

General Terms and Conditions of Purchase of SOLARWATT GmbH

version as of: 24.08.2016

I. Scope of application

1. These General Terms and Conditions of Purchase shall apply exclusively to any and all contractual relationships with entrepreneurs, legal entities governed by public law, and special trusts under public law (hereinafter each "Contractor") regarding the provision of deliveries or services (hereinafter together also "Deliveries") to SOLARWATT GmbH (hereinafter: "Principal") as well as to orders and any other contractual statements of the Principal.
2. We do not accept any terms of the Contractor which deviate from or amend these General Terms and Conditions of Purchase or any statutory provisions, unless we have explicitly consented to their applicability in writing. Even if we have not expressly rejected these terms, accepted Deliveries or made payments without reservation, we do not accept any such terms.

II. Orders, Delivery Schedules, Call-offs

1. Orders of the Principal are only binding if made in writing.
2. The Contractor shall confirm orders with reference to the order number of the Principal. If we do not receive a written order confirmation within five days after the receipt of the order, we will no longer be bound to the order. Should the order confirmation differ from the order, the Contractor shall specifically highlight the difference in the order confirmation. Such differences shall only become part of the contract, if we accept them in writing.
3. Delivery calls within the scope of the agreed quantity contracts or frame agreements become binding, unless the Contractor objects within five days after reception. The Contractor shall only have the right of objection, if the call-off is contrary to the contract. Unless otherwise expressly agreed, we are not obliged to make call-offs, accept or observe delivery dates on the basis of a quantity contract or a frame agreement. For the rest, the provisions regarding orders set forth in these General Terms and Conditions of Purchase shall apply accordingly to call-offs.

III. Invoices, Prices, Payment Terms

1. According Incoterms 2010, prices are "delivered duty paid" (DDP) to the site of the Principal, including packing.
2. The Contractor shall provide the Principal with an invoice with a separate identification of the turnover tax, if applicable, stating the service provided and the remuneration invoiced for it in a comprehensible manner, which complies with the requirements for proper financial accounting. The invoice shall contain the contract number of the respective contract as well as the corresponding order number.
3. Regardless of any other requirements, in particular the delivery of the goods, the maturity of a payment claim always requires the presentation of a proper invoice. Unless otherwise agreed upon, invoices are due for payment 30 days after the reception by the Principal, whereas payments within 14 days shall entitle us to a discount of 3 %.
4. Payments shall neither constitute acceptance of the delivery nor the acknowledgement of the delivery as according to the contract, nor an acknowledgement of the billing.

IV. Delivery, Delay, Subcontractors

1. Each delivery shall contain a delivery note. The delivery note shall contain a description of the content as to the nature and amount as well as a list regarding the composition of all packing units contained, including the related designation of the respective amount, batch, and unambiguous packing unit number.

2. Order confirmations, notices of dispatch, consignment notes and any other correspondence shall contain the order number of the Principal.
3. The receipt of the goods by the Principal and/or at the specified destination shall be decisive for the compliance with delivery dates or deadlines.
4. As soon as the Contractor becomes aware of its inability to comply with a delivery date or deadline, the Contractor shall inform the Principal without delay in writing, specifying the reasons and the estimated length of the delay.
5. In case of a delay in delivery, the Contractor shall pay a contractual penalty to the Principal for each working day of delay, which shall amount to 0.2% of the price (net) of the delayed part of the delivery, unless the Contractor is not responsible for the delay. In total, the contractual penalty shall not exceed a maximum of 5% of this price (net). The contractual penalty is immediately due and can also be claimed, if the delivery was accepted without reservation; however, after the final payment of the delivery, the Principal may only claim it, if a respective reservation was made upon final payment. However, any contractual penalties paid by the Contractor shall be credited against the claim for damages of the Principal.

Besides, in case of a delay in delivery, the Principal shall have the statutory claims and rights, in particular but not limited to the right of rescission according to the statutory regulations.

6. The Contractor shall inform the Principal of any and all impediments without delay in writing, otherwise the Contractor cannot rely on a delay caused by an impediment.
7. Partial shipments, excess or short Deliveries shall only be admissible after the explicit approval by the Principal.
8. The engagement of subcontractors shall only be admitted with the prior written approval by the Principal.

V. Place of Performance, Transfer of Risk, Acceptance of Property

1. Place of performance shall be the place, where the goods shall be delivered according to the contract.
2. Irrespective of the agreed Incoterms, the risk of accidental loss or accidental degradation shall be transferred to the Principal upon taking delivery at the place of performance or, in case of agreed acceptance or acceptance required under the applicable law, upon acceptance.
3. In case the Principal is obliged to declare acceptance, the Principal can declare acceptance until up to six weeks after the notification of completion by the Contractor. The commissioning of a delivery or its use, as such, shall not be deemed as acceptance.
4. Any reservation of title in favor of the Contractor shall only have the effect of a simple reservation of title, unless the Principal explicitly agrees to an extended or expanded reservation of title or to current account reservation.

VI. Packing

1. Unless otherwise agreed upon, the goods shall be properly packed according to custom and usage. The Contractor shall be liable for damages caused by improper packing, unless the Contractor is not responsible for the defective packing.
2. Unless otherwise agreed upon, delivery shall be made in one way standard packaging according to custom and usage. In case the parties agreed on reusable packaging, the Contractor shall lend the packaging to the Principal. The Contractor shall bear the costs and the risk of the return.

General Terms and Conditions of Purchase of SOLARWATT GmbH

version as of: 24.08.2016

VII. Provision of Material

1. Provided parts, components, tools, and any other materials (hereinafter: "Material") shall remain the property of the Principal and shall be stored by the Contractor free of charge and with the due diligence of a prudent businessman; furthermore, it shall be stored separately from other items of the Contractor and shall be labeled as property of the Principal. The Contractor shall take out commercial property insurance for the Material.
2. The Contractor shall bear the risk of accidental loss and of impairment regarding the Material. The Contractor shall carry out the maintenance and repair of the Material.
3. The Contractor may only use the provided Material for the performance of the respective order placed by the Principal and only within the scope of the other contractual purpose. Processing and transformation of Material require the prior consent of the Contractor, unless the parties agreed to processing or transformation. In case of processing, transformation, combining or mixing of Material with other goods by the Contractor, the Principal acquires co-ownership of the new thing according to the ratio of the objective value of the Material to the objective value of the other used goods. In case the property of the Principal is extinguished due to processing, transformation, combining or mixing, the Contractor transfers to the Principal, with immediate effect, any and all property rights in the newly created thing according to the ratio of the objective value of the Materials to the objective value of the other used goods, the Contractor shall store them free of charge for the Principal.

VIII. Quality, Quality Assurance, Environment, Documentation Obligation

1. The goods shall comply with the agreed specifications, the design provided by the Principal as well as with the current state of the art. They must be free of any defects in construction, design, processing and material and shall be suitable for the purpose provided in the contract. Furthermore, the goods shall comply with the statutory requirements and official standards applicable in Germany and in the country of destination, as well as with the directives and regulations of the EU, and the applicable standards of professional and industrial associations.
2. The Contractor shall comply with the contractual requirements of the Principal with regard to quality, manufacturing processes, tests, and certifications.
3. In every respect, the Contractor shall be fully responsible for the quality of the goods as well as to the suitability of the goods for the intended purpose and the place of use. Any approval or acceptance by the Principal shall not release the Contractor from its obligation to comply with the agreed quality requirements. Insofar as the Principal requires the Contractor to comply with certain requirements, the Contractor shall examine them on its own responsibility and shall notify the Principal of any concerns about the suitability of the specification regarding the intended purpose and the place of use.
4. The Contractor shall establish a quality and environment management in accordance with the requirements set forth in ISO 9000 et seq., ISO 14001 et seq. or EMAS, whose nature and scope is suitable and which complies with the current state of the art.
5. Within the scope of its economic and technical possibilities, the Contractor shall use ecological products and processes. Supplies shall also comply with the aforementioned requirements.
6. The Contractor shall provide the Principal with the relevant safety data sheets which apply to the goods at the moment of delivery.

7. The Contractor shall comply with any and all substance prohibitions and restrictions as well as with any and all related information and take-back obligations pursuant to any and all applicable national and international directives and regulations, in particular but not limited to directive 2011/65/EU (RoHS2), directive 2012/19/EU (WEEE) and directive EC No. 1907/2006 (REACH). Without delay, the Contractor shall inform the Principal in writing about the material composition of the goods. The goods may not contain the substances listed in the applicable statutory provisions, directives, and regulations as well as those listed in the "banned substances list" and in the "substances to be avoided list" provided by the Principal, or at least not in a concentration exceeding the permitted maximum limit. This shall apply in particular to the substances listed in the candidate list of the REACH regulation as amended at the time of delivery.
8. The Contractor shall prepare any and all certificates of origin, supplier declarations pursuant to regulation EC No. 1207/2001, and any other certificates of origin, which might be required, including any and all necessary information; otherwise the Contractor shall obtain them and provide them to the Principal.
9. The Contractor shall carry out a pre-shipping inspection, before the Contractor prepares the goods for the shipment to the Principal. Should the Contractor determine, in the course of the pre-shipping inspection, that the goods deviate from the agreed, preconditioned or usual design and construction, the Contractor shall notify the Principal immediately about it and about the planned remedial measures.
10. Every delivery by the Contractor shall include factory certifications 2.2 in conformity with DIN EN 10204 for the Principal.
11. Prior to any changes to manufacturing processes, material or supply parts for the goods, processes or facilities for the inspection of the goods or any other quality assurance measures, the Contractor shall inform the Principal in such a timely manner so that the Principal can examine these changes. Such changes may only be implemented after the approval by the Principal.
12. The Contractor shall store any and all generated documents related to the delivery in a safe manner for a duration of 15 years. This shall apply in particular to test results and pre-shipping inspections which shall be documented in a suitable form.
13. The Contractor shall make good all losses incurred to the Principal which arise due to a culpable infringement of the obligations set forth in this Section VIII; the Contractor shall indemnify and hold the Principal harmless from any and all claims by third parties, including authorities, which result from an infringement of these obligations.

IX. Non-disclosure

1. The Contractor is obliged to keep any and all information obtained in connection with the orders by the Principal and the business relationship, such as drawings, provided items, models, designs, data sheets, software, communicated or accessible trade or business secrets as well as any and all information subject to data protection laws confidential (hereinafter: "Confidential Information"), and to protect it from unauthorized third party access. Confidential Information may only be used within the scope of the purpose of the contract. Beyond the purpose of the contract, Confidential Information may not be replicated or recorded.
2. The Contractor may only provide Confidential Information of the Principal to third parties, if this is required by statutory provisions or by orders by state bodies, if the Principal has given its consent to it or if this is necessary to perform the contract concluded with the Principal. As far as

General Terms and Conditions of Purchase of SOLARWATT GmbH

version as of: 24.08.2016

permitted by law, the Contractor shall inform the Principal without delay, as soon as a state body has requested the Contractor to reveal Confidential Information of the Principal.

3. The Contractor shall only disclose Confidential Information to those employees, who need it for the execution of the contract.
4. The Contractor shall conclude written non-disclosure agreements with all employees and third parties deployed for the service provision or to whom the Contractor discloses Confidential Information, which are in conformity with the non-disclosure obligations agreed upon with the Principal. Upon request by the Principal, the Contractor shall provide evidence of such obligation. Any and all infringements of the non-disclosure obligations by employees and third parties shall be attributable to the Contractor and shall be deemed as its own breaches of duty.
5. The Contractor shall protect Confidential Information transmitted by e-mail from any and all access and manipulations by unauthorized third parties. The parties can agree on respective technical protective measures, such as encryption and signature processes.
6. Upon termination of the contract or, at any time, at the request of the Principal, the Contractor shall return to the Principal any and all remaining Confidential Information received by the Principal; the Contractor shall confirm the fulfillment of this obligation in writing. The Contractor does not have any right of retention in this regard. In case Confidential Information is stored on electronic rewritable storage media, deletion is sufficient, provided that the data is deleted in a way that the restoration of Confidential Information is impossible. Insofar as the Contractor is legally bound to store data, the Contractor may store a copy of the necessary documents for such purpose. After the expiration of the statutory retention period, the Contractor shall destroy the copy according to data protection rules.
7. The aforementioned obligation of this Section IX shall not apply to information which
 - a) was already generally known upon conclusion of the contract or which became generally known without a breach of this non-disclosure obligation by the Contractor,
 - b) the Contractor (has) lawfully received from third parties which were not bound to the Principal by an obligation of non-disclosure, or
 - c) was already known to the Contractor at the time of transmission by the Principal.
8. The Contractor shall be obliged to pay a contractual penalty for each and every case of a culpable infringement of this section VIII; the Principal shall determine an appropriate contractual penalty, which shall be reviewed by the competent local or regional court. We reserve the right to assert further damages. However, any paid contractual penalties shall be credited against such damages.
9. The rules set forth in this Section IX shall remain in force for a duration of ten years as of the conclusion of the contract, regardless of the date of termination.

X. Rights to work results

With respect to work results, which are created by the Contractor or its vicarious agents in connection with the fulfillment of the contractual obligations (hereinafter "Work Results"), the following shall apply:

1. The Principal shall have the sole and exclusive rights in the Work Results. Insofar as the rights can be transmitted, they shall pass into the ownership of the Principal as soon as they come into existence, without the need for a further

declaration by the Contractor. Insofar as a transmission of the rights in the work results does not come into question for legal reasons, the Principal shall receive exclusive and irrevocable rights of use which shall be unrestricted in terms of time, place, and content. By granting the rights of use, the Principal shall be enabled to use, without restrictions, the works which are protected by copyrights and ancillary copyrights for its own purposes. In particular, the Principal shall receive the exclusive and irrevocable right, which shall be unrestricted in terms of time, place, and content, to exploit or copy in any known way all Work Results provided by the Contractor within the scope of the contract, or to transfer the Work Results on image, sound, and data carriers, to process, machine, redesign, translate, disseminate them or to hold them ready for retrieval. Hereby, the Contractor grants the Principal, with immediate effect, any and all rights of use pursuant to Sec. X.1. as soon as they come into existence. The Contractor waives its naming rights and the right to make the work accessible. The agreed price includes an appropriate remuneration for the transfer and/or the granting of the rights pursuant to this Sec. X.1. A separate claim to remuneration shall be excluded, unless binding statutory regulations, in particular Sec. 32 c German Copyright Act ("UrhG"), state otherwise.

2. Without the consent of the Contractor, the Principal shall be entitled to grant third parties non-exclusive or exclusive rights of use regarding individual or all rights which were granted to the Principal, or to transfer or license the obtained rights, either entirely or in parts, to third parties.
3. Furthermore, the Principal receives the exclusive right, which shall be unrestricted in terms of time, place and content, to use and exploit the Work Results in any and all currently unknown manners. In this case, the Principal and the Contractor shall agree on a separate, appropriate remuneration.

XI. Duty of Inspection, Notification, and Rejection

1. The statutory obligation of the Principal to inspect the incoming goods pursuant to Sec. 377 German Commercial Code ("HGB") shall be limited to the Principal's obligation to inspect, without delay, the goods with regard to amount, type, visible defects, such as transport damages, and other obvious damages. The Principal shall notify the Contractor of obvious defects within two weeks as of delivery, and in case of hidden defects within two weeks as of the determination of the defect.
2. The Principal shall not have any other obligations exceeding the aforementioned duty of inspection, notification, and rejection. In particular, the Principal shall not be obliged to perform any laboratory tests, unless otherwise agreed upon. In this respect, the Contractor waives its right to claim the infringement of the duty of inspection and of the delayed notice of defects.

XII. Defects of Quality

1. Approvals or acceptance of specifications, designs or manufacturing procedures by the Principal shall not constitute any waiver of rights or claims for defects. Any and all rights or claims for defects of the Principal shall remain unaffected of such approvals or acceptances.
2. The limitation period for any and all claims based on defects, including recourse claims, shall be 36 months as of delivery, unless the parties agreed otherwise or longer limitation periods are specified in the law.
3. In case the goods are tools, machines, and equipment, the limitation period for claims based on defects in quality shall begin, by derogation from section XII.2, upon written acceptance of these items.
4. The ongoing period of limitation for claims for defects shall be prolonged by the time of discontinuation in case the

General Terms and Conditions of Purchase of SOLARWATT GmbH

version as of: 24.08.2016

goods cannot be used or operated during the inspection of a defect or the removal of it.

5. Upon request, the Contractor shall remove any and all defects without delay and free of charge, at the discretion of the Principal, either by remedy or subsequent delivery (supplementary performance). Sections 439 (3), 635 (3) German Civil Code ("BGB") shall remain unaffected.
6. After the unsuccessful expiry of a reasonable deadline for supplementary performance set by the Principal, or in case of failure or impossibility of the supplementary performance, the Principal shall have any and all statutory rights, in particular but not limited to rescission, price reduction, reimbursement of expenses, and claims for damages instead of performance. In case of work performance, the Principal shall also have the right to remove the defect on its own.
7. The Principal shall be entitled to remove the defect at the expense of the Contractor in case of imminent danger or if it is particularly urgent and, for this reason, it is unacceptable for the Principal to inform the Contractor about the defect and the possible damage and to set the Contractor a deadline for the removal. Sections 439 (3), 635 (3) German Civil Code ("BGB") shall remain unaffected.
8. The Contractor shall indemnify and hold harmless the Principal in case of claims for damages and reimbursement of expenses by third parties, which the third party raises against the Principal on the alleged grounds of the defective delivery by the Contractor for which the Contractor is liable.
9. The Principal reserves the unrestricted right to raise any and all further claims it is entitled to according to the law, in particular but not limited to claims for damages in addition to the performance, or the reimbursement of expenses, rights to exemption, claims for indemnification and tortious claims.

XIII. Indemnification in case of Third Party Rights

1. The Contractor shall indemnify and hold harmless the Principal from any and all claims by third parties, which are raised against the Principal, because the contractual use of the documents and other Deliveries provided by the Contractor allegedly or actually infringed commercial property rights of third parties, such as patent, trademark, utility or design rights, as well as copyrights (hereinafter "property rights"). The Principal shall notify the Contractor of such claims raised by third parties without delay. Any and all defense measures, either by instituting proceedings or settlement out of court, are left to the discretion of the Contractor. The Principal shall reasonably support the Contractor. The Contractor shall reimburse the Principal any and all appropriate costs arising in connection with such support.
2. In case the Principal has informed the Contractor in due time about a claim based on an infringement of property rights, the Contractor shall, in order to enable the Contractor to further use, modify or replace the documents and other Deliveries provided, at its own expense, so that that the property right is no longer infringed and the quality agreed upon in the contract remains preserved. The Contractor may also, at its own expense, obtain for the Principal the right to continued use of the allegedly infringing contractual Deliveries. The aforementioned obligations of the Contractor do not apply, in case the infringement of the property right is caused by a modification of the goods, delivered by the Contractor, without the Contractor's consent, or in case they are modified in breach of the contract, or in case the infringement of the property right is attributed to the fact that the goods are used in combination with other goods which were not provided by the Contractor, unless the

Principal and the Contractor agreed on such use in advance.

3. Any and all claims and rights of the Principal resulting from a defect in title shall remain unaffected.

XIV. Foreign Trade Legislation

1. The Contractor shall comply with any and all requirements of the applicable national and international customs law and foreign trade legislation ("Foreign Trade Legislation"). At the latest after two weeks following the purchase order and immediately after any alteration, the Contractor shall provide the Principal in writing with any and all information and data necessary for the Principal for the compliance with the Foreign Trade Legislation in case of export, import and re-export, in particular but not limited to:
 - a) all applicable export list numbers, including the export control classification number pursuant to the U.S. Commerce Control List (ECCN);
 - b) the statistical article number according to the current article classification of the German external trade statistics and the HS (Harmonized System) Code;
 - c) the country of origin (non-preferential origin), and, if requested by the Principal, the supplier's declarations regarding the preferential origin (in case of European Contractors) or Preference Certificates (in case of non-European Contractors)
2. The execution of the contract by the Principal is subject to the reservation that no barriers, such as national or international provisions of Foreign Trade Legislation, embargos and/or other sanctions, are opposed to such execution.

XV. Liability, Product Liability Insurance

1. The Contractor shall be under the unrestricted obligation of recompensation for damages or expenses incurred to the Principal.
2. The Contractor shall take out and maintain a product liability insurance (including coverage of installation, removal, and recall costs) with sufficient coverage and prove it upon request. Sec. XV 1 and any and all claims and rights of the Principal shall remain unaffected of this Section V.2.

XVI. Final Provisions

1. The Contractor may only use the trade name and the logo of the Principal as a reference customer with the written consent of the Principal.
2. The Principal shall only store personal data of the Contractor and its employees (such as the name, designation of the occupation, industry or business classification, telephone number, and email address) for the purpose of the establishment, execution or termination of contractual or quasi-contractual obligations with the Contractor.
3. Should any provisions of these General Terms and Conditions of Purchase or other contract documents be or become invalid, the validity of the remaining provisions shall remain unaffected hereof.
4. The legal relationship between the Principal and the Contractor shall be governed by the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Law /CISG).
5. Place of venue for all disputes between the Principal and the Contractor shall be Dresden, Germany. However, the Principal may take legal action against the Contractor at its general place of venue or at any other place of venue.