General Terms and Conditions of the Würth Electronics (HK) Ltd.

As of: June 2019

1. Application

1.1 These General Terms and Conditions (hereinafter “Conditions”) shall apply to all deliveries and services of Würth Electronics (HK) Ltd. (hereinafter “Würth Electronics”) even if they are not referred to in subsequent contracts, orders, and offers or theオリジナル of the contract, order or offer or at one of Würth Electronics’ warehouses before this period has expired or if Würth Electronics has provided notification that they are ready for dispatch but has not yet sent the respective documents. Würth Electronics accepts a delivery or service from the customer without reservations whilst being aware of the existing conflicting or deviating terms and conditions.

1.2 Agreements which supplement or deviate from these Conditions and which are made between the customer and Würth Electronics for the performance of a contract must be set out in writing under such contract. This also applies to the cancellation of this agreement or the withdrawal from the agreement.

1.3 Any rights beyond these Conditions to which Würth Electronics is entitled by any applicable law shall remain unaffected.

2. Offer and formation of contract

2.1 The customer’s order shall be subject to changes and non-binding, unless they are expressly stated to be binding.

2.2 Pictures, drawings, information as to weight, measurement, performance and consumption as well as other descriptions of the goods in the documents pertaining to the offer shall be approximations only, unless they are expressly stated to be binding. They do not constitute an agreement on, or guarantee of, the corresponding quality.

2.3 Würth Electronics reserves all proprietary rights and copyrights in any offer documents. Such documents may not be made available to any third party.

2.4 Orders from the customer shall be binding on the customer. Würth Electronics may accept orders by sending a written order confirmation, by making delivery or providing the services.

2.5 Executives, offerings and documents to be provided by the provider of Würth Electronics shall require written approval by Würth Electronics.

2.6 Contracts that are concluded shall obligate the customer to accept and pay for the goods or services ordered.

3. Prices, payment, set-off

3.1 The agreed price shall always be decisive. Not included in the price shall, in particular, be the costs for packaging, freight, insurance, customs and any public levies and taxes (if applicable).

3.2 For services that shall not be performed within a period of four months after the contract has been concluded Würth Electronics shall be entitled to adjust the price in line with any increases in wages and in the cost of materials that may have occurred in the meantime. The same shall apply for services that are to be provided as part of continuous obligations. If Würth Electronics has agreed with the customer that the prices shall depend on specific price factors, for example, raw material prices, changes in the price factors can lead to price adjustments, irrespective of the performance period.

3.3 Unless otherwise agreed, payment shall be made within 30 days after the date of the invoice. Würth Electronics shall, however, be entitled to make the execution of outstanding deliveries or the provision of services contingent on payment. Should the goods or security if no previous business relationship exists with the customer, deliveries are to be made abroad, the customer’s registered office is abroad or if there are any other reasons, Würth Electronics reserves the right that payment will be made promptly after delivery or provision of the services.

3.4 If after the contract has been entered into Würth Electronics becomes aware of circumstances that could considerably reduce the customer’s creditworthiness and which could endanger the payment of outstanding receivables of Würth Electronics by the customer under the individual contract, Würth Electronics shall be entitled to refuse to continue to execute the contract until the customer makes payment or provides security for such. If the customer is in default of payment, all the receivables of Würth Electronics that are outstanding with the customer shall become due immediately.

3.5 Payment shall be deemed made on the date on which Würth Electronics can dispose of the amount owed. When paying by cheque, payment shall only be deemed made after the cheque has been cashed and Würth Electronics can dispose of the amount. Any cheque costs and/or banking charges shall be borne by the customer. In the case of post dated cheques, the customer shall pay default interest at the rate of [9] percentage points per annum] above the base rate [set by the Hong Kong Monetary Authority] from the date the cheque is presented until Würth Electronics has been paid. Würth Electronics reserves the right to assert a further claim for damages if damages are not excluded.

3.6 Würth Electronics shall be entitled to credit payments made by the customer towards delivery periods or delivery dates and have not yet been made, predominantly, to the full extent only when specific delivery dates or delivery periods shall be deemed met if the goods have been handed over to the person in charge of the dispatch or at any Würth Electronics’ warehouses before this period has expired or if Würth Electronics has provided notification that they are ready for dispatch but has not yet sent the respective documents. If the customer has declared that it will not accept the goods.

4. Delivery

4.1 Delivery periods and dates shall only be binding for Würth Electronics, if Würth Electronics explicitly states or confirms that they are binding. Agreed delivery periods shall be deemed met if the goods have been handed over to the person in charge of the dispatch or at any registered office or office of Würth Electronics accepts a delivery or service from the customer without reservations whilst being aware of the existing conflicting or deviating terms and conditions.

4.2 If the agreed delivery or services of Würth Electronics requires the cooperation of the customer, the customer shall ensure that Würth Electronics is provided with all the necessary and appropriate information required in good time and to the required quality. If any computer programming is required, the customer shall provide Würth Electronics with the necessary computer programming power, test data and data inputting capacities within good time and to a sufficient extent.

4.3 The delivery period shall not start before all the documents, information, approvals and permits that are to be provided by the customer have been provided in full and any technical issues have been clarified and any agreed down-payment has been received. As a prerequisite for compliance with the delivery date, the customer shall pay default interest at the rate of [9] percentage points per annum] above the base rate [set by the Hong Kong Monetary Authority] from the date of the invoice.

4.4 If the customer is in default of acceptance or violates other duties to cooperate, Würth Electronics shall be entitled to transfer the customer’s obligations to its own suppliers in its own discretion. Any changes or amendments that are subsequently agreed with Würth Electronics may result in a reasonable extension of the agreed delivery dates.

5. Passing of risk/dispatch

5.1 The risk of accidental loss or accidental deterioration of the goods shall pass to the customer at the latest when the goods are handed over to the customer or, if it is agreed that the goods shall be shipped, already with the handing over of the goods to the shipping company, freight carrier or to any other person instructed to carry out the dispatch. This shall also apply to part deliveries or if it has been agreed that the dispatch is “freight paid” or free of charge. In the absence of written instructions from the customer, Würth Electronics shall be entitled to choose the carrier and the itinerary at its own discretion and after a due assessment of the circumstances. At the request and expense of the customer, Würth Electronics shall take out transport insurance to insure the goods against the risks specified by the customer. Any claims arising from such insurance. Würth Electronics hereby accepts the assignment. If an assignment is not allowed, the customer hereby irrevocably instructs its insurer to make payments, if any, only to Würth Electronics. This does not affect any further claims of Würth Electronics. Upon request, the customer must provide Würth Electronics with evidence that it has taken out such insurance policy.

5.2 If there is a delay in handing over or dispatch for reasons for which the customer is responsible, the risk shall pass to the customer on the day the goods are ready to be dispatched and Würth Electronics informs the customer of such.

5.3 If Würth Electronics chooses the type of dispatch, the dispatch route and/or the person to carry out the dispatch, Würth Electronics is not responsible for any losses, damages, delay, or misplacement of the goods. Würth Electronics is not responsible for wilful misconduct or gross negligence resulting from this choice.

6. Retention of title

6.1 The goods supplied remain the property of Würth Electronics until all receivables owed to Würth Electronics by the customer as a result of the business relationship have been fully paid. If Würth Electronics’ obligations to be performed include delivering software, up until payment in full has been made of any receivables, the customer shall in any case only be granted a revocable usage right. These receivables also include claims under cheques and bills of exchange, as well as current-account claims. The customer shall be obliged to handle all goods to which title is retained, and as long as title is retained, with due care. In particular, the customer is obliged to sufficiently insure the goods at the customer’s own expense against damage by fire, water, and theft at their replacement value. The customer hereby assigns all claims arising from such insurance. Würth Electronics hereby accepts the assignment. If an assignment is not allowed, the customer hereby irrevocably instructs its insurer to make payments, if any, only to Würth Electronics. This does not affect any further claims of Würth Electronics.

6.2 The customer shall only be allowed to sell the goods which are subject to retention of title in the ordinary course of business. The customer shall not sell the goods which are subject to retention of title in cases in which the customer is given the right to sell the goods or may transfer them by way of security or to make any other dispositions which may jeopardize Würth Electronics’ ownership. In the event Würth Electronics’ rights to the goods are affected by third parties an account must notify Würth Electronics without undue delay in writing and provide all the information required, advice the party of Würth Electronics promptly and assist with the measures taken by Würth Electronics to protect the goods which are subject to retention of title. The customer shall bear any costs for which it is responsible and which are necessary for the removal of
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As of: June 2019

7. Claims for quality defects and liability

7.1 Wurth Electronics shall manufacture its products according to the state of the art in technology applicable at the time of entering into the contract. Any intended usage that goes beyond the customary manner is subject to prior approval by Wurth Electronics. The customer’s authority to collect receivables and its rights to resell the goods which are subject to retention of title shall be limited to the goods that are subject to retention of title for the purpose of satisfying its due claims against the customer.

6. If the goods are defective, Wurth Electronics shall be entitled - for the purposes of remedial action - to remove any defective parts or to replace the goods. The customer shall cooperate with any actions taken for the purpose of remedial action. The customer’s claim for reimbursement of expenses in place of damages shall be limited to the expenses which are directly caused by the defect.

7.2 The customer hereby assigns to Wurth Electronics all receivables arising from the resale of the goods before Wurth Electronics receives payment of the goods under the contract, including all ancillary rights, irrespective of whether the goods which are subject to retention of title or after further processing, Wurth Electronics hereby accepts this assignment. In the event that such assignment is not allowed, the customer shall procure that the third party seller shall make payments, if any, only to Wurth Electronics. The customer has the authority, which may be revoked at any time, to collect the receivables assigned to Wurth Electronics as a trustee for the goods. If such assignment is not allowed or if the goods are not remitted to Wurth Electronics immediately, Wurth Electronics may revoke the customer’s authority to collect receivables and its rights to resell the goods which are subject to retention of title shall expire with the notification of the assignment to the third-party debtor. In the event of a revocation of the assignment, Wurth Electronics may request that the customer disclose all receivables assigned, as well as the respective debtors’ names, provide all information necessary for collection, provide the related documents and inform the debtors of the assignment.

6.4 In the event of default of payment on the part of the customer, Wurth Electronics shall be entitled to rescind the contract without prejudice to its other rights. The customer must immediately grant Wurth Electronics, or any third party commissioned by Wurth Electronics, access to the goods that are subject to retention of title, surrender such goods and inform Wurth Electronics where the goods are being stored. The customer may not alter the goods in any manner. Wurth Electronics may otherwise dispose of the goods that are subject to retention of title for the purpose of satisfying its due claims against the customer.

6.5 Any processing or alterations made by the customer to the goods which are subject to retention of title shall always be deemed made on behalf of Wurth Electronics. The customer’s right to acquire ownership of the goods which are subject to retention of title continues to exist as a right to acquire ownership and possession. The processing or alteration shall be governed by the same provisions as the goods that are subject to retention of title.

6.6 If requested by the customer, Wurth Electronics shall be obliged to surrender the security interests to which Wurth Electronics is entitled to the extent that the realizable value of these security interests exceeds Wurth Electronics’ receivables. The customer shall provide Wurth Electronics with the necessary information regarding the goods. If the customer fails to properly perform its payment obligations to Wurth Electronics, Wurth Electronics shall be entitled to resell the goods and to apply the proceeds toward satisfaction of its receivables. If the customer fails to carry out a proper inspection and/or notification of the defects, Wurth Electronics shall not be liable for the defect. When reporting defects to Wurth Electronics, the customer must supply a detailed written description of the defects.

7.3 Unless otherwise agreed, the customer shall pay all receivables arising from the resale of the goods at its own expense to Wurth Electronics so that the defects can be examined. The expenses that are required for the inspection and remedial actions, travel, labor, material, and expenses for the transportation of the goods without delay and in writing upon receipt of any obvious defects and defects that could be identified during such inspection. The customer shall inform Wurth Electronics in writing of any hidden defects without undue delay after they have been discovered. The notification shall be deemed without undue delay if made within two weeks after delivery for obvious defects and defects that could be identified during a proper inspection or after discovery in the event of hidden defects. To meet the deadline, the notification or complaint shall suffice. If the customer fails to carry out a proper inspection and/or notification of the defects, Wurth Electronics shall not be

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are produced according to the specifications of or in co-operation with the customer.

8.2 If Wurth Electronics uses the customer’s software, Wurth Electronics shall only use such software for the contractually agreed purpose. If Wurth Electronics requires the source codes for the software to make contractually agreed changes or remedy defects, the customer shall provide Wurth Electronics with such source codes free of charge for use.

8.3 The customer shall only receive a simple right of use to the software and other protected products to such extent as is required for the purpose of the contract, unless otherwise provided in the contract, in particular, the applicable licencing terms of the software or an individual licence agreement applicable law. With regard to software provided by Wurth Electronics, unless expressly permitted under the contract or by law, the customer shall in particular be forbidden from reproducing, distributing, disclosing, copying, translating, extending, making any modifications to or decompiling such.

8.4 For backup purposes, the customer may create the necessary backup copies of the software; provided that the individual rights contained in the software remain in full force. Backup copies on moveable data carriers shall be marked as such and be endorsed with the copyright notice of the original data carrier.

8.5 In the event of unlawful use, Wurth Electronics and/or third parties, in particular, the manufacturer of the software or other protected products, reserve the right to assert claims for compensation.

8.6 In the event that a third party alleges it has a claim which conflicts with the right of use granted to the customer, the customer shall inform Wurth Electronics without undue delay in writing or in text form. The notification shall also include information as to whether the customer has changed the software or the product or combined such with other software and whether this, from the customer’s perspective, could justify the third party’s claim. If so requested by Wurth Electronics, the customer shall allow Wurth Electronics to handle the defence against these claims and, to the extent permissible and possible, shall allow Wurth Electronics to represent the customer or shall conduct the defence itself as instructed by Wurth Electronics. Up until receiving notification as to whether Wurth Electronics will deal with the defence, the customer shall not acknowledge or enter into a settlement agreement regarding the alleged claims of the third party without the express approval of Wurth Electronics. If Wurth Electronics deals with the defence, this obligation shall continue to apply. In addition, the customer shall support Wurth Electronics in its defence, if this is required for an appropriate defence. In return, Wurth Electronics shall indemnify and hold the customer harmless against any necessary external costs and any third party compensation claims and claims for reimbursement of expenses resulting from the defence, provided these can be attributed to the fault of Wurth Electronics. In the event that Wurth Electronics does not deal with the defence, the customer shall be entitled to defend itself at its own discretion. If existing third party claims cannot be attributed to the fault of Wurth Electronics, the customer shall not be entitled to assert claims against Wurth Electronics.

8.7 Wurth Electronics shall be entitled with regard to title defects relating to software to attempt remedial actions, if Wurth Electronics so chooses. In all other respects, the statutory provisions for warranty obligations for title defects with regard to software shall apply irrespective of whether Wurth Electronics is dealing with the defence against third party claims under clause 8.6 of these Conditions, however, with the following exceptions: (i) clause 8.3 of these Conditions applies accordingly.

9. Product liability

9.1 The customer shall not modify the goods; in particular, the customer shall not modify or remove existing warnings relating to risks by improperly using the goods. If this duty is violated, the customer must indemnify and hold Wurth Electronics harmless from and against any product liability claims of third parties to the extent that the customer is responsible for the defect giving rise to liability.

9.2 If Wurth Electronics has to carry out a product recall or issue a product warning because of a product defect to the goods, the customer shall assist Wurth Electronics to perform its obligations in relation to such product recall or product warning and take all measures ordered by Wurth Electronics, provided that these do not pose an unreasonable burden to the customer. The customer shall be obliged to bear the costs of the product recall or product warning, provided the customer is responsible for the product defect and the damage sustained. This does not affect any further claims of Wurth Electronics.

9.3 The customer shall inform Wurth Electronics without undue delay in writing of any risks in the use of the goods and any possible product defects of which the customer becomes aware.

10. Force majeure

10.1 If Wurth Electronics is prevented by force majeure from performing its contractual obligations, in particular from delivering the goods, Wurth Electronics shall be released from its obligation to perform for the duration of the impediment and for a reasonable start-up period without being liable to the customer for damages. The same shall apply if the performance of its obligations by Wurth Electronics becomes unreasonably complicated or temporarily impossible because of unforeseeable circumstances for which Wurth Electronics is not responsible, in particular, because of industrial action, official acts, energy shortages, delivery problems on the part of suppliers, or major disruptions of operations.

10.2 Wurth Electronics shall have the right to rescind the contract if such an impediment continues for more than three months and if, as a result of such impediment, the performance of the contract is no longer of interest to Wurth Electronics. At the request of the customer, Wurth Electronics shall declare after the expiry of the aforesaid three-month period whether it intends to make use of its right to rescind the contract or whether it intends to deliver the goods within a reasonable period of time.

11. Data protection and confidentiality

11.1 The customer is instructed by Wurth Electronics that the data recorded during the course of entering into the contract may be collected, processed and used by Wurth Electronics in accordance with the provisions of the Personal Data (Privacy) Ordinance (Cap. 486) for the purpose of fulfilling its obligations under the contracts entered into with the customer. Subject to enforcement of ss 2 of the Personal Data (Privacy) Ordinance (Cap. 486) such data may also be transmitted to affiliated companies of Wurth Electronics or vicarious agents for the purposes of fulfilling the contract and for credit investigations.

11.2 The customer shall be obliged to maintain the confidentiality of any and all information received through Wurth Electronics for a period of [10] years, in respect of information which is stated to be confidential, and for an unlimited period of time, in respect of information which can be identified as a trade or business secret; the customer may neither record nor disclose or use any such information. The customer must ensure by means of suitable contractual agreements with its employees and those agents working on its behalf that such persons also refrain for the relevant period of time from any use, disclosure and unauthorised recording of such trade and business secrets for their own purposes.

12. Final provisions

12.1 Any rights of the customer may only be assigned to a third party with the prior written consent of Wurth Electronics.

12.2 A person who is not a party to this contract shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce any terms and conditions of this contract.

12.3 The contract between the customer and Wurth Electronics shall be governed by the laws of the Hong Kong Special Administrative Region.

12.4 Exclusive place of jurisdiction for all contractual or non-contractual disputes arising from the business relationship between Wurth Electronics and the customer shall be the Hong Kong courts.

12.5 If any provision of this agreement regarding the [enforceability of retention of title clauses] becomes or is held by a court of competent jurisdiction to be invalid or unenforceable, this shall not affect the validity of the remaining provisions hereof. The parties shall enter into good faith negotiations to substitute a valid or enforceable clause which achieves so far as possible the objectives to the original clause.

Environmental declaration

It is committed to people and the environment. Therefore, we undertake to manufacture our products in a manner that conserves resources and to systematically realise any potential for saving energy in manufacturing processes and in transportation. We pay close attention to ecological alternatives as concerns the selection of sources of energy and raw materials and pursue a consistent policy of waste reduction and product recycling.