

# Terms and Conditions of Purchase

## of the Würth Elektronik Group



Version February 2010

### 1. Area of Validity

These Terms and Conditions of Purchase are valid for all of our purchase orders. They are also valid for all future agreements with the Supplier if said Supplier was agreed with their validity after being informed about them. Amendments and supplements to the Terms and Conditions of Purchase or diverging terms and conditions of the Supplier are valid only if we confirm them in writing. They also have no effect if we have not objected to them in a particular case. The acceptance of deliveries, services or payment for them does not constitute agreement with the terms and conditions of purchase of the Supplier.

### 2. Purchase Orders / Order Confirmations / Call-offs

2.1 Purchase orders, amendments or supplements to them, as well as other arrangements made at the conclusion of the Agreement are binding if we state or confirm them in writing. Verbal agreements are only valid if confirmed in writing. We refuse to accept supplies or services for which there are no written purchase orders.

2.2 The Supplier must confirm acceptance of the purchase order within five business days, based on the date of the purchase order. The purchase order is considered accepted as soon as the Supplier begins to process the order.

2.3 To the extent provided for in framework agreements, call-offs mentioned therein become binding if the Supplier does not raise objections within one week from the date of the call-off.

### 3. Delivery Dates / Deadlines

The delivery dates and deadlines that are stipulated based on confirmed purchase orders or delivery schedules are binding. Determinative for such observance is the receipt of the complete, defect-free delivery at the designated receiving site or at our receiving department, if this was stipulated or is prescribed by law. This also applies to required documentation, records as well as complete accompanying documents.

### 4. Partial Deliveries / Short Deliveries

Partial deliveries do not constitute contractual performance unless we authorize them. If excess deliveries are made without our prior approval, we reserve the right to return them at the Supplier's cost.

### 5. Delay in Delivery

5.1 If the Supplier is in default, we are entitled to withdraw from the Agreement regardless of any further legal claims for damages following an appropriate grace period, to procure replacements, and to require damages from the Supplier instead of the product or service.

5.2 Acceptance of the late delivery or service does mean abandonment of further claims for damages.

5.3 As soon as the Supplier anticipates difficulties in procuring materials or in manufacturing etc. that can impede timely fulfillment of the Agreement, the Supplier must notify us immediately and inform us of the reasons and likely duration of the missed deadline. This does not affect the Supplier's obligation to provide deliveries on schedule.

5.4 If the Supplier defaults in making the delivery entirely or partly, we are authorized to demand as contractual penalty 1% and at most 5% of the delivery value for each commenced week of missed deadline. We can make this claim until the final invoice even if we have not expressly reserved the right to do so when accepting the delayed delivery. We reserve the right to claim further damages.

### 6. Working at Our Location or with Our Customers

6.1 If employees or agents of the Supplier work in our offices or at our customers' locations, they must observe accident prevention regulations and all other safety regulations as well as the respective work rules.

6.2 The Supplier is responsible for observing safety regulations that are valid at the place of execution. The Supplier must appropriate information about them in time to ensure that the production deadline is observed.

6.3 Assigned installation projects are considered to be fulfilled upon inspection. Products or services of the Supplier are considered inspected once our authorized agent has expressly accepted them in writing as being in conformity with the Agreement. If we have declared the product or service as inspected subject to removal of defects or if defects develop after the inspection, we are entitled to the legal rights accruing from defects.

### 7. Prices / Invoicing / Terms of Payment

7.1 Free delivery is provided, including appropriate and environmentally friendly packaging to

the stipulated receiving site or to our receiving department.

7.2 Unless otherwise stipulated, payment of the invoice is on the 25th of the month following delivery with 2% discount or within 90 days without deduction. The beginning of the deadline assumes receipt of an orderly and testable invoice as well as a complete, defect-free delivery.

7.3 We are entitled to select the means of payment.

7.4 In case of defective delivery we have the right to put forward a defense of lack of performance of the Agreement and to retain payment until proper performance of the Agreement.

7.5 Claims against us may be assigned only with our written approval. Approval is considered granted for deliveries under extended reservation of title.

### 8. Passing of Risk / Reservation of Title

8.1 The Supplier bears the risk in any event until the goods are received at the stipulated receiving site or at our receiving department.

8.2 The goods become our property when delivered. We expressly oppose regulations regarding retention of title that go beyond a simple or extended retention of title.

### 9. Packaging

9.1 The Supplier is responsible for orderly packaging according to the requirements set out in the Agreement. If no such requirements exist, the packaging must be in conformity with the relevant regulations and usual standards.

9.2 The Supplier shall take back the packaging material based on the requirements of the current packaging regulation.

9.3 The Supplier is liable for damages to the object of Agreement based on improper packaging.

### 10. Goods' origin and preferences/Regulations of international trade

Supplier is committed to submit a long term supplier's declaration for all articles being supplied to Würth in which he confirms the goods' preferential status ("Goods with preferential origin of EC" or "Goods without preferential origin of EC"). Supplier is liable for any damage caused by nonobservance of such commitment by noncompliant declarations issued.

Supplier undertakes to check all products supplied whether they are subject to any prohibitions, restrictions and/or duties to obtain a permit (e.g. export control list, Dual use regulation, US Re-Export regulations etc.) in the international goods traffic and to mark them accordingly and doubtlessly with traceable information in relating quotations, order confirmations and any document attached to the respective goods.

### 11. Quality assurance

The Supplier shall observe approved rules of technology, security regulations and the stipulated technical data for the Supplier's deliveries and services. Changes made to the delivery item require our prior written approval. Further details ensue from the applicable quality assurance agreement.

### 12. Legal rights accruing from defects

12.1 The Supplier shall ensure that the goods, including packaging and price marking, comply with the stipulated characteristics of state and exhibit guaranteed features.

12.2 The requirement to examine and make a complaint begins upon delivery. This also holds true if the goods were previously transferred to our safekeeping or becomes our property or were delivered by us to a transport company or carrier or other agent.

12.3 We are entitled to legal rights accruing from defects in cases of defects and warranty. This also applies to rights of recourse for the purchase of consumer goods. If we are entitled to warranty claims that exceed the legal rights accruing from defects, these rights remain unaffected. If a defect appears within the period of limitation, we are entitled at our own option to require additional performance through subsequent improvement, delivery or new production within an appropriate time limit. The Supplier must also compensate us for expenses required for the additional performance as well as for damages to which we are legally entitled. If additional performance has not been forthcoming within a reasonable grace period, has failed, or if the grace period was unnecessary, we are entitled, while maintaining other existing legal claims, to withdraw from the Agreement or demand a reduction of purchase price.

12.4 In urgent cases we are entitled to remove or to have removed through third parties the established defects at the Supplier's cost if the Supplier could not be reached and there is risk of sustaining disproportionately high damages. We will inform the Supplier without delay about such actions. Our further legal rights remain thereby unaffected.

12.5 The period of limitation for claims based on defects is 24 months, unless a longer period of limitation is provided for by law.

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### 13. Product Liability, Recall, Other Liabilities and Insurance

13.1 In case a non-contractual product liability claim is advanced against for direct or indirect damages to life and limb of third parties or to property, the Supplier shall release us from such claims if the damages were caused by an error of the item provided by the Supplier.

13.2 In such cases, the supplier shall assume all costs and expenses, including the costs of bringing any action or of a callback. In other respects the legal provisions shall apply.

13.3 The Supplier is also liable according to the legal provision in cases of other liability due to neglect of duty.

13.4 The Supplier must take out an appropriate liability insurance policy that must be coordinated with us in terms of amount and scope. Upon request the Supplier must provide evidence of such insurance and payment of the insurance premiums.

### 14. Property Rights of Third Parties

The Supplier releases us from claims of third parties arising from violations of copyrights, trademarks, patents or industrial property rights, provided they are based on negligent behavior by the Supplier. This is not valid if the Supplier manufactured the supplied product according to drawings or models we provided or other equivalent descriptions or directives, and the Supplier does not know or was not able to know that property rights were thereby being violated.

### 15. Samples, Drawings, Supplies, Manufacturing Equipment and Confidentiality

15.1 Samples, drawings, documents of all kinds that we provide to the Supplier, parts that have been made according to our drawings or with our tools or copies of our tools, may not be made available, offered or supplied to third parties. We reserve all rights to our know-how, copyrights or other industrial property rights. If these are not provided to us by third parties, this reservation of right also applies for the benefit of these third parties.

15.2 Materials or parts provided by us remain our property. They may only be used in accordance with the regulations.

15.3 Processing materials and assembling parts are done for us. There is mutual agreement that we are co-owners of the products manufactured using the materials and parts we provided based on the relationship of the value provided to the value of the entire product.

15.4 Manufacturing equipment that we provide to the Supplier or that the Supplier manufactured based on our order may only be used with our prior written approval for deliveries to third parties.

15.5 The Supplier shall handle tools that we own and provide to the Supplier carefully and store them separately from other objects that do not belong to us. Our property is to be made recognizable on the objects themselves and in the account books of the Supplier. Following termination of the business relationship, the Supplier must release the tools immediately to us upon request.

### 16. Unauthorized Use of Our Brand Name, Contractual Penalty

If the Supplier has taken back goods that bear our brand name or the Würth and accordingly Würth Elektronik Logo due to additional performance or unauthorized overdelivery, the Supplier may not sell them to third parties. For each case of violation, the Supplier must pay a contractual penalty that is twice the value of the goods, but at least EUR 2,500.00 for every item sold without authorization.

### 17. Force Majeure

Force majeure, labor disputes, interruption of operations, unrest, governmental actions and other circumstances beyond the control of the contractual parties authorize us - regardless of our other rights - to withdraw from the Agreement partly or entirely if these circumstances continue for a period of more than three months. This also applies if these events occur at a time at which the affected contractual partner is in default. The contractual partners will nonetheless immediately attempt to obtain the necessary information within reason and to adjust in good faith their obligations to the changed conditions.

### 18. Trade Secret

The Supplier shall treat our purchase orders and all related business and technical details as trade secrets. In particular, after processing a purchase order the Supplier must maintain confidentiality with respect to knowledge acquired from us here about manufacturing procedures and may not use it for the Supplier's own manufacturing processes or for deliveries to our competitors. We reserve all rights for innovations that originated with us, regardless if they are of a technical or creative nature, in particular in cases where copyright issues arise as well as patentable innovations or utility models.

### 19. Final Provisions

19.1 Place of performance for deliveries and payments is the place where the goods are delivered according to the Agreement.

19.2 The Agreement is subject to German law under exclusion of the United Nations Convention for the International Sale of Goods (UN Sales Convention, CISG).

19.3 Exclusive place of jurisdiction for all disputes arising directly or indirectly from this Agreement is the court with jurisdiction for our headquarters. We are also entitled to file action against the Supplier at our own option at the Supplier's headquarters, branch or at the place of performance.

19.4 If present terms of purchase should become legally ineffective in certain parts, the effectiveness of the remaining terms and conditions shall not be prejudiced.

### These Terms and Conditions of Purchase are valid for the following companies:

#### Würth Elektronik GmbH & Co. KG

Salzstraße 21  
74676 Niedernhall

#### Würth Elektronik Rot am See GmbH & Co. KG

Rudolf-Diesel-Straße 10  
74585 Rot am See

#### Würth Elektronik Schopfheim GmbH & Co. KG

An der Wiese 1  
79650 Schopfheim

#### Würth Elektronik FLATcomp Systems GmbH & Co. KG

Östliche-Karl-Friedrich-Straße 132  
75175 Pforzheim

#### Würth Elektronik ICS GmbH & Co. KG

Zeilbaumweg 15  
74613 Öhringen

#### Würth Elektronik eiSos GmbH & Co. KG

Max-Eyth-Straße 1  
74638 Waldenburg

#### Würth Elektronik iBE GmbH & Co. KG

Gewerbepark 8  
94136 Thymau

#### Würth Solar GmbH & Co. KG

Alfred-Leikam-Straße 25  
74523 Schwäbisch Hall

#### imt engineering GmbH

Salzstraße 15  
74676 Niedernhall