall be Rinteln. RKR shall also be entitled to sue the seller at his general jurisdiction. If any of the provisions in the present terms and conditions prove or become invalid, this shall not affect the validity of the remaining provisions. The contracting parties undertake to agree upon a valid clause replacing the invalid provision and meeting its intended purpose to the greatest possible extent.