

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

To all Business Partners

Martin Jauss

Managing Director Marketing & Sales

T +49 7931 91-1149

F +49 7931 91-51335

Martin.Jauss@wuerth-industrie.com

Zeichen/Briefnummer

mj

Bad Mergentheim, 09.03.2020

Security of supply due to coronavirus (COVID-19)

Dear valued Business Partner,

the situation surrounding the novel coronavirus (COVID-19) has shown an increasing dynamic in recent weeks. 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 and South Korea is in the low single-digit percentage range of the total purchasing volume. The number of articles concerned is therefore of a low volume.
- For standard articles, which we procure in China and South Korea, there are additional suppliers outside these countries. This ensures redundancy of supply sources.
- If bottlenecks become apparent for customer-specific articles, we contact our customers individually to discuss a joint situation-specific solution.
- Our approach regarding our purchasing procedure is fundamentally geared towards supply security. For this reason, we provide for a corresponding average stocking of several months for articles from the Far East.
- The transport chain from Northern Italy remains stable and we are in close and constant contact with our transport service providers.
- All potentially affected suppliers in Northern Italy have been included in a close monitoring process. Each order and delivery is monitored in direct communication with the suppliers. At the present time, we have no information that would indicate an uncertain supply situation across the board.

Due to the WHO's determination on January 31, 2020 that the novel coronavirus (2019-nCoV) represents a health emergency with international implications ("Public Health Emergency of International Concern, PHEIC"), the current situation must be classified as a case of force majeure (Force Majeure). We are continuing to monitor the situation very closely and, as far as possible, are in close contact with our business partners in the affected regions in order to initiate further measures within the scope of our possibilities in the event that supply bottlenecks nevertheless become apparent.

Best regards,

A handwritten signature in blue ink, appearing to read 'M. Jauss', written over the printed name.

Martin Jauss

Geschäftsführer Marketing & Vertrieb