

WÜRTH AG

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Validity

1.1 The terms and conditions contained in this document are decisive for all contracts between Würth AG (hereinafter referred to as Würth AG) and Suppliers in the course of existing and future contracts for goods and services business (unless otherwise agreed by special conditions). If any clause in these conditions of purchase be initially or subsequently invalid or affect any further agreements concluded, it shall not affect the validity of the remaining clauses. The same shall apply if individual conditions fail to become part of the contract. If any of the clauses becomes invalid, the contracting partners are obliged to replace the invalid clause by a valid clause that comes as close as possible to the originally intended purpose.

1.2 Any changes to these conditions of purchase shall be notified to the contracting party in writing. They shall be deemed accepted unless the contracting party raises an objection in writing. The contracting partner shall send his objection to Würth AG within 20 (twenty) days after notification of the change.

2. Conclusion of contract

2.1 Würth AG awards purchase orders exclusively on the basis of its General Terms and Conditions of Purchase. Other terms and conditions shall not be part of the contract, even if Würth AG does not expressly object to them. If Würth AG accepts the delivery/service without express objection, this shall not be construed as acceptance by Würth AG of the Supplier's terms and conditions of delivery in any way. When submitting a quotation, the Supplier shall declare his agreement with the General Terms and Conditions of Purchase of Würth AG. If no such express declaration is made, the execution of the purchase order shall in any case imply acceptance of the General Terms and Conditions of Purchase of Würth AG. These General Terms and Conditions of Purchase shall also apply to all future contractual relationships with the Supplier.

2.2 If the Supplier makes a quotation in reply to an enquiry from Würth AG, he shall adhere precisely to the terms of this

enquiry and shall expressly point out any deviations from said terms. Any such deviations shall only be deemed accepted if they are confirmed in writing by Würth as an addition to these terms and conditions of purchase.

2.3 Only purchase orders placed in writing, by fax or in any other electronic form shall be legally binding. Purchase orders placed orally or by telephone, or amendments or supplements thereto, shall be confirmed in the form mentioned above in order to become legally valid. Würth AG will not recognize any services or deliveries that are rendered without a written order communicated in the form mentioned above.

2.4 Any remuneration for visits or the preparation of quotations, etc. shall not be granted unless such remuneration is expressly agreed or there is a legal claim thereto.

2.5 If Würth AG can prove by submitting a transmission report that Würth AG sent a declaration by fax or remote data transmission, the declaration shall be deemed to have been received by the Supplier.

2.6 The Supplier shall treat the conclusion of contract as confidential and may only refer to business relations with Würth AG in his corporate communication, in particular in advertising materials and at trade fairs, only after Würth AG has given its approval in writing. Any breach of this provision shall result in the immediate maturity of the contract penalty defined in Clause 11.1 of these terms and conditions of purchase. Würth AG expressly reserves the right to claim further damages.

2.7 The contracting partners warrant that they shall treat any and all commercial and technical details which are not in the public domain and which become known to them during the course of the business relationship as business secrets. Sub-contractors shall be obliged accordingly.

2.8 Würth AG may demand changes to the delivery item even after conclusion of contract, provided this is reasonably

acceptable for the Supplier. The impacts of any such changes to the contract shall be given appropriate consideration by both parties, in particular with regard to additional or reduced costs and delivery dates.

3. Prices, shipment and packaging

3.1 All prices quoted to Würth AG by the Supplier shall be specified excluding VAT and shall be identified as such.

3.2 Unless otherwise agreed, the «FCA» delivery clause (most recent version of Incoterms) shall apply to all deliveries of goods ordered by Würth AG. In case of any deviating agreements, only the delivery clauses specified in the currently valid version of Incoterms shall be taken into consideration. Should a delivery clause fail to comply with the Incoterms valid at the time of application, the Incoterm which corresponds the closest to the applied clause shall be used.

3.3 The agreed prices are fixed prices and shall include packaging suitable for transportation and the necessary shipping aids (e.g. pallets and stacking frames). Additional claims of any kind are excluded. If no prices are specified in the purchase order, the current list prices of the Supplier shall apply. Price increases by the Supplier to Würth AG shall be announced with a notification period of three months and shall be accepted in writing by Würth AG. The type of pricing shall not affect the agreement relating to the place of performance.

3.4 If a price is agreed as «FCA», «EX WORKS (ex works or store)» or equivalent, the goods shall be shipped by the freight forwarder stipulated by Würth AG.

3.5 Delivery notes, invoices and all correspondence shall specify the Würth AG purchase order number. Delivery notes, invoices and quotations shall specify the Würth AG article numbers.

3.6 Würth AG shall only accept the quantities or number of units ordered. In exceptions, Würth AG will accept up to 10% (ten percent) overdeliveries or up to 5% (five percent) underdeliveries by prior agreement.

3.7 The goods shall be packed to prevent any damage in transit and the packing space on the transportation means shall be optimally used. Packaging materials shall only be used to the extent required to achieve this purpose. Only

environmentally friendly packaging materials shall be used. If, in exceptional cases, Würth AG is invoiced for packaging materials in accordance with prior written agreement, Würth AG shall be entitled to return to the Supplier freight paid packaging which is in good condition against payment of 2/3 of the value resulting from the invoice.

3.8 Suppliers of products transported in accordance with the valid national and international regulations governing the carriage of dangerous goods (SDR/RSD, ADR/RID, IATA/DGR, IMO/IMDG etc.) and/or rated as dangerous in the provisions of Directives 67/548/EEC and 1999/45/EC, shall undertake to comply with the relevant provisions relating to packing and affixing hazard identification and warning labels on the goods and to supply the documents and forms required for shipment to the freight forwarder designated by Würth AG.

3.9 In addition to this are the Supplier documents supplied by Würth AG (details on customer and VAT processing) and in particular the shipping, packaging, hazard identification and labelling regulations of Würth AG. All expenses and additional costs of all kinds which Würth AG incurs as a result of non-compliance with these regulations by the Supplier will be charged to the Supplier.

4. Invoicing and payment

4.1 Invoices shall be submitted separately in the correct form after delivery with all the associated documents and data necessary for explanatory purposes. Würth AG shall have the right to refuse performance until a correct invoice is submitted. Payment shall be made according to the actual quantities, weights or any other units on which the delivery is based as well as the agreed prices.

4.2 All accounts receivables and debts arising from the business relation shall be recovered or paid via Würth AG B.V., Amsterdam, Küsnacht/Zürich Branch, unless otherwise agreed. The Supplier shall conclude a separate contract governing payment regulation with Würth Finance International B.V. for the Supplier to collect accounts receivable from Würth AG. In case of outstanding accounts receivable between Würth AG and the Supplier, Würth AG and Würth Finance International B.V., Amsterdam, Küsnacht/Zürich Branch, shall retain a comprehensive right of payment offset. The terms and conditions of payment agreed in the general contract with the Supplier shall apply. The payment period

shall commence as soon as the delivery or service has been effected in full and the correct invoice has been received.

4.3 Insofar as test certificates for materials have been agreed upon, these certificates shall be an essential part of the delivery and shall be sent together with the delivery to Würth AG. They shall be submitted at the latest 5 (five) days after receipt of invoice by Würth AG. The term of payment shall not commence before the agreed certificate has been received.

4.4 The payment of an invoice shall in no way constitute any acknowledgement of the contractual conformity of the delivered goods or services and shall not be deemed to be a waiver in respect of notification of defects to the invoiced goods or services. In the event that a shipment is non-conforming, Würth AG shall be entitled to withhold payment in proportion to the value until the shipment has been properly fulfilled. Würth AG shall be entitled to further setoff and retention rights to the extent stipulated by law.

4.5 All forms of financing solutions, such as advance payments or payments prior to the due date of the invoice, shall be agreed upon separately with the Supplier in a case-by-case basis with Würth Finance International B.V., Amsterdam, Küsnacht/ Zürich Branch.

5. Origin of goods, customs tariff numbers and hazardous materials

5.1 The Supplier shall declare and continuously update the origin of the goods, the customs tariff numbers and as required the dangerous goods designation for each item that he delivers. The Supplier shall be liable for the accuracy of this information. Würth AG shall be informed in writing of any changes to dangerous goods designations. Any changes in the origin of the goods and the customs tariff numbers shall also be notified immediately in writing. However, since this normally indicates changes to the guaranteed properties of the goods to be delivered, the delivery of goods whose origin and/or customs tariff numbers change may only take place after written approval from Würth AG. Approval may be denied without any reason given. In the event of non-approval, an item with a changed origin or customs tariff number may no longer be delivered to Würth AG.

6. Delivery dates, delivery delays and force majeure

6.1 The agreed delivery period shall commence at the time of conclusion of contract.

6.2 Agreed delivery deadlines shall be legally binding. The Supplier shall be in default if he fails to make a delivery within the specified deadline, without the need for a reminder. The agreed Incoterms shall be decisive for compliance with the delivery date. If an acceptance is required, the Supplier shall be in default without reminder if he fails to perform his obligations by the agreed time or only does so in a manner which permits refusal of an acceptance.

6.3 If the Supplier realizes that an agreed date cannot be met, he shall immediately inform Würth AG in writing, stating the reasons for the delay and the probable duration of the delay.

6.4 If the Supplier is in default by exceeding the delivery date, he shall bear the charges of any necessary express deliveries or similar measures which Würth is obliged to undertake in order to maintain deadlines to its customers. If a period of grace is granted for non-fulfilment of performance due to failure by the Supplier to honour a deadline and if a further deadline is missed again, the Supplier will be charged with all costs resulting from the delay incurred by Würth AG and Würth AG's customer. This shall not affect any claims made by Würth AG for compensation for the delay (see Clause 6.6 of these terms and conditions of purchase). Reservation of the right to enforce a contractual penalty may still be asserted until the invoice is paid. The contractual penalty shall be offset by a claim for damage compensation arising from this delay. If the Supplier notifies Würth AG in good time of understandable reasons for the delay (see 6.3 above), Würth AG will waive assertion of a contractual penalty.

6.5 The Supplier can only claim that he failed to receive essential documents which Würth AG was scheduled to supply if he demanded the documents in writing and did not receive them within a reasonable time.

6.6 In the event of non-compliance with the agreed delivery dates due to circumstances for which the Supplier is responsible, Würth AG shall be entitled to demand compensation for damages, notwithstanding further legal regulations. In addition, Würth AG shall be entitled to rescind the contract.

Acceptance of a delayed delivery or service shall not constitute any waiver of entitlement to damages. In the event of repeated default in delivery, Würth AG shall be entitled after prior warning to completely cancel with immediate effect the orders not fulfilled at this time.

6.7 Force majeure shall exempt the contracting partners from their obligations for the duration of the disturbance and within the scope of its impact. The contractual partners are obliged to undertake all reasonable efforts to supply the necessary information immediately and to adjust their obligations to the altered circumstances in good faith. Würth AG shall be fully or partly released from the obligation to accept the ordered delivery/service and shall be entitled to withdraw from the contract if Würth AG can no longer use the delivery/service on account of the delay caused by force majeure – taking into account the financial considerations.

6.8 If a delivery arrives earlier than agreed, Würth AG shall reserve the right to return the delivery at the expense of the Supplier. If goods are not returned in the event of early delivery, they shall be stored at Würth AG to the account and at the risk of the Supplier until the agreed delivery date. In the event of premature delivery, Würth AG shall reserve the right to withhold payment until the agreed due date.

6.9 Würth AG shall only accept partial deliveries on explicit agreement. If partial deliveries are agreed upon, the residual quantity shall be specified.

7. Liability

7.1 The contractual parties shall be liable for any form of contractual violations in accordance with legal regulations, unless otherwise agreed in these terms and conditions of purchase.

7.2 If Würth AG or a third party suffers damages due to the delivery of defective goods or the inadequate performance of a service or any other violation of contractual obligations, the Supplier shall be obliged to compensate for said damages.

7.3 The Supplier shall be liable for any measures required by Würth AG or Würth AG's customer to avert damage (e.g. recalls), if and to the extent the damage was caused by a defect in the product supplied by the Supplier.

8. Warranty

8.1 The agreed specifications form an integral part of the contract and may only be modified by the mutual consent of both parties. Specification shall also mean any description, drawing or other document which is regarded as binding.

8.2 The Supplier guarantees that the contract items are free from defects, that they possess the agreed appearance and the promised characteristics (see Clause 8.4 of these terms and conditions of purchase), and that they comply with established engineering practice and the safety regulations applicable at the time of delivery or performance. The Supplier shall undertake to use ecologically sound products and processes in his supplies/services and also in subcontracted work or additional services of third parties within the scope of economic and technical possibilities. The Supplier shall be responsible for ensuring that the supplied products and packaging materials are ecologically sound and shall be liable for all consequential damages resulting from a violation of his legal obligations regarding product disposal. At the request of Würth AG, the Supplier shall issue a certificate of inspection for the supplied goods.

8.3 Würth AG will immediately notify the Supplier in writing of any obvious defects or damage in transit to the delivery/service as soon as the defects have been ascertained in accordance with the facts of proper business procedure, at the latest within 20 (twenty) working days after receipt of the delivery by Würth AG or at the specified address of the recipient. In this respect, the Supplier renounces the right of objection regarding delayed notification of defects.

8.4 The condition of an item or a work also includes properties which Würth AG may expect due to public statements made by the Seller, the company, the manufacturer (Sec. 2 Para. 1–3 Swiss Product Liability Law) or his vicarious agent, particularly in advertising or in the labelling of the item to indicate certain properties, unless they were corrected in an equally valid manner at the time of conclusion of contract or were inconsistent with agreed properties or the statement was not capable of influencing the purchase decision. This shall not apply if the contracting party was not aware and did not need to be aware of the statement.

8.5 Würth AG shall be entitled to select the manner of subsequent performance both in case of the purchase and the works contract, unless the contractual partner is entitled

to refuse subsequent performance or Würth AG selects a method of subsequent performance which is unreasonable for the contractor.

8.6 If a delivered product or the work performed is defective, Würth AG shall be entitled to remedy the defect itself after unsuccessful expiry of a period deemed reasonable and demand reimbursement of the necessary expenses, unless the Supplier refuses subsequent performance legitimately. In urgent cases, in particular to avoid acute danger of considerable damage, Würth AG shall be entitled to remedy the defect itself at the cost of the Supplier even without determining a period for subsequent performance. In the event that Würth AG remedies a defect itself, within the meaning of this section, this shall not exclude third parties commissioned by Würth AG from performing defect rectification or the purchase of defect-free contractual objects from third parties.

8.7 If it becomes necessary as a result of defective deliveries to carry out a complete inspection of incoming goods exceeding the level of normal inspection (incoming and return inspection), the Supplier shall bear the costs thereof.

8.8 The Supplier shall bear the costs and risk of sorting, returning and/or scrapping defective delivery items.

8.9 The term of warranty shall be 24 (twenty-four) months, unless otherwise expressly agreed upon. This period shall commence with the handing over of the delivery item to Würth AG or to a third party designated by the former, to the place of reception or use stipulated by Würth AG. Insofar as dates for acceptance have been agreed upon, the guarantee and warranty periods shall commence with successful acceptance. If acceptance is delayed by no fault of the Supplier, the warranty period shall commence at the latest 12 (twelve) months after provision of the delivery item for acceptance.

8.10 If a defect occurs during the first 12 (twelve) months (guarantee period) of the warranty period, a presumption shall exist that the defect was already present at the time of passage of risk, unless this presumption is incompatible with the nature of the goods or the nature of the defect.

8.11 In case of delivered parts which cannot remain operational while the defect is under examination and/or elimina-

tion, a current warranty or guarantee period shall be extended by the time during which the part was not functional.

8.12 For repaired or newly delivered parts, the warranty or guarantee period shall recommence anew.

8.13 Claims which already existed at the commencement of the warranty period or which arise during the warranty period, shall be time-barred according to the statutory limitation periods. The limitation period shall commence on the date on which the claim arises.

8.14 In the case of defects in title, the Supplier shall indemnify Würth AG against any existing claims made by third parties.

8.15 If Würth AG is obliged to take back the item or the work delivered by the contracting party as a result of the defectiveness of the item or the work supplied by the contracting party, to accept a reduction in purchase price or remuneration or to pay damages or a compensation for costs to its customer, the period of limitation of claims by Würth AG against the contracting party shall commence at the earliest two months after the date on which Würth AG satisfies its customer's claims. This suspension of the limitation period shall terminate no later than five years after the date on which the contracting party delivered the item or the work to Würth AG.

8.16 In the event than claims are brought against Würth AG on the grounds of infringing official safety regulations or on account of national or international product liability regulations or laws as a result of a defect in a product that was caused by a product delivered by the Supplier, Würth AG shall be entitled to request from the Supplier compensation for the damage to the extent that such damage was caused by the products which the Supplier supplied. This damage also includes the cost of any necessary recall. If a part delivered by the Supplier is defective, it will be presumed that the Supplier is exclusively responsible for the defect.

8.17 The Supplier shall perform quality assurance inspections appropriate in nature and scope and conforming to the latest state of the art, and shall provide evidence of such inspections to Würth AG on request. If the technical specifications contain special tests to be performed by the Supplier, the Supplier shall carry them out and shall furnish evidence of the same.

8.18 The Supplier shall be insured against all risks deriving from product liability, including suitable cover for the recall risk, and shall present the insurance policy to Würth AG on request. Any deviations shall be reviewed on a case by case basis and shall be agreed in writing.

9. Guarantee

9.1 The Supplier shall guarantee and warrant that all deliveries and services comply with the latest state of the art, the relevant legal provisions as well as the regulations and guidelines of authorities, professional and trade associations. If deviations from such regulations are required on a case-to-case basis, the Supplier shall obtain the prior approval of Würth AG in written form. The Supplier's warranty obligations are not affected by this approval. If the Supplier has any concerns in respect of the type of execution requested by Würth AG, he shall notify Würth AG in writing without delay.

10. Property rights

10.1 The Supplier shall guarantee and warrant that all deliveries are free from the property rights and copyrights of third parties worldwide and that the delivery and use of the delivered items do not violate any patents, licenses or other property rights or copyrights of third parties.

10.2 The Supplier releases Würth AG and customers of Würth AG from third party claims arising from any industrial property right infringements and shall bear all costs which Würth AG incurs as a result.

10.3 At the expense of the Supplier, Würth AG shall be entitled to obtain permission from the rights holder to use the relevant items and services supplied.

10.4 All goods (including packaging and containers) that bear the Würth logo/or and the Würth brand or that display the Würth wording shall only be manufactured, sold or brought into circulation with the express approval of Würth AG. Said approval may also be granted for a limited time only. This protection provision also includes all other registered brands and/or trade marks applied for and belonging to the Würth Group. Permission to use the brand name may be revoked by Würth AG at any time without stating any reason. In particular, this protection provision also affects direct deliveries to companies belonging to the Würth Group.

10.5 When these terms and conditions of purchase between Würth AG and the Supplier come into effect, a period of one month shall commence (period of grace), during which the Supplier may obtain the ex post facto approval from Würth AG for activities which the Supplier started in the past and which are covered by Clause 10.4 in these terms and conditions of purchase. Thereafter, the Supplier shall proceed according to Clauses 10.4 and 10.6 of these terms and conditions of purchase with respect to activities started in the past.

10.6 If Würth AG establishes a violation of the provisions in Clause 10.4 or 10.5, Würth AG shall be entitled to claim for the average annual turnover of the previous two years proven to have been achieved with third parties as compensation for violation. Würth AG expressly reserves the right to claim further damages.

10.7 Products manufactured with the approval of Würth AG and provided with Würth brand names shall be purchased by Würth AG on expiry or revocation of approval according to Clause 10.4 of these terms and conditions of purchase on termination of the contractual relationship in the scope amounting to an average requirement for two months. Any additional stocks over and beyond this limit shall not be accepted by Würth AG. They shall be destroyed by the manufacturer at his own cost. Destruction shall be assured by the Supplier in writing to Würth AG within one month after expiry of approval or termination of contract.

11. Social responsibility

11.1 Basis for requirements made on Suppliers

The requirements are based on the following guidelines from international organizations. On social issues: the UNO Universal Declaration on Human Rights. In the area of child labour: the UNO Convention of the Rights of the Child. In the area of environmental protection: the ICC Business Charter for Sustainable Development. In the area of law: the national and international laws, agreements and regulations. The Business Principles to Combat Bribery by Transparency International.

11.2 The requirements in detail

Social conduct and working conditions

The Supplier shall ensure safe working conditions which do not present any health risk. The Supplier shall pay its employees the statutory minimum wage in each country. The

Supplier shall make no use of child labour. He shall also ensure this from his suppliers and subcontractors. The facts shall be assessed according to the UNO Convention of the Rights of the Child, even if they should deviate from national regulations and customs. The Supplier shall abstain from using forced labour.

Environmental protection

The Supplier shall undertake to organize his manufacturing processes in order to avoid waste materials and emissions in the soil, air and water as far as possible. The Supplier shall undertake to handle all raw materials and chemicals responsibly in order to minimize pollution of the environment. The Supplier shall dispose of dangerous and hazardous waste in an environmentally safe and responsible manner. The Supplier shall not use any materials in his products which may be harmful or dangerous to humans. He shall comply with the requirements and laws in the recipient country.

Laws and regulations

Within the scope of his business activities, the Supplier shall provide assurance that he will comply with both national and international rules and laws. The Supplier shall undertake to do everything within his scope of influence to prevent corruption as defined by Transparency International.

Violations

If the Supplier violates any applicable law in such a way as to merit prosecution, if he ignores human rights or uses child labour, cooperation shall cease immediately. In the event of other violations against the above mentioned rules, it is expected that the Supplier shall submit binding proposals detailing corrective measures. Würth AG reserves the right to take further measures.

12. Final provisions

12.1 The substantive law of Switzerland shall apply to the relationship between the Supplier and Würth AG, to the exclusion of international commercial law.

12.2 The contract language is German. If the contracting parties communicate in any other language, the German text shall take precedence.

12.3 Without prior written consent from Würth AG, which may not be denied unfairly, the Supplier shall not be entitled to assign his claims against Würth AG.

12.4 For all disputes arising from the contractual relationship, action shall be raised at the court which has jurisdiction over the location of Würth AG's head offices. Würth AG shall also be entitled to take legal action against the Supplier at any other admissible location.

Würth AG, Dornwydenweg 11, CH-4144 Arlesheim

www.wuerth-ag.ch

The Supplier accepts the Würth AG General Terms and Conditions of Purchase.

Signature: _____

Place, date: _____