

GENERAL TERMS AND CONDITIONS

1. Scope of application

- 1.1 "WURTH MONGOLIA" LLC /hereinafter referred as "Wurth Mongolia"/ has set out in this General terms and conditions of its Trade and Services (the "Terms"), which shall be valid together with the accompanying Purchase Agreement.
- 1.2 Separate Purchase agreement that is made with the Buyer shall prevail with regard to the stipulated regulations over these Terms.

2. Conclusion of Agreement

- 2.1 The Buyer shall provide Wurth Mongolia explicit and specific purchase order on the previous reviewed basis of supply conditions which is required for the proper performance of the purchase.
- 2.2 Wurth Mongolia shall be deemed to have accepted the confirmed purchase order upon receipt the written purchase order or its amendments from the representative appointed by the Buyer. It shall be deemed as confirmed when Wurth Mongolia notifies to the Buyer that is accepted the purchase order.

3. Specifications of goods

- 3.1 The Buyer is entitled to order the goods, specified in the brochure of Wurth Mongolia.
- 3.2 If the goods are subject to technological change, Wurth Mongolia is entitled to carry out the delivery of the goods in accordance with the manufacturer's most recent data sheet satisfying with the contractual agreed purpose.
- 3.3 Accepted quality of the Buyer shall be considered that quality of the goods, provided by the manufacturer.
- 3.4 Information about the goods distributed by Wurth Mongolia, contained in the brochures, catalogues and related other documents-constitutes no guarantee of Wurth Mongolia.

4. Prices

- 4.1 The prices, stated in Wurth Mongolia's confirmation of the order shall apply.
- 4.2 If the prices are changed due to respectful reasons, the Buyer shall be informed in advance.
- 4.3 The Purchase ordering valuation shall be valid. If the delivery period of Purchased goods is more than 2 months from the date of Purchase Agreement, Wurth Mongolia may use the valuation of the delivery period. In case of supplying small amount of ordered goods in sum of between MNT 10,000 - MNT 100,000 shall estimate the valuation depending on the procurement increased costs.
- 4.4 The Purchase price includes "DDP (Delivery Duty Paid) - Ulaanbaatar" clause.
- 4.5 The valuation is exclusive the Value Added Tax ("VAT") and shall be billed separate in accordance with the estimated quotation.
- 4.6 If the Buyer wants to deliver the goods to the destination other than specified before, shall be responsible for related additional costs.

5. Terms of payment

- 5.1 The Buyer shall pay completely the total amount of price within the due date, set forth in the invoice of Wurth Mongolia.
- 5.2 If the whole payment is overdue for 15 days after received invoice, Buyer shall responsible for its liabilities (pay fine, penalty) in respect of the Purchase Agreement.
- 5.3 Wurth Mongolia is entitled to count payments from the Buyer towards the Purchaser's oldest debt first. If the Buyer is responsible to pay any loss and penalty and reimburse damage, Wurth Mongolia is entitled to count them first.
- 5.4 If it is required, Wurth Mongolia is entitled to deliver goods, afterwards the payment is received.

6. Delivery

- 6.1 Wurth Mongolia shall deliver the goods to the place designated by the Buyer in the Order by terms of "DDP (Delivery Duty Paid)-Ulaanbaatar" in accordance with the purchase order.

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- 6.2 Würth Mongolia shall notify in advance the Buyer regarding to the goods quantity/dimensions that it may be a fluctuation in normal standards.
- 6.3 Würth Mongolia has a right to deliver goods partially in case of the certain condition. Würth Mongolia's contracting company shall be responsible for the goods transportation/shipment.
- 6.4 In event of goods receipt, Parties shall draw up an act. The act shall be confirmed by the signatures of delivered and received personnel. According to the act Würth Mongolia shall be deemed as delivered goods and the Buyer as received goods.
- 6.5 The Buyer shall be obliged to inspect the goods. The Buyer shall bear the relevant expenses to inspect the goods.
- 6.6 The Buyer may return purchased but unused goods after receipt to the Würth Mongolia within 60 calendar days which are in the same condition as originally (in the originally package as) delivered to the Buyer. In that case may be a subject to a handling charge of 20 percent of the price of goods with the price more than MNT 50,000 and refund the purchased price balance.
- 6.7 The Buyer cannot reject the goods with any aspects resulting from itself breach of duty in the clauses 2.1 and 6.5.
- 6.8 Rejection must be notified in accordance with the clause 6.6 or the goods will be deemed to be accepted.

7. Passing of Risk

- 7.1 Risks of goods until handing over the goods to the Buyer shall be responsible by Würth Mongolia and remaining risks by the Buyer.
- 7.2 All risks related to the transportation of the goods shall be responsible by the contracting transportation company.
- 7.3 If the manufacturer recalls the goods from the distributed market, the Buyer shall deliver back the recalled goods to Würth Mongolia at its own expenses.

8. Copyright and Retention of Title

- 8.1 Würth Mongolia retains all ownership rights in the purchased goods till the purchase price will be paid in full.

- 8.2 Upon full and final payment of the goods to Würth Mongolia is paid, the Buyer shall become an ownership of goods rights.
- 8.3 The Buyer shall not export the goods from the territory of Mongolia.
- 8.4 The Buyer shall not have property rights and copyrights of the goods.

9. Warranty

- 9.1 The goods guaranteed period shall be 12 months and start at the date of delivery.
- 9.2 Industrial defects and damages of the goods within the warranty period, Würth Mongolia will choose one of the following options on its discretion to solve:
- 9.2.1 replace defective goods, if goods are not manufactured or supplied then shall be replaced by goods with similar quality and requirements;
- 9.2.2 payback price of the goods; and
- 9.2.3 repair the goods within 20 business days since its receipt date.
- 9.3 This warranty shall not apply to direct and indirect defects and damages of the goods, caused by the violation of instruction manual, improper use, change of design and repairing itself without consent of Würth Mongolia.
- 9.4 Samples of the goods distributed by Würth Mongolia are deemed test samples and do not constitute a guarantee.

10. Termination of Agreement

- 10.1 If any party breaches of its obligations hereunder, makes severe violation in respect of this Agreement or breaches the law, other party can terminate the agreement;
- 10.2 The Buyer shall pay all prices of the supplied goods to Würth Mongolia if the agreement is terminated.
- 10.3 Due to respectful reasons, if the Buyer cannot continue the Agreement, shall notify to Würth Mongolia in written 14 days before.

11. Limitation on Liability

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- 11.1 Standard Terms and General conditions of the Purchase agreement are incorporated in and are the document to regulate the relations between parties. Würth Mongolia shall not be liable for any matter not covered by provisions in respect of these Standard terms and the Purchase Agreement.
- 11.2 Würth Mongolia shall not be responsible for any negligence or willful of the Buyer or its personnel or any damages caused by the violation of instruction manual.
- 11.3 Failure of Würth Mongolia to make any delivery when due occasioned in by any reason beyond its control or force majeure shall notify the Buyer of such failure and shall have no obligation or liability.
- 11.4 Würth Mongolia shall be liable hereunder for goods damages caused by their wrongful actions or delays in delivery covered per order up to MNT 500,000. Würth Mongolia shall not responsible for Würth goods not supplied by itself.

12. Indemnification

- 12.1 The Buyer shall indemnify and hold Würth Mongolia harmless from and against all liabilities caused by the Buyer's breach of its obligations set forth in the Standard Terms and the General Conditions of Purchase Agreement covering the appropriate defaults.

13. Confidentiality

- 13.1 "Confidential Information" means all information defined as confidential by Würth Mongolia.
- 13.2 Confidential Information does not include information which: (i) is already known by the disclosing party; (ii) is or becomes publicly known beyond of the receiving party act; (iii) "information" was drafted by the receiving party; (iv) is receipt by the receiver party from the third party.
- 13.3 Both parties agree to hold Confidential Information in strict confidence, and not to divulge such information except the authorized offices or entities.
- 13.4 The Buyer agrees to allow the use of its trade name and trademark to Würth Mongolia to use for the necessary performance.

- 13.5 Unless prior written consent is given by Würth Mongolia, the Buyer shall not alter any trade name, photos, pictures and related information of goods in any way.

14. Force majeure

- 14.1 Neither Würth Mongolia nor you shall be liable for goods delay in delivery resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order, resolutions or requirement of any governmental agency or authority.

15. Severability

- 15.1 Each provision of this Agreement shall be considered separate and severable. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

16. Waiver/Assignment

- 16.1 Any waiver on the part of either party hereto of any right shall not imply the waiver ground/basis.
- 16.2 No right or interest in this Agreement shall be assigned to a third party without prior written consent of the other party.

17. Governing Law and Jurisdiction

- 17.1 The General Condition of Purchase Agreement and these Standard Terms shall be governed by and construed in accordance with the laws of Mongolia and if any disputed arises out of this agreement, parties settle the dispute submitting to the Mongolian Court.

18. Entire Agreement

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18.1 These terms, and the General Conditions of Purchase Agreement constitute the entire agreement between Parties.

18.2 Any modifications to this Purchase Agreement may only be made by and approved amendment signed by both parties.

19. Language

19.1 These Terms are available in Mongolian and English. If contradictions or lack of clarity, English version shall prevail.