

Terms and conditions of purchase.

For all contracts between a company of SOLON Energy GmbH and SOLON Modules GmbH-group based in Germany – subsequently also referred to as “purchaser”– and its suppliers – subsequently also referred to as “supplier”– the following conditions of purchase shall apply:

1. General provisions

(1) For all purchase orders issued by the purchaser, the following conditions apply exclusively, even in those cases in which the supplier in his offer, in confirming the purchase order, at delivery or when invoicing, refers to contrary conditions or conditions that deviate from the following conditions, as standard clauses or otherwise.

(2) The conditions of purchase constitute a part of the contract.

(3) Other conditions are only valid if the purchaser accepts them in writing.

2. Formal requirements

Only written orders are binding for the purchaser. Verbal orders or orders conveyed via telephone are only effective if the purchaser confirms them within 1 working day in writing (fax or email also acceptable).

3. Prices

(1) Agreed prices are fixed prices that include all reductions and surcharges related to the amount specified in the corresponding delivery contract as well as the delivery to the place of delivery, including costs of packaging and shipment. Should the parties in deviation from the sentence above agree upon delivery “freight collect”, the purchaser only bears the cheapest freight charges, unless he has prescribed a specific type of shipment. The type of pricing term does not affect the agreed place of performance.

(2) Regarding the delivery of small quantities, the same prices, rebates and conditions apply.

4. Delivery dates, delivery terms

(1) The delivery dates agreed between the parties are binding, as they have been determined in view of the purchaser’s internal considerations.

(2) Deliveries prior to the agreed date of delivery can be rejected by the purchaser.

(3) The supplier is obliged to inform the purchaser without delay in writing of circumstances that occur or that become apparent to him which indicate that the agreed delivery time cannot be adhered to.

(4) Should the supplier be in default with respect to timely delivery, the purchaser is entitled to the statutory claims. The supplier bears the consequences of delays as well as any additional costs, e.g. for delivery outside normal business hours.

(5) In the case of delayed delivery, additionally to the statutory requirements the supplier is obliged to pay to the purchaser a contractual penalty of 1 % for each commenced week of delay; however, at most 10 % of the delivery’s overall order value. The right to assert additional damage claims is expressly reserved by the purchaser.

(6) The purchaser reserves the right to acknowledge excess or short deliveries. Deliveries short of the ordered quantity can be rejected in full by the purchaser.

5. Delivery notes

(1) Delivery notes must be enclosed with the goods in every case. Every shipment or item must be labeled with the purchaser’s document number. On every container and carrier, and on every palette, an accompanying document must be visibly affixed. The

accompanying document must contain: Name of supplier; article description; amount / number of items; batch. The supplier must reimburse losses to the purchaser arising from incorrect description of delivered goods.

(2) Should payments be delayed due to incorrect description of goods, the purchaser is not considered to be in default. Also, the right to deduct discounts is not affected.

6. Shipment

(1) The delivery occurs at the supplier's cost and risk packaged correctly and suitably for the purpose of freight, carriage free to the delivery address specified by the purchaser.

(2) To the extent that the purchaser gives instructions for shipment, these apply exclusively. The purchaser is also entitled to collect the goods himself or to order a shipper to collect them for him. In case of collection by the purchaser he is entitled to charge costs corresponding to the customary freight charges, unless delivery "freight collect" was agreed. Additional freight, costs of demurrage etc. are borne by the supplier.

7. Demands on quality

(1) The supplier warrants that the delivered goods comply with the standards in force at the time of delivery, with all pertinent technical specifications as well as – if applicable – with the quality assurance agreement concluded with the purchaser.

(2) In particular, the ordered item must comply with the 2nd section of the Law on Technical Equipment and Consumer Goods (GPSG) as well as the valid Accident Prevention Regulations (*Unfallverhütungsvorschriften*) issued by the Employer's Liability Insurance Association.

(3) The supplier hereby guarantees that the goods supplied and the use of such goods adhere to all standards and statutory or regulatory provisions applicable at the time of delivery as well as all relevant technical regulations and any quality assurance agreements concluded with the purchaser.

(4) In particular, the item ordered must comply with the 2nd section of the German Equipment and Product Safety Act (Gesetz über technische Arbeitsmittel und Verbraucherprodukte – GPSG) and the applicable accident prevention provisions of the employers' liability insurance association.

(5) In addition to the delivery note, the delivery must include a factory test certificate in accordance with EN 10204 or a similar internationally recognized test certificate specifying the characteristics agreed on with the supplier. An Initial Sample Inspection Report must be included with first-time deliveries.

(6) In the case of technical devices, a technical specification and instructions for use must be included at no charge. For software products, the duty of delivery shall not be fulfilled until all technical and user documentation has been provided. In the case of programs created especially for the purchaser, the program source codes must also be supplied.

(7) The supplier must ensure that the purchaser is able to deliver the supplied goods, or parts thereof, as replacement parts, at reasonable conditions for a period of 10 years after cessation of the supply relationship.

(8) The values determined upon inspection of the incoming goods shall be binding with respect to the mass, weight, and number of articles of a delivery.

(9) If these quality requirements are not adhered to, the goods shall be considered defective.

8. Transfer of risk, transfer of ownership

(1) Risk passes to the purchaser only after delivery. The purchaser takes title to the goods unconditional to any further rights by the supplier.

(2) The supplier may neither assign nor pledge any claims it may have against the purchaser.

9. Defects

(1) In cases of defective deliveries or services, the purchaser is entitled to the statutory claims to warranty and guarantee to the extent that these conditions do not stipulate anything else.

(2) The purchaser examines the goods regarding quality and completeness at the time of their receipt, to the extent that is reasonable and technically possible. Notifications of defects are in time if they are submitted within 10 working days by letter, by fax, by email or by phone. The period for notification of defects begins when the purchaser discovers or must have discovered the defect, which in the case of an apparent defect means as of receipt of delivery, and in the case of a hidden defect as of discovery of the defect.

(3) If the purchaser is entitled to damages due to a defect of quality, he is in particular entitled to execute a covering purchase at the supplier's expense, or to remove the defects at the supplier's expense either himself or via a third party.

(4) If the purchaser is entitled to damages due to a defect in quality, the purchaser shall in particular be entitled to purchase a replacement at the expense of the supplier to cover its requirements, or to have the defect remedied or to remedy the defect itself at the cost of the supplier.

(5) The supplier shall bear any subsequent costs resulting from the defects.

(6) The warranty period for replacement deliveries shall begin no earlier than the date on which the replacement delivery is received.

(7) All statutory warranty and guarantee claims shall become time-barred 36 months after the transfer of risk unless a longer period is prescribed by law.

10. Indemnity

(1) If a claim is asserted against the purchaser based on a defect in the goods supplied, and if the supplier has a warranty obligation to the purchaser for that reason, the supplier shall be obligated to indemnify the purchaser from any and all third-party claims. All other rights of the purchaser shall remain unaffected thereby. In this regard, the supplier shall also be obligated to reimburse the purchaser for any expenses pursuant to Sections 683 and 670 of the German Civil Code (BGB) incurred by the purchaser on the basis of or in connection with a product recall or other measures carried out by the purchaser.

(2) The supplier hereby agrees to maintain extended product liability and product recall insurance in the amount of at least EUR 2,500,000 (two million five hundred thousand euros) per personal injury or property damage claim (double maximum annual coverage - all inclusive). However, the purchaser may assert claims in excess of the insured amount.

11. Invoices

All invoices must be sent to the purchaser in duplicate and must include the purchaser's document number in legible form. Invoices must be sent to the purchaser separately from the goods. Invoices that do not comply with the above specifications will not become payable.

12. Payment

(1) If nothing else has been agreed, payments are executed upon receipt of invoice within thirty days net less 3% cash discount (*Skonto*) or within ninety days net without cash discount. If the invoice is received before the goods are received, payment occurs as described above upon receipt of goods.

(2) In cases in which delivery is not in accordance with the contract, in particular where the goods are defective, the purchaser is entitled to withhold payment up until the order is completely fulfilled without forfeiting agreed rebates, discounts or other deductions.

13. Securities

(1) The purchaser reserves title to all goods provided by the purchaser (e.g. parts, components, semi-finished products).

(2) Such retention of title shall extend to the full value of the products arising on the basis of processing, mixing, or combining the purchaser's goods; given that such transactions occur on behalf of the purchaser, the purchaser is deemed to be the manufacturer. If, upon processing, mixing, or combining with third-party goods, such third party retains its ownership rights, the purchaser shall acquire co-ownership in relation to the objective value of the goods.

(3) Any tools made available to the supplier or manufactured or ordered from third parties by the supplier on the instructions of the purchaser and for which the purchaser has made a cost contribution shall remain the property of the purchaser or shall become the property of the purchaser upon manufacture or acquisition by the supplier. Such tools must be clearly designated as belonging to the purchaser and stored in a visibly separate place. The supplier must ensure that the tools are adequately insured and provide the purchaser with evidence of such insurance protection upon request.

14. Documents supplied, confidentiality

(1) The purchaser shall retain ownership of all drawings, plans, and any other documents provided to the supplier by the purchaser.

(2) The supplier must treat such documents as confidential. The supplier must maintain secrecy vis-à-vis third parties regarding all data and information, regardless of form, received by the supplier that could be considered confidential. Such data and information may only be used on the supplier's own premises for the purpose of executing deliveries to the purchaser and may only be made accessible to persons who need to be aware of the data and information in connection with the business relationship and who are obligated to maintain secrecy in accordance with this provision. The obligation to maintain confidentiality does not apply to information contained in the documents that is public knowledge or of which the supplier was already aware without having committed a breach of contract. Any violations will result in claims for damages.

(3) The supplier hereby agrees to maintain secrecy regarding all information arising from its cooperation with the purchaser, in particular information on products, prices, purchased quantities, and technical data, unless such information already constitutes public knowledge or is required to be disclosed based on statutory provisions or legally binding official instructions.

15. Third-party property rights

The supplier hereby confirms that no third-party rights prohibit the use of the goods as intended, in particular no third-party intellectual property rights. Should a claim nonetheless be made against the purchaser on the basis of a possible violation of third-party rights, such as copyrights, patents, or other intellectual property rights, the supplier shall indemnify the purchaser from any such claims and from any performance to be executed in connection therewith.

16. Compliance

(1) The supplier hereby undertakes on behalf of itself and its suppliers to comply with all ethical guidelines, including, but not limited to the principles of the UN Global Compact, the ILO conventions, the United Nation's general declaration on human rights, the UN conventions on children's rights, and the OECD guidelines for international enterprises.

<http://www.unglobalcompact.org/languages/german/index.html>, <http://www.ilo.org/public/german/region/eurpro/bonn/ziele/index.htm>,

http://www.unric.org/html/german/menschenrechte/UDHR_dt.pdf,

http://www.unis.unvienna.org/unis/de/library_2004kinderkonvention.html

(2) All electronic components must comply with the European RoHS guidelines, and proof of such must be delivered to the purchaser upon request.

(3) All goods to be supplied must be registered and approved under the European REACH guidelines. An extended material safety data sheet (MSDS) must be submitted to the purchaser upon delivery of the goods.

(4) The supplier hereby agrees to take back all transport and packaging materials at no charge in accordance with the Packaging Ordinance or to provide written documentation upon conclusion of the contract that the packaging used has been licensed under an approved packaging return system and that its disposal costs have thus already been paid. If the supplier does not meet such obligation, the purchaser shall be entitled to dispose of the packaging at the expense of the supplier.

(5) When delivering machines and equipment, the supplier must include at no charge a risk assessment pursuant to Machinery Directive 2006/42/EC, insofar as the machines and equipment to be delivered fall under such directive.

(6) The supplier shall be obligated to maintain proof of origin of the goods to be supplied. If necessary, the supplier must support its claim regarding the origin of the goods by providing an information certificate confirmed by the customs authority. If the supplier does not meet such obligation, it shall be liable for any and all damages resulting therefrom.

(7) Any breach of an undertaking made in this provision shall be regarded as an inherent defect in the product.

17. Force majeure

(1) None of the parties must bear the responsibility should they be hindered in fulfilling the contract in cases of force majeure, in particular natural disasters, war, unrest, industrial action, cessation or interruption of business operation due to external factors, official measures and other events beyond the parties' realm of control.

(2) In such cases, the parties shall have the right, without prejudice to its other rights and remedies, to terminate their contract in full or partially.

18. Applicable law

(1) German law shall apply exclusively to the legal relationship between the purchaser and the supplier; the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

(2) Berlin, Germany shall be the place of jurisdiction for any claims arising from business relations with suppliers.

19. Miscellaneous

Changes of or additions to these conditions must be made in writing. The same applies to any declaration concerning the contractual relationship.

20. Partial invalidity

Should specific provisions be invalid, the validity of the other provisions in these conditions of purchase remains unaffected.

Valid from 01/03/12