

## Preamble

The Würth Aerospace Solutions GmbH (hereinafter referred to as Würth) supplies its customers (hereinafter referred to as "customers" or "Buyer(s)") with C-parts as a distributor and service provider for process optimization in terms of logistics and procurement. The supply service is performed by means of hardware and software-based system supply concepts (e.g. Kanban, vending machines), which have a positive effect on the customers' procurement cost structure. In general, C-parts are characterised by low piece costs and their manufacture in mass production processes. This results in a broad supply portfolio of Würth, the range of which can reach from standard catalogue products (e.g. DIN/standard parts) for general usage up to customer-specific special parts (non-Würth-catalogue-products) with special and/or (safety-) critical characteristics, which are subject to a production process and product approval procedure according to VDA Volume 2 or the PPAP-Manual AIAG. Within the process landscape of Würth the latter parts are subject to specific process controls which apply to the initial materials' item creation, supplier selection and product release processes up to the planning, implementation and documentation of quality measures. It follows that considerable qualitative as well as corresponding price differences may arise in the case of such a special screw. The question of which quality/price level should be provided by Würth is determined by the customer's requirements. With prior knowledge of the installation requirements, assembly situation and intended usage, the customer must decide whether they wish to purchase a standard catalogue product or a special part of enhanced quality from Würth. For this purpose, the customer must specify the products with regard to the required quality level within the scope of its design responsibility and must forward these requirements to Würth within the course of the initial product inquiry. As a result, Würth can control the process of the product concerned in an appropriate manner by making use of the available instruments and processes of a distributor, which results in a qualitative supply the customer that is appropriate to the intended usage.

## I. General remarks and scope

1. These General Terms and Conditions of Delivery and Payment in their currently valid version apply to all business relations between Würth and Buyer. They apply only if the Buyer is an entrepreneur within the meaning of Paragraph 14 of the German Civil Code (BGB), a public law entity or a special fund under public law.
2. These General Terms and Conditions of Delivery and Payment shall apply exclusively to all business transactions. Any conflicting or diverging terms and conditions of the Buyer are excluded, unless their application was expressly confirmed by Würth. These General Terms and Conditions of Delivery and Payment shall also apply if Würth confirms the order and/or executes the order on the Buyer's behalf without reservation in the knowledge that the Buyer's terms and conditions conflict with or deviate from these General Terms and Conditions of Delivery and Payment.
3. Notwithstanding anything to the contrary contained herein, separate, individual agreements concluded with the Buyer shall take precedence over the provisions in these General Terms and Conditions of Delivery and Payment. Such individual agreements require written form and/or Würth's written confirmation to be effective.
4. The written form requirement within the meaning of Clause 3, above, and the following provisions shall be satisfied by the text form of Paragraph 126 b of the German Civil Code (BGB). In particular, any legally relevant representations and notices to be made to Würth by the Buyer after conclusion of a contract (incl. deadlines or grace periods, notices of defects, rescission of a contract or price reductions) must be made in writing to be effective.
5. References to statutory provisions are for clarification purposes only. Even without such references, legal regulations and statutory provisions generally apply without limitation unless they are expressly changed or excluded in these General Terms and Conditions of Delivery and Payment.

## II. Conclusion of a contract

1. Würth's offers are subject to change and do not constitute a binding offer unless they are expressly marked as binding or contain a specific period of acceptance. This provision also applies if Würth provides the Buyer with catalogues, technical documentation or other product information and documents.
2. The issuance of an order by Buyer constitutes a binding offer for the conclusion of a contract. Unless otherwise specified in the order, Würth may accept the Buyer's offer for conclusion of a contract within four (4) weeks upon receipt of the order.
3. Acceptance is concluded by written confirmation of the order (order confirmation) by Würth, or by dispatch of the goods to Buyer (direct execution).
4. Only the order confirmation or, in the case of direct execution of the order, the actually delivered goods including the delivery note is decisive for the scope and object of the service. If an order confirmation sent by Würth contains recognisable changes deviating from the Buyer's original order, the Buyer shall be deemed to have given its consent if, in the case of an order confirmation sent by Würth, the Buyer does not reject to this order confirmation in writing within ten (10) working days. In any case, however, consent shall be deemed provided by Buyer at the latest when the Buyer accepts the service performed without rejecting in writing within the course of the obligations to examine the goods upon delivery and notify Würth of any defects in accordance with Section X, Clause 3.
5. In the event of an exchange of electronic documents via Electronic Data Interchange (EDI) or the conclusion of a contract via eCommerce, Section XIII shall apply additionally.

## III. Prices - terms of payment

1. All prices are quoted ex warehouse in Bad Mergentheim and subject to VAT at the rate in effect at the time the service is provided. If the agreed performance period exceeds four months after conclusion of the contract, Würth reserves the right to make reasonable changes to its prices with one month's notice if, after conclusion of the contract, changes in procurement costs occur due to fluctuations in raw material prices, saturation of manufacturing capacities, exchange rates, transport costs, collective wage agreements, customs duties or comparable cost drivers outside Würth's sphere of influence. Würth shall

provide evidence of increasing factors at Buyer's request. If the price increases by more than 20 %, the Buyer may withdraw from the contract.

2. In the event of a sales shipment (Section VI, Clause 1), the Buyer shall bear all shipping costs ex warehouse and any transport insurance fees if an insurance is requested by Buyer. Unless agreed otherwise, Würth may choose the method of shipping, including carrier, shipping method and packing. Any customs duties, fees, taxes and other public charges shall be borne by Buyer.
3. In the event that Würth agrees to the return of goods which have already been delivered, Würth may charge a restocking fee of up to 20 % of the value of the goods to be restocked (agreed gross purchase price) for the additional expenses incurred, but no less than EUR 15 (fifteen), unless Buyer has a legal right to return the goods.
4. For small orders below a value of EUR 150 (one-hundred fifty) a minimum order surcharge of EUR 25 (twenty-five) will be charged, as long as no deviating individual agreements exist. For deliveries abroad, a country-specific minimum order surcharge will be calculated on a case-by-case basis, which depends on the effort involved.
5. Unless agreed otherwise, the agreed purchase price is due and payable within ten (10) days of the invoice date. Decisive for the date of payment is the date of receipt by Würth. Should a contract have a delivery value of more than EUR 5.000 (five thousand), Würth may demand a down payment of 30 % of the purchase price. The down payment is payable within ten (10) calendar days of the invoice date.
6. Upon expiry of the payment term specified in Clause 5, Buyer shall be deemed to be in default without the need for a reminder. In the event of default, Buyer will be charged late-payment interest at the current applicable interest rate. Würth reserves the right to make additional claims for losses caused by default. Any claim to commercial maturity interest within the meaning of Paragraph 353 of the German Commercial Code (HGB) remains unaffected by the above provisions.
7. Buyer may only claim a set-off or exercise its right of retention to the extent that its claim is undisputed or is subject to final legal ascertainment. Nothing in these terms shall exclude any opposing rights the Buyer may have in the event of defective deliveries.
8. Should it become apparent after conclusion of the contract that Würth's claim to the purchase price is jeopardised by the Buyer's inability to perform (e.g. the customer files for bankruptcy), Würth may refuse performance and - after setting a reasonable grace period - withdraw from the contract in accordance with statutory requirements (Paragraph 321 German Civil Code (BGB)) as an alternative to renegotiating the commercial conditions (e.g. advance payment). In case of a contract for the delivery of unmarketable, custom-tailored products Würth may declare withdrawal with immediate effect; the statutory provisions on the dispensability of setting a time limit remain unaffected.
9. Provided there are already outstanding claims for payment under the ongoing business relationship with Buyer, Würth may refuse further deliveries until Buyer has made due payment for all claims. This applies accordingly if a credit limit granted by Würth to Buyer is exceeded.
10. If Buyer fails to pay the outstanding purchase price even though payment is overdue, this failure will be reported to the credit agencies or service providers for debt management working with Würth in accordance with the General Data Protection Regulation (DSGVO).
11. In the event that Würth is authorised by SEPA direct debit mandate to collect outstanding payments of Buyer via direct debit, the Buyer hereby agrees to Würth notifying the Buyer of the planned SEPA debit (pre-notification) no later than three (3) calendar days before collecting the payment (due date).

## IV. Retention of title

1. Würth will retain legal ownership of the goods sold until full payment is received for all present and future claims arising from the corresponding sales contracts and the current business transaction ("secured claims" in the following).
2. Any goods subject to retention of title may not be pledged or offered as security to third parties by the Buyer until all secured claims have been paid in full. Buyer shall notify Würth immediately of any attempt if there is any third-party access to these goods.
3. Any breach of contract on the part of Buyer including, without limitation, non-payment of the payable purchase price, shall authorise Würth to withdraw from the contract in compliance with the statutory provisions and demand the return of the goods sold on the basis of the retention of title and Würth's withdrawal from the contract. If Buyer fails to pay the payable purchase price, Würth may only exercise the aforementioned rights after having set a reasonable grace period unless such a grace period can be dispensed in accordance with the statutory requirements.
4. Buyer may resell and/or process the goods subject to this retention of title Clause in the ordinary course of business. In this case, the following supplementary provisions apply.
  - (a) Würth retains title to the goods supplied even though they have been processed, blended or combined in such a way that they now form part of or are converted into a new product, whereby Würth shall be considered the manufacturer. In case proprietary rights of third parties continue after such processing, blending or combination, Würth acquires joint title to the new product in proportion to the invoice values of the processed, blended or combined goods. In all other respects, the same provisions that apply to the goods delivered subject to retention of title shall also apply to the new product.
  - (b) Any claims against third parties arising from the resale of Würth's goods or the newly created product shall be considered assigned to Würth by Buyer by way of security either in full or in proportion to the value of Würth's joint title as specified in the provisions above. Würth hereby accepts the assignment. The contractual obligations of Buyer set out in Clause 2 shall also apply with respect to the assigned claims.
  - (c) Buyer remains entitled to collect claims in addition to Würth. Würth shall not collect such claims as long as Buyer meets its financial obligations, does not default on its payments, does not file for bankruptcy and as long as there is no other indication of the Buyer's inability to fulfil its contractual obligations. Should Buyer fail to meet the above requirements, Würth

may require Buyer to disclose the assigned claims and the corresponding debtors as well as all information necessary to collect such claims, submit the necessary documents and notify the debtors (third parties) concerned of the assignment.

(d) In the event the realisable value of these securities exceeds Würth's claims by more than 10 %, Würth shall, upon request of Buyer, release such securities. Würth may choose the securities to be released at its own discretion.

#### **V. Delivery periods, delivery dates, acts of God and delays in delivery**

1. Delivery and/or performance periods and delivery and/or performance dates are agreed individually within the course of the conclusion of a purchase contract in accordance with Section II, Clause 3, and/or are specified by Würth upon acceptance of the order (order confirmation). Unless expressly stated as binding, the delivery time is an approximate data. If sale by delivery to a place other than the place of performance has been agreed, the delivery periods and dates shall refer to the time of handover to the third party commissioned with the transport at the place of performance in accordance with Section VI, Clause 1.

2. The commencement of the individually agreed delivery- or performance-period for Würth presupposes the clarification of all commercial and technical questions, in particular also the timely issuance of product and process approvals by Buyer.

3. Observance of Würth's obligations to provide goods or services is further subject to Buyer's due and timely compliance with all contractual obligations. Würth reserves the right to refuse performance in accordance with Paragraph 320 BGB if Buyer fails to render the agreed consideration.

4. In the case of an exchange of electronic documents with predefined, specific data structures by means of Electronic Data Interchange (EDI) or in the case of conclusion of a contract via eCommerce, Section XIII shall additionally apply.

5. If Würth itself is not supplied, not supplied correctly or not supplied on time, although Würth has placed congruent orders with reliable sub-suppliers, Würth shall be released from its obligation to perform and may withdraw from the contract. Würth is obliged to inform Buyer immediately of the non-availability of the performance and to reimburse without delay any payment already made by Buyer. In this case, Würth is not at fault.

6. Serious events, including, in particular, force majeure, industrial disputes, unrest, warlike or terrorist conflicts and pandemics, which have unforeseeable consequences for the performance of services, also and in particular if sub-suppliers are affected, shall release the contracting parties from its performance obligations for the duration of the disturbance and to the extent of their effect, even if they are in default. This does not imply an automatic termination of the contract unless the delivery subsequently becomes unreasonable for one of the contracting parties as a result of such events. In particular, the following scenarios are deemed unreasonable for Würth in the above sense:

(a) If Würth inquires more than six sub-suppliers from the supplier-base for a commercial catalogue or standard product and does not receive an offer that permits performance in accordance with the contract.

(b) If the customary usage, the specific intended usage of the customer and/or the specification-compliant manufacturing process of a delivery item substantiates an enhanced requirement to the performance and capability of the sub-supplier and Würth does not have a sub-supplier in its supplier-base that is demonstrably competent and thus approved for the product segment concerned for the purpose of alternative sourcing.

(c) If an alternative sourcing for the performance of the contract results in a price increase on the procurement side of Würth, which results in the new purchasing price of Würth being more than 5 % above the sales price previously agreed between Buyer and Würth.

Furthermore, in the event of such an obstacle, the contracting parties agree to adjust their obligations to the altered circumstances in good faith. In any case, the contracting parties shall inform each other immediately after becoming aware of such an obstacle or event.

7. In the event a binding delivery and/or performance period and/or date has been agreed or promised by Würth and if this is subsequently exceeded by more than two weeks in the case of Würth-catalogue-products or four weeks in the case of non-Würth-catalogue-products due to the circumstances described within Clauses 5 and 6, or - in the event of a non-binding performance date - if the continuation of the contract would pose an unreasonable hardship on the Buyer, Buyer may withdraw from the contract due to its unfulfilled part.

8. Occurrence of delay in delivery on the part of Würth is subject to the statutory provisions, whereby, in deviation from Paragraph 286 (2) of the German Civil Code (BGB), a reminder from Buyer is required in all cases.

9. If hardware-based system-supply-concepts are operated for the purpose of continuous follow-up-delivery (e.g. Kanban, vending machines), the occurrence of default in the absence of a deviating individual agreement further presupposes that this is not due to an extraordinary increase in Buyer's demand. The latter scenario shall apply, for example, if the quantity ordered exceeds 30 % of the rolling annual average on a monthly basis and/or if the system configuration agreed on the basis of historical consumption data (number of systems/containers, compartment occupancy) fails to meet the increase in demand. In order to prevent such availability problems with system-supply-concepts, Buyer must notify Würth in good time of foreseeable increases in demand in order to enable an anticipative system-adjustment.

10. If Würth is in default of delivery, Buyer may demand lump-sum compensation for damages caused by the delay. Such lump-sum compensation amounts to 0.5 % of the net purchase price for every full calendar week Würth is in default, but no more than 5 % of the net purchase price of the delayed goods. Würth reserves the right to establish that the Buyer did not incur any or significantly less damage than the amount covered by the compensation specified above. If Buyer claims lump-sum damage caused by default on the basis of this provision, this shall be offset against an additional claim asserted in accordance with Section XI of these General Terms of Delivery and Payment.

#### **VI. Delivery and transfer of risk**

1. Delivery is effected ex warehouse in Bad Mergentheim, which is also the place of performance. Upon request and at the expense of Buyer, the goods can be shipped to a different destination ("sales shipment", Paragraph 447 German Civil Code (BGB)). Unless agreed otherwise, Würth may choose the method of shipping (including, without limitation, carrier, shipping method and packing).

2. Partial deliveries are permissible, as far as these are reasonable. The following cases in particular shall be deemed reasonable within the meaning of this provision:

(a) The partial delivery is utilisable for Buyer within the scope of the contractual purpose.

(b) The delivery of the remaining ordered goods is ensured.

(c) The Buyer does not incur any significant additional work as a result.

3. In individual cases, Würth reserves the right to make excess or short deliveries, provided these remain within reasonable bounds and do not conflict with the customer's interests. In particular, Würth is entitled to supply and invoice the next largest packaging unit if the packaging unit requested by Buyer is not available. Furthermore, minor, tolerance-related quantity deviations within an individual packaging unit are permissible for those products which are usually transferred into packaging units by means of weight-based weighing processes.

4. The risk of accidental loss of or accidental damage to the goods passes to Buyer upon delivery of the goods to Buyer. In the event of a sales shipment, the risk of accidental loss of or accidental damage to the goods as well as the risk of delay shall pass to the Buyer when the goods are transferred to the forwarder, carrier or any other third party authorised to collect the goods. Failure to accept the delivered goods by Buyer shall be deemed as equivalent to delivery of the goods.

#### **VII. Purchase agreement and default of acceptance**

1. The existing, individual acceptance agreements shall apply to stocks of goods which Würth has procured and stored especially for Buyer on the basis of the Buyer's demand/consumption data and/or specific stocking agreements. In the absence of such an individual agreement, such stock of goods is to be accepted in the most uniform periods and quantities possible. However, Würth shall be entitled to require acceptance of the affected stock at the latest after 15 months from the date of availability notified or agreed availability by Würth.

2. If no acceptance is effected by Buyer in accordance with Clause 1, Würth shall be entitled to charge lump sum-compensation amounting to EUR 25 (twenty-five) for each new calendar week or part thereof and per occupied storage place. The Buyer is reserved the right to assert and provide evidence of further, lower or no storage costs. This lump sum-compensation shall be offset against further monetary claims.

3. In the event that Buyer is in default of acceptance, fails to cooperate or is otherwise responsible for delaying Würth's delivery, Würth may claim compensation for the damage incurred including any additional expenses (such as transport, storage and re-storage costs). A minimum cost charge of EUR 45 (forty-five) per affected delivery item is due. The Buyer is reserved the right to prove lower damages. This lump sum-compensation shall be offset against further monetary claims.

#### **VIII. Intellectual property rights, provision of documents**

1. Intellectual property rights within the meaning of this Section are patents, utility models, design patents and designs, trademarks, including their respective applications, and copyrights.

2. Unless expressly agreed otherwise, Würth is obliged to provide the services free of intellectual property rights of third parties only in the country of the place of manufacture and delivery.

3. The Buyer shall inform Würth without delay of any alleged third-party intellectual property right infringements pertaining to the products delivered by Würth. If a violation by Würth is proven to occur, Würth may (a) obtain a right of use, (b) at its own expense either modify or replace the services so that they do not violate the intellectual property right, but essentially still correspond to the agreed functional and performance characteristics in a manner that is acceptable for Buyer, or (c) indemnify Buyer against claims against the owner of the intellectual property right. If this supplementary performance proves impossible for Würth or only possible under disproportionate conditions, Würth shall be entitled to revoke the affected services against reimbursement of the remuneration paid. Würth's obligation for compensation for damage is governed exclusively by Section XI.

4. The above-mentioned obligations shall only exist if and insofar as (a) Buyer has not acknowledged an infringement or has not entered into settlements with the third party, (b) the infringement of intellectual property rights has not been caused by special stipulations of the Buyer, or (c) the performance has not been modified by the Buyer or has not been combined with other performances, and Würth is reserved the right to all defensive measures and settlement negotiations.

5. The Buyer warrants that any accompanying goods, services and documentation provided by Buyer are free of third-party rights. In the event of a claim against Würth for violation of such third-party rights, Buyer undertakes to indemnify Würth in full from such third-party claims, to reimburse Würth for all costs of legal defence and to compensate Würth for any further damage, costs or expenses caused by the claim. The Buyer is also obliged to defend Würth against unsubstantiated third-party claims with regard to the above-mentioned rights. If Buyer refuses to indemnify Würth and thus leave it to Würth to decide whether the third party is entitled to claims, Buyer shall reimburse Würth for the costs incurred by this decision.

6. By providing documents to Würth, the Buyer grants Würth the non-exclusive right to use these documents for the contractually agreed purposes anywhere and for an unlimited period of time. In the event of product inquiries based on documents provided by Buyer such as drawings and specifications (drawing parts), Würth may forward these documents to its upstream sub-suppliers as part of the inquiry process for the purpose of providing an offer and performing the contract. Insofar as Buyer imposes deviating or supplementary requirements to drawing parts, which were required at Würth, without providing correspondingly modified or amended drawings to Würth, Würth shall be entitled to modify or amend the existing drawings of Buyer accordingly.

7. The Buyer guarantees that the documents (specifications/drawings) provided to Würth for enquiry purposes are up-to-date, complete and correct. This also includes the indication of existing industrial property rights of third parties. 8. If a protectable result in terms of industrial property rights arises in connection with the contractual obligations and/or contractual performance, Würth shall be exclusively entitled to all such industrial property rights relating to this result, unless Buyer was significantly involved in its generation. In such a case or in all other cases in which a protectable result in terms of industrial property rights was jointly created, the parties to the contract agree that Würth at least shall be entitled to a non-exclusive right of use free of charge and unlimited in terms of territory, time and content. A transfer of already existing industrial property rights held by Würth shall not take place under any circumstances. Should it be necessary in a reasonable exceptional case for Buyer to acquire rights of use to Würth's industrial property rights, the customer shall be granted a non-exclusive and non-transferable right of use limited in time for the duration of the necessary contractual use.

#### **IX. Contract basis and scope of services owed**

1. Specific requirements of Buyer with regard to processes, handling, scope of services as well as testing and quality measures shall only become part of the contract if they are provided to Würth by the inquiry-specification of a product and are subsequently agreed upon between the customer and Würth for the individual case. General references to such existing specific requirements of Buyer shall only become part of the contract if Würth has expressly agreed to their inclusion.
2. The Buyer may only invoke increased requirements for the process-related control of products during the manufacturing process and production-accompanying inspection process if Buyer has requested the products with initial sampling as part of a production part approval process (VDA Volume 2 or PPAP Manual AIAG). In doing so, Buyer must notify Würth of any special and/or (safety-) critical characteristics according to VDA or IATF16949 within the inquiry-specifications provided and - in consequence - must agree the corresponding failure rates (ppm) and/or process capability requirements with Würth.
3. Agreements, in particular verbal ancillary agreements and representations made by Würth's sales staff, shall only become binding upon written confirmation by Würth. Obvious mistakes as far as printing, spelling and calculation errors are non-binding and do not constitute any claims. Würth shall only be deemed to have provided a guarantee if Würth has expressly designated it as such in writing - excluding text form - and made an individual agreement on this basis with Buyer.
4. Würth's offers are based on information provided by Buyer, without knowledge of the circumstances or other requirements of the customer. Würth shall only assume liability for a specific application/usage or a specific fitness if this has been expressly agreed in writing - excluding text form - at particular product level. This also applies if Würth performs services on the basis of drawings, specifications, samples, plans, etc. submitted by Buyer.
5. Information, samples, specimens or illustrations in catalogues, price lists or other advertising material are only approximate (e.g. weight, dimensions, utility values, load capacity, tolerances or technical data), as far as no essential functional property is affected and/or usability for the contractual purpose requires exact conformity. Any reference to technical standards shall constitute a description of performance and shall not be deemed a guarantee of quality.
6. As a distributor, Würth assumes no responsibility for any public statements of the manufacturer or other third parties (e.g. advertising messages). Liability is excluded for claims based on statements of the aforementioned persons.
7. If Würth delivers a sample or initial sample (e.g. due to VDA Vol. 2 or PPAP-Handbook AIAG) and if such a sample is approved by the customer, Würth's performance in accordance with the approved sample shall be deemed to be a contractual performance. The same shall apply if Würth has the service performed according to specifications prepared by Würth and approved by Buyer. If, in the case of an agreed initial sample inspection, the Buyer asks Würth to deliver the product concerned even without Buyer's explicit initial sample approval and/or before completion of the initial sample inspections by Würth, the initial sample approval for this product shall be deemed to have been granted by Buyer. The products corresponding to the initial samples shall then be deemed to comply with the contract.
8. Unless otherwise agreed, instruction or advice is not owed. Insofar as Würth provides technical advice or acts in a consulting capacity and this information or advice is not part of the contractually agreed scope of services, this shall be to the exclusion of any liability. In case of a consultancy agreement, the limitations of liability described in Section XI apply.

#### **X. Claims for defects of the customer**

1. Unless otherwise provided below, the rights of the Buyer in the event of material defects and/or defects of title are subject to the statutory requirements.
2. The legal basis for any liability for defects on the part of Würth shall be the agreement made concerning the quality of the goods. Agreements on the quality of the goods include all product descriptions and specifications which are either contained in Würth's catalogues on the basis of the corresponding standards (e.g. DIN, ISO) or provided to Würth by the Buyer and expressly approved by Würth. In addition, the performance owed shall be determined in accordance with Section IX.
3. The Buyer's claims for defects are subject to the precondition that he has fulfilled his statutory obligations to examine and notify defects in accordance with the Paragraphs 377, 381 German Commercial Code (HGB) upon delivery. In particular, the Buyer must carry out an inspection for obvious defects (including incorrect and incomplete delivery) and transport damage immediately after delivery. If a defect is discovered during such inspections or if a defect that could not be detected during these inspections upon delivery becomes apparent at a later stage, Würth must be notified of this in writing without delay. Such notification shall be deemed to be made without delay if it is made within seven (7) working days after delivery and, in the case of defects that were not recognisable, within the same period from the time of their discovery or from the time at which they would have been discovered in the course of an appropriate inspection. Timely dispatch of the

notification shall be sufficient to meet the deadline. If the Buyer fails to carry out the proper inspection and/or report defects in accordance with the above provisions, the goods shall be deemed to have been accepted in the condition in which they were delivered within the meaning of Paragraph 377 German Commercial Code (HGB).

4. Goods which are the subject of a complaint must be separated by the Buyer and thus withdrawn from further processing. In particular, these may not be processed or assembled. Any violation of these provisions shall be deemed to constitute approval of contractual performance by the Buyer.
5. Insofar as the goods are used in products of the Buyer which - in the case of the defectiveness of the goods delivered by Würth - represent a danger to life and limb or a not inconsiderable damage to health, the goods must first be inspected/tested for their fitness for use (e.g. via laboratory examination or test run). This obligation shall also apply if the use of these goods in corresponding products means that removal/installation due to defects as part of supplementary performance can only be carried out at disproportionate cost and/or if consequential damage due to the defect is expected to be disproportionately high in relation to the products delivered. This regulation shall not apply if a quality assurance agreement has been concluded which includes the performance of specific quality inspections/tests or enhanced quality measures for the individually affected products delivered by Würth.
6. Should the goods delivered be defective, Würth reserves the right to choose an appropriate remedy either by repairing the defect (rectification) or providing goods free of defects (replacement delivery). However, nothing in this agreement shall exclude or in any way limit Würth's right to refuse the provision of a remedy in accordance with the statutory provisions.
7. The place of supplementary performance is the place of performance; Würth is also free to provide supplementary performance at the current location, provided that no reasonable interests of the Buyer conflict with this.
8. The Buyer shall grant Würth a reasonable period of time and the opportunity to provide the required remedy including, without limitation, returning the defective goods to Würth for examination purposes. In the event of a replacement delivery, the Buyer shall return the defective goods to Würth in accordance with statutory requirements, unless otherwise agreed in individual cases.
9. In the event the goods are defective, all necessary expenses for the examination of the goods and the provision of a remedy - in particular transport, travel, work and material costs - shall be borne by Würth in accordance with the following Clause 10. Should the claim of Buyer be found to be unjustified, Würth may demand reimbursement of all costs incurred in connection with the Buyer's claim.
10. In the event of a serial defect, the claim for reimbursement of the expenses required for removal and (re)installation is limited to EUR 50.000 (fifty thousand) per defective series, unless the product concerned was supplied to the Buyer on the basis of initial sampling as part of a production part approval process in accordance with VDA Volume 2 or the PPAP-Handbook AIAG, or the Buyer has otherwise substantiated the concern of higher expenses prior to conclusion of the contract. In the latter cases, the reimbursement of expenses is limited to a maximum of EUR 5.000.000 (five million) per defective series. Legal defences and objections against claims for supplementary performance by Buyer shall remain with Würth irrespective of the above provisions. A serial defect shall be deemed to be existent if a specific defect of the same type is determined for individual parts from one or more delivery positions of Würth, which is present in the respective entire delivery position(s) due to its cause, type and nature.
11. In the event that Würth fails to remedy a defect or a reasonable grace period set by the customer expires without any results or can be dispensed with in accordance with statutory provisions, Buyer may withdraw from the contract or reduce the purchase price. However, in case of an insignificant defect Buyer has no right for withdrawal.
12. Except as expressly provided in Section XI, any claims of Buyer for compensation of damage and/or for reimbursement of futile expenses are hereby excluded.

#### **XI. Other liability**

1. Unless otherwise specified in these General Terms for Delivery and Payment, including the following provisions, Würth shall be liable for any breach of contractual or non-contractual obligations in accordance with the statutory provisions.
2. Nothing in these terms shall exclude or limit Würth's liability for claims based on wilfulness or gross negligence howsoever arising. In the event of ordinary negligence, Würth shall only be liable for
  - (a) damages resulting from injury to life, body and health,
  - (b) damages resulting from the breach of a material contractual obligation (failure to perform contractual duties which are essential for the due performance of the contract and whose performance the other contracting party does and may generally trust in); in this case, Würth's liability shall be limited to the reasonably foreseeable damage typical for this type of contract.
3. The foreseeable, typically occurring damage within the meaning of the above Clause 2 is limited to EUR 100.000 (one hundred thousand) per case of liability. Any liability exceeding this amount shall exist in cases in which the parties have agreed on a purpose of use in accordance with Section IX, Clause 4, and the Buyer has quantified the resulting risk of damage - at least in an approximate figure and, if applicable, the unit of quantity on which this is based (e.g. per unit or unit of time). If this information is plausible, Würth's liability is increased by the amount thereby provided and confirmed.
4. Notwithstanding the provisions of Clauses 2 and 3, Würth does not exclude or limit liability for fraudulent concealment of defects or for any in written provided guarantee by Würth as to the nature or quality of the goods. The same applies to claims of the Buyer according to the German Product Liability Act (ProdHaftG) as well as in the case of a claim due to data protection legislation.
5. In the event of a breach of contractual obligations not caused by a defect, the Buyer may only withdraw from or terminate the contract if Würth is responsible for this breach. The free

right of Buyer to terminate the contract at any time - especially due to the rights granted by the Paragraphs 650 and 648 German Civil Code (BGB) - is hereby excluded. In all other respects, the statutory provisions apply.

#### **XII. Limitation of actions**

1. In deviation from the provisions of Paragraph 438, Section 1, Number 3, German Civil Code (BGB), the standard limitation period for claims based on material defects or defects of title shall be one (1) year from the date of delivery.
2. If, however, the delivered goods consist of a building or a product that has been used for a building in accordance with its customary usage (construction material) and has caused the building's defectiveness, the limitation period shall be five (5) years from the date of delivery in accordance with statutory provisions (Paragraph 438, Section 1, Number 2, BGB). The above agreements shall be without prejudice to the special statutory requirements governing third parties' proprietary claims for the return of property (Paragraph 438, Section 1, Number 1, BGB), fraudulent concealment by the seller (Paragraph 438, Section 3 BGB) and recourse claims (Paragraphs 478 et seq., 445 et seq. BGB).
3. The foregoing limitation periods for claims under a sales contract shall also apply to other contractual and non-contractual claims for damages made by the Buyer based on defective goods, unless applicable legal provisions require a shorter limitation period for the individual case (Paragraphs 195, 199 BGB). Irrespective of the above provisions, nothing in this agreement shall preclude or in any way limit the limitation periods for claims under the German Product Liability Act (ProdHaftG). In all other respects, claims made by Buyer for damages under Section XI are subject to the applicable statutory limitation periods.

#### **XIII. Supplementary provisions regarding electronic procurement**

1. For the purposes of these supplementary provisions, the term electronic procurement covers all business transactions in which a direct business relationship between Buyer and Würth is handled by means of electronic data transmission. In this respect, this includes the internet-based online e-shop (web-shop), static electronic catalogues (e.g. BMEcat), dynamic electronic catalogue connections via Open Catalogue Interface (OCI interface) and/or the use of (web-based) ordering platforms as well as the exchange of electronic documents by means of Electronic Data Interchange (EDI).
2. In the case of EDI-based document exchange with predefined, specific data file structures, the delivery dates stated within electronic order confirmations (in the sense of Section II, Clause 3) are always communicated by Würth as approximate delivery dates, unless otherwise agreed between Buyer and Würth.
3. In the case of Internet purchases via the internet-based online e-shop, the necessary registration of the Buyer implies his acceptance of these General Terms for Delivery and Payment. This registration is a prerequisite for the submission of a binding offer within the meaning of the following Clause 4.
4. The presentation of products online and in electronic catalogues does not constitute a binding offer on the part of Würth, but is intended to invite the Buyer to provide a binding offer to Würth. Subsequently, a contract is only concluded on the basis of an order confirmation on the part of Würth or by delivery of the goods by Würth. An automatic confirmation of receipt of the e-shop-order does not constitute an acceptance by Würth of the Buyer's offer to purchase.
5. The lead times stipulated in the e-shop, online, in electronic catalogues or on web-based platforms are general reference values for delivery within Germany and are subject to change (on stock) without notice. For deliveries abroad, these lead times are extended by the usual transaction and transport times of a standard shipment.

#### **XIV. Hydrogen embrittlement**

1. Würth and the Buyer are aware of the numerous possible causes and problems of hydrogen-induced brittle fracture, in particular in the case of galvanically coated items which have been quenched and tempered, hardened or case-hardened up to a tensile strength of 1000 N/mm<sup>2</sup> or higher and a core or surface hardness of 320 HV or higher. Among other things, there is a risk of a hydrogen-induced brittle fracture which cannot be completely eliminated.
2. In the event the risk of hydrogen embrittlement in the goods delivered by Würth needs to be reduced even further in special individual applications due to specific construction requirements or for safety reasons, Buyer and Würth shall consult on and conclude a separate agreement on the process details and material procurement to limit the above-mentioned risks.
3. DIN EN ISO 4042 in its currently valid version is an integral part of all agreements concluded between Würth and Buyer.

#### **XV. Return of packaging**

1. Buyer is entitled to return transport-, sales- and other packaging to Würth. The place of return is at Würth's central warehouse in Bad Mergentheim.
2. Packaging can only be returned during Würth's business hours. In these cases, any returns must always be agreed with Würth in advance, whereby the customer must specify the type of packaging, the types of material as well as the scope by stating the quantity and volume in terms of kilograms and litres.
3. When returning the packaging, Buyer must ensure that the packing materials are clean, separated by type and free of any foreign contaminants. Würth shall otherwise be entitled to refuse to take back the packaging materials or to claim compensation for the additional costs incurred in their disposal. The same shall apply if the information provided by Buyer within the context of Clause 2 is incorrect.
4. If Buyer disposes packaging materials himself, this must be done in a professional and proper manner.
5. In general, the costs of taking back packaging are not included within the delivery items' unit prices.
6. Pallets and returnable packaging are excluded from the above provisions and are processed separately.

#### **XVI. Data protection and secrecy**

1. Upon the establishment of a business relationship, Würth processes and stores personal data that is necessary for the execution of the business relationship, in particular for the processing of orders and the fulfilment of contracts, in accordance with the relevant data protection regulations.
2. Data is transferred to third parties, especially due to Section III, Clause 10.
3. Buyer may not disclose prices and terms of payment agreed between the parties to the contract to third parties without the prior and express written approval of Würth.
4. For Würth as a distributor, information on sub-suppliers constitutes a business secret, details of which are not made available to the customer as a matter of principle. If, in exceptional cases, Würth discloses such information to Buyer, Buyer must treat this information as strictly confidential, is not allowed to pass it on to any third parties and shall exclusively use it for the performance of the contract in the context of which the information was disclosed.

#### **XVII. Export Compliance**

1. Buyer assures that goods supplied that fall under the scope of Article 12g Regulation (EU) 833/2014, will not be sold, exported, or re-exported, either directly or indirectly, to the Russian Federation or for use in the Russian Federation.
2. Buyer shall undertake its best efforts to ensure that the purpose of the foregoing Clause 1 is not frustrated by any third parties further down the commercial chain, including by possible resellers.
3. Buyer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of Clause 1.
4. Any violation of the foregoing Clauses 1, 2 or 3 shall constitute a material breach of contract and entitles Würth to terminate the supply relationship with immediate effect and to cancel orders already accepted without delay. Buyer shall indemnify Würth from all costs, third-party claims, and other disadvantages (e.g., fines) resulting from the breach of these Clauses 1, 2 or 3. This shall not apply if the Buyer is not responsible for this breach of duty. Furthermore, Würth shall be entitled to demand a contractual penalty of 5 % of the sales price of the goods sold in violation of the provisions of this regulation. Any further claims for damages shall remain unaffected by this.
5. Buyer shall immediately inform Würth about any problems in applying Clauses 1, 2 or 3, including any relevant activities by third parties that could frustrate the purpose of Clause 1. Buyer shall make available to Würth information concerning compliance with the obligations under the aforementioned Clauses within two weeks of the simple request of such information. Würth will notify the competent authority of all violations of the provisions of the above Clauses 1 to 3.

#### **XVIII. Miscellaneous**

1. In the event that any one or more of the provisions of these General Terms for Delivery and Payment are or should become void or ineffective in whole or in part, the validity of the remaining provisions shall not be affected thereby. In such a case, the parties to the contract are obliged to replace the void or ineffective provision with an effective provision that equates as closely as possible to the economic purpose of the ineffective provision. The same applies in the event of a regulatory gap in these General Terms for Delivery and Payment.
2. These business transactions and all legal relationships between Würth and the Buyer are subject to the laws of the Federal Republic of Germany under exclusion of all international and supranational (contractual) legal systems including, without limitation, the UN Convention on Contracts for the International Sale of Goods (CISG). The legal requirements and effects of the retention of title Clause under Section IV are subject to the laws applicable at the location of the goods to the extent the laws of the Federal Republic of Germany are invalid or ineffective.
3. In the event the Buyer is a businessperson within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - including international - place of jurisdiction for all disputes arising either directly or indirectly from the contractual relationship shall be due to the competent place of jurisdiction at Würth's registered office in Bad Mergentheim. Würth does, however, reserve the right to bring its claims against the Buyer at the general place of jurisdiction of Buyer.