

Würth Industrie Service GmbH & Co. KG · Postfach 1873 · 97968 Bad Mergentheim

To all business partners

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Zeichen/Briefnummer

mj

Bad Mergentheim, 25.02.2020

Security of supply due to coronavirus (COVID-2019)

Dear Sirs,

the situation surrounding the novel coronavirus (COVID-2019) has dominated media coverage for several weeks now. The extension of the Chinese New Year and the limited travel opportunities in China have resulted in companies in certain regions remaining closed for longer than planned. In the meantime, the virus has appeared in other countries to a relevant extent and appropriate measures have been taken by governments. With this letter we would like to give you detailed information on how we are dealing with this situation with regard to securing the supply chain for you.

- The import quota of Würth Industrie Service from China is in the low single-digit percentage range of the total purchasing volume. The number of articles concerned is therefore in the low range.
- For articles that we procure in China, there are second suppliers outside China. A redundancy of supply sources is therefore given.
- Our approach to replenishment planning is fundamentally geared towards supply security. For this reason, we plan to keep a corresponding stock of articles from the Far East for several months.
- We are in close contact with all suppliers from the affected countries in order to assess the effects of government precautionary measures on open orders from us in the best possible way.

As a result of the WHO's determination on January 31st, 2020 that the novel coronavirus (COVID-2019) represents a health emergency of international concern ("Public Health Emergency of International Concern, PHEIC"), we consider the current situation to be a case of Force Majeure. We are continuing to monitor the situation very closely and in detail in order to initiate further measures

within the scope of our possibilities in the event of supply bottlenecks that nevertheless might become apparent.

In the event that supply bottlenecks are foreseeable for individual items, our sales staff will contact you directly to evaluate the various options and define solutions.

With kind regards,

A handwritten signature in blue ink, appearing to read "M. Jauss".

Martin Jauss

Managing Director Marketing & Sales