

General Terms and Conditions of SOLON Energy GmbH for the Trade of Photovoltaic Components

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Section 1. Scope

The following terms regulate the contractual relationship for the trade of photovoltaic components between SOLON Energy GmbH (hereafter referred to as SOLON) and contractors, i.e., natural or legal persons or partnerships having legal capacity with whom a business relationship is entered acting in pursuance of a commercial or independent occupational activity (hereafter referred to as Customer). Alternate Customer terms are not applicable. Exceptions are possible with written consent from SOLON. The Customer accepts these Terms and Conditions with the conclusion of the contract.

Section 2. Contract Conclusion

1. Contract offers from SOLON are subject to change without prior notice. A Customer order is a binding offer. Contracts are only concluded through order confirmation or as supplied by SOLON.
2. Only the order confirmation from SOLON is authoritative for the scope of the contractual services owed. Specifications regarding goods features and characteristics are for illustrative purposes and

non-binding if nothing else has been expressly stipulated in written form. Public statements, promotions, or advertisements are equally considered non-contractual details for the composition of the goods. The right to minor deviations from specifications regarding dimensions, weights, composition, and quality is reserved.

3. SOLON also reserves the right to make amendments after sending an order confirmation provided that these modifications are neither contrary to the order confirmation nor to the Customer specifications. The Customer will declare a consent for additional amendment proposals from SOLON insofar as they are reasonable.

Section 3. Prices and Terms of Payment

1. Prices are calculated ex works plus the effective legal sales tax as well as arising transport costs. The purchase price including all auxiliary costs shall be prepaid 14 days prior to the delivery date (receipt of payment). Should the Customer default on payments, SOLON is entitled to request default interest at the legally valid rate. If SOLON is able to prove more damage caused by delay, SOLON is entitled to assert these claims.
2. SOLON reserves the right to reduce or raise price for deliveries which are to be made more than six weeks after the contract conclusion, to take into account any changes in costs of materials, production, labor, shipping or storage, or any new or changed taxes. Any price changes shall take effect one month after receipt of notice of the price change. If a current price is increased by more than 3% as a result of a price change, Customer shall have the right to terminate the contract at the end of any given month upon three months' prior notice. In the event of termination, the current prices shall continue to be valid until the termination effective date. Notice of termination shall be in written form.
3. If installments are stipulated and if the Customer defaults on at least two successive rates entirely or in part and the amount with which the Customer has defaulted amounts to at least a tenth of the stipulated price, the entire remaining balance becomes due for payment immediately, regardless of the payment date of any bills of exchange.
4. The Customer is only then entitled to offset or retention rights if the Customers counterclaims are legally established, uncontested or recognized by SOLON.

Section 4. Delivery

1. Delivery dates and deadlines will be stipulated in written form between the Customer and SOLON on an order-by-order basis.
2. Adherence to stipulated deadlines for delivery assumes that SOLON has received all documents, permits, approvals, plans and other required documents to be provided by the Client.
3. Customer shall be responsible for providing the equipment needed for unloading trucks at the place of delivery. If it should nonetheless become necessary for the carrier to provide unloading equipment, Customer shall inform SOLON thereof when transmitting the delivery specifications and pay all resulting costs. Customer may only request standard equipment for the unloading of trucks.
4. If delivery is delayed due to any fault of SOLON, SOLON shall be liable for anticipated damages typical for this kind of contract to Customer after a grace period of at least 10 business days, set in writing by Customer, has passed without delivery. SOLON assumes no liability for any delivery delays due to the fault of the carrier.
5. In the case of delay, the Customer may give SOLON a grace period of 30 days in written form with a notice that the Customer refuses to accept the delivery after the deadline has expired. After the grace period has expired without success, the Customer reserves the right to demand damages for non-performance. Damage claims are limited to anticipated damages typical for this kind of contract. Delivery claims are then barred.
6. Deliveries shall also be accepted if they exhibit negligible defects.
7. Partial deliveries are permissible as long as they are reasonable.
8. If the customer fails to accept all or part of the bindingly ordered monthly volume and is thereby in default of acceptance, Customer shall be liable for all costs incurred by SOLON as a result of such delays (e.g. costs for the storage of goods). Customer agrees to a flat fee in the amount of 0,04% of the purchase price of the unaccepted quantity for each day of non-acceptance up to a maximum of 5% of the purchase price, to cover losses SOLON may incur. Customer shall have the right to furnish proof of lower damages. The enforcement of exceeding damages in accordance with legal requirements shall remain unaffected. If customer is in default of acceptance without being responsible, SOLON can only request the reimbursement of the extra costs caused by default instead of the flat storage cost rate.

Section 5. Transfer of Risk

1. Risks are transferred to the Customer when the goods have been delivered for or picked up from shipment. Deliveries will be insured against the usual transport risks at the Customer's request and expense.
2. The Customer is obligated to accept the goods provided by SOLON in eight days or less after appropriation.

Section 6. Retention of Title

1. Until full performance of all present and future claims (including all claims for settlement of open account balances) accruing to SOLON against Customer for any legal reason, SOLON shall hold the security interests set forth below. SOLON shall release security interests of its own choice upon demand of Customer, if the total value of all security interests exceeds the secured claims by more than 10%.
2. SOLON hereby reserves title to all delivered PV-Components until the obligations defined in para. 1 have been fully performed. Any processing or transformation of PV-Components shall in all cases be made for SOLON as the manufacturer, without however resulting in any obligations for SOLON. It is hereby agreed that if SOLON's (co-) ownership interest terminates because PV-Components are combined with other products, Customer's (co-)ownership interest in the resulting combined product shall, in proportion to the relative value of the PV-Components (invoice amount), transfer to SOLON. Customer shall hold the (co-) ownership interest in bailment for SOLON without consideration. Goods in which SOLON holds a (co-) ownership interest shall hereinafter be referred to as „Secured Goods.“
3. Customer may process and sell Secured Goods in the ordinary course of business, provided that Customer is not in payment default. Secured Goods shall not be pledged or assigned for security purposes to any third parties. Customer hereby assigns to SOLON as security all claims resulting from any resale of Secured Goods or accruing for any other legal reason. SOLON hereby irrevocably authorizes Customer to collect assigned claims for the account of SOLON and in the name of Customer. If Customer fails to perform any obligations to SOLON as agreed, SOLON shall have the right to revoke Customer's collection authorization and may collect claims directly in its own name and for its own account.
4. In the event that Secured Goods are subject to any third-party claims (including attachment claims), Customer shall advise such third parties of SOLON's title to the Secured Goods, take appropriate action to defend such claims, and notify SOLON of such claims promptly by telephone, following up in writing. Customer shall be liable for all damages resulting from any breach of the foregoing obligations.
5. SOLON reserves the right to withdraw from the contract and to reclaim its goods should the Customer act in a manner contrary to the contract, especially with regard to default of payment.

Section 7. Contractual Lien

Due to its receivables from the contractual relationship with the Customer, SOLON is entitled to a contractual lien for the objects that came into their possession from the contractual relationship. The contractual lien can also be enforced due to receivables from prior work, replacement deliveries, and other services insofar as they are related to the contractual item. For other claims against the Customer, the contractual lien is only applicable insofar as these claims are uncontested or legally established.

Section 8. Warranty

1. The warranty period shall be two years from delivery of the Modules and PV-Components to Customer. Remedial performance shall not result in any extension or restart of the warranty period.
2. SOLON hereby provides a personal product and performance guarantee subject to the terms and limitations set forth in "SOLON Product and Performance Guarantee" (download at <http://www.solon.com/de/produkte/download-center> or sent on request). The Parties hereby agree that the Product and Performance Guarantee shall not be construed as a „guarantee of quality“ for the Modules within the meaning of Civil Code § 443 or § 639, and shall not give rise to any additional rights of Customer under this Agreement.
3. Regarding the PV-Components delivered within the SOLON SOLbond PV System the "Terms and Conditions of Warranty and Guarantee for the adhesion of the SOLON SOLbond PV System" (download at <http://www.solon.com/de/produkte/download-center> or sent on request) shall apply additionally.
4. It is the responsibility of the Customer to examine immediately the goods upon receipt and to provide SOLON with immediate notification of defects in written form. Notice of defect shall be effective only if sent promptly, in any event not later than seven days after receipt of delivery.
5. If hidden defects are discovered later, notice of defect must be provided in writing promptly upon discovery. In such case notice of defect shall be effective only if it is sent promptly upon discovery of the defect, in any event not later than two years from delivery, and only if it is received prior to expiration of the warranty period.
6. If a product delivered by SOLON is defective, SOLON shall, at its sole option, repair the defect or replace the defective product with new products. If repair or replacement fails, SOLON shall have the right, at its sole option, to make another attempt of remedial performance. If this further product likewise fails, Customer shall have the right to rescind the contract with respect to the defective product or, in the alternative, the right to reduce the price paid for the defective product. The remaining, non-defective products included in the delivery, as well as the Supply Agreement shall remain unaffected thereby.

Section 9. Other Liability

1. Unless expressly provided otherwise, any liability of SOLON shall be limited to cases involving willful or grossly negligent actions or omissions. Any liability of SOLON for damages shall, notwithstanding the limitation of liability provided for in para. 2, be limited to typical, reasonably foreseeable damages. SOLON assumes no liability for any financial losses, consequential damages, or any other indirect damages of Customer, including, without limitation, any lost profits.
2. Any liability of SOLON arising from or in connection with the contract, including, without limitation, any claims of Customer under this

Section 9 or Section 8, Section 4 para. 4, as well as any claims under the Product and Performance Guarantee, shall for each delivery be limited to the purchase price of such delivery and for all deliveries made in any given calendar year shall be limited to the total purchase price of such deliveries.

3. SOLON assumes no liability for any damages caused by improper installation of Modules or PV-Components by third parties. Improper installation shall include, without limitation, any failure to install Modules in accordance with the installation instructions applicable to the Modules at the time of installation, or any failure to have Modules installed by qualified technicians. Installation instructions as last updated may be downloaded at <http://www.solon.com/de/produkte/download-center> or will be provided to Customer by SOLON upon request.
4. If Modules are resold, Customer shall advise its contract partners appropriately of the provisions of para. 3 above and require its contract partners to agree to advise their own buyers of the provisions of para. 3 in the event of any further resale of the Modules and to make such buyers likewise subject to the provisions of this para. 4 sentence 1. If Modules are resold to international contract partners, the seller shall make the installation instructions for the sold Modules available in the local language. Customer shall indemnify and hold harmless SOLON from and against any and all claims resulting from any failure to comply with the provisions of para. 3 or 4.

Section 10. Disclaimer

Disclaimers or limitations of liability regulated in these General Terms and Conditions do not apply to the following:

1. Damages resulting from loss of life, bodily injury, or damage to health due to a negligent breach of duty by SOLON or a deliberate or negligent breach of duty by one of SOLON's legal representative or vicarious agents;
2. Other damages based on a grossly negligent breach of duty by SOLON or on a deliberate or grossly negligent breach of duty by one of SOLON's legal representatives or vicarious agents;
3. In the case of liability according to the German Product Liability Act; or
4. In the case of warranty acceptance.

Section 11. Force Majeure

1. In the event of any natural disasters, havoc, war, riot, labor dispute, or stoppage or disruption of operations due to any extreme circumstances, government directives, or any other cases of force majeure which cannot be avoided and are not within the control of the Parties or which cannot be avoided or absorbed at reasonable technical and financial cost, the Parties shall be released from their obligations under this contract for the duration of such events.

2. The Party prevented from performing this contract shall promptly notify the other Party, detailing the circumstances preventing performance of the contract as well as the anticipated duration of the event preventing performance; in addition, the Party prevented from performing this contract shall take all technically and financially reasonable measures to overcome the obstacles to performance or acceptance as soon as possible and to resume performance as soon as possible.

Section 12. Notice according to Sec. 33 of the German Federal Data Protection Act

The Customer is hereby informed that SOLON electronically saves the Customer's personal data for the purpose of contract management, accounting, and statistical evaluation. This concerns data such as name, address, bank details as well as contract performance data.

Section 13. Trademarks

Customer shall use trademarks of SOLON only for purposes of advertising and selling Modules to third parties. Any use in connection with products by other manufacturers and/or with other trademarks is prohibited. Customer shall have no right to remove, relocate, modify, or render illegible any stickers, emblems, product information, or any other marks on solar modules making reference to SOLON.

Section 14. Severability Clause, Place of Performance, Court of Jurisdiction, Written Form

1. If parts of these Terms and Conditions are invalid or contradict applicable law, the remaining clauses hereof shall not be affected. The Parties agree to replace any invalid provision with such valid provision as most closely approximates the economic effect of the original provision. The foregoing shall apply, mutatis mutandis, if any provisions have been inadvertently omitted from the contract.
2. Any disputes arising from or in connection with these Terms and Conditions and this contract shall be adjudicated exclusively by a competent jurisdiction in Berlin, Germany. This contract shall be governed by German law. Application of the United Nations Convention on Contracts for the International Sale of Goods is barred.
3. The contract conclusion and subsidiary agreements as well as later modifications must be submitted in writing. This additionally applies to a waiver of the written form requirement.