



**sonnen GmbH and sonnen eServices GmbH(hereafter referred to as “sonnen”):
Terms and Conditions of Purchase – as of May 18th 2018**

§1: General Provisions

(1) sonnen inquiries, orders and jobs shall be made exclusively under the following Terms and Conditions of Purchase. Deviating Supplier conditions shall not form an integral part of the contract even if sonnen does not explicitly oppose them or if it has accepted them in the past.

Although sonnen may also make express reference to them, its agreement to other Supplier conditions shall not arise from the irrevocable acceptance of deliveries, performance, offers, acknowledgement of orders and/or accounts.

(2) sonnen is under no circumstances obliged to any purchase commitment for frame contracts, contracts or purchase orders if supplier changed lead times in order confirmations or sends ex post order confirmations with changed or deviating delivery dates, regardless the way of communicating the change to sonnen. Supplier’s obligation to supply remains unchanged whereby sonnen reserves the right for quantity adjustments. This clause is applicable for all closed, open, partly supplied and future frame contracts, contracts or purchase orders.

§2: Offer and Contract Conclusion

(1) Provided that no other arrangements are made, the Supplier is bound by the conditions of its offer. This also includes samples, designs, illustrations, measurements, dimensions, weights or other performance data such as performance and delivery times presented by the Supplier.

(2) The specified reference number, customer name and sonnen item number must be quoted in all correspondence regarding an order.

(3) Upon receipt of the order, the Supplier shall immediately prepare the order confirmation and forward it to sonnen within two working days at the latest.

§3: Prices

(1) The agreed prices are fixed prices. All expenses relating to the provision of deliveries and services by the Supplier are included in the prices.

(2) Price increases are only permitted if additional written arrangements have been made between the contracting parties.

§4: Shipping and Transfer of Risk

- (1) Shipment of goods and the assignment of carriers is effected by the Supplier unless otherwise agreed.
- (2) For deliveries of dangerous goods, the Supplier shall guarantee compliance with UN regulations (carrier-dependent) and other appropriate, legal and delegated legislative regulations of the Federal Republic of Germany.
- (3) A delivery note must be attached to each delivery, indicating the sonnen order and item numbers plus a description of the contents according to type and quantity. This must be attached to the outside of the package and clearly visible so that the contents of a shipment can be identified.
- (4) The transfer of risk is the result of the individually agreed terms and conditions of delivery under the currently available version of the international Incoterms.

§5: Scheduled Delivery Date, Delayed Delivery, Force Majeure

- (1) The agreed delivery time specified in the order is binding. Compliance with the delivery date or period shall depend on the date when the defect-free goods are received by sonnen.
- (2) Should the Supplier see that the agreed deadlines or times cannot be met for whatever reason, it must notify sonnen immediately stating the reasons and expected duration of the delay.
- (3) Partial deliveries are only permitted with the express consent of sonnen; surplus or short deliveries are only permitted to the extent that they comply with ordinary commercial practice.
- (4) A detailed operating manual and instructions for use shall be included free of charge for technical components.

§6: Invoicing and Payment

- (1) All the relevant order numbers, order dates, descriptions of goods, sonnen item numbers per line item, quantity and unit prices shall be quoted in the invoice. A separate invoice shall be issued for each delivery.
- (2) Any goods in arrears shall be clearly indicated in invoices for partial deliveries.
- (3) Although not explicitly stated, all payments are made subject to invoice verification. In no case shall payment amount to recognition of correct delivery or performance, and neither shall it constitute a waiver of a complaint as per Section 377 of the German Commercial Code.
- (4) sonnen may exercise the rights of set-off and retention to the extent that this is legally permitted.
- (5) Payment terms are 14 days with 2% discount or 60 days net unless agreed otherwise.

§7: Change Management, Process Changes, Quality Standards

- (1) sonnen is entitled to effect performance changes and thus also changes to the drawings, specifications and processes which are relevant to performance. The Supplier shall check such changes, using its qualifications and expertise, and shall notify sonnen in writing within a maximum of five working days concerning the implications of the change, such as technical properties, process stability, documentation and other risks. After a consensus has been reached regarding implementation, the Supplier shall use its best endeavours to adhere to the terms of delivery and to maintain the price level and shall do so in a manner which must be at the least as competitive as that of other producers of similar products/services.
- (2) Unauthorised changes to specified products, routines and directives noted in (1) by the Supplier shall be prohibited and may result in indemnity claims. Should the Supplier wish to perform appropriate changes, sonnen shall first be advised of the reason for the desired change, its type and the extent thereof. Where necessary, the Supplier shall produce a new sample and send it to sonnen along with the initial sample inspection report. Should the change be accepted by sonnen, then sonnen shall carry out an initial sample inspection. After successful completion by sonnen, written notification of change shall be issued with approval. The revision status shall be incremented appropriately for each change.

(3) The Supplier must observe the quality standards in connection with the applicable regulations, directives/standards/laws and with the relevant requirements of sonnen, which reflect state of the art in science and technology as well as safety and environmental requirements.

(4) If required, the Supplier shall provide sonnen with a manufacturer's declaration to conformity (DC) as defined by the current EU directives for the product delivered.

§8: Guarantee and Product Liability

(1) In terms of the quality due for goods supplied, it shall be agreed that all items delivered and all work performed must be consistent with the latest state of the art, the appropriate legal provisions and the regulations and directives of public authorities, trade associations and industrial unions plus the standards in their latest versions. The Supplier is aware, in particular, that sonnen develops, produces and markets energy storage facilities and equipment that are subject to high safety requirements; the material supplied by the Supplier for the production of such products must comply with these requirements in every respect.

(2) The Supplier shall warrant and be responsible for taking all the necessary measures to guarantee process safety. The Supplier shall provide appropriate proof (inspection/measurement reports) on demand.

(3) For a first-time bulk delivery, the defined specifications and standards are classified as guaranteed properties of the product or service that is delivered. Changes of any kind must be communicated to sonnen in advance and in writing, for the purpose of approval. If the Supplier delivers an alternative item to the one agreed and does so without due authorisation, then this constitutes a significant defect, and sonnen is entitled to claim damages, regardless of whether the defect is hidden or open.

(4) In such a case, unless further-reaching claims are specified in other legal provisions, the Supplier must also reimburse any expenses arising from or in connection with the product recall; the Supplier shall do so in accordance with proper principles of business conduct and without receiving an order to this effect.

§9: Property Rights

- (1) The ordered goods are free from third-party rights, especially industrial property rights.
- (2) Before delivery the Supplier shall keep well informed on existing property rights, such as patents, samples, brands, copyrights and any supplementary product protection under competition law.
- (3) Should a claim be made towards sonnen by a third party, the Supplier shall indemnify sonnen against those claims upon first written request.
- (4) The Supplier's indemnity obligation covers all expenses incurred by sonnen in connection with the third party claim and considered necessary by sonnen.

§10: Copyrights, Confidentiality

- (1) The Supplier shall treat concluded and the technical documentation on sonnen-specific products as strictly confidential. It shall treat as trade secrets any non-public, commercial and technical details that have been disclosed to the Supplier under the business relationship. The confidentiality agreement shall also prevail after the termination of this contract; it shall only expire if and when the knowledge specified in the relevant images, designs, calculations and other documents has become public domain. Supplier shall ensure through suitable, organisational precautions that the confidentiality commitment is protected from persons instructed by the Supplier (i.e. personnel).
- (2) sonnen shall retain ownership and copyrights for images, designs, calculations and other documentation disclosed to the Supplier within the business relationship; such material shall not be made available to third parties without express written consent from sonnen. The material shall be used exclusively for the manufacture of items ordered by sonnen; once the order has been completed, the material shall be returned to sonnen along with any duplicated documents, without the need for a request. The material shall be kept confidential from third parties. There shall be no right of retention.

§11: Reservation of Title

The ownership of supplied goods shall be passed over to sonnen through transfer or approval, unless the Supplier reserves the right to a different arrangement. Advanced reservation of title and current account retention shall not be accepted.

§12: Certificate of Origin, Declaration of Conformity (DC), Binding Supplier's Declaration

The Supplier shall prove the origin of goods by means of a certificate of origin; should the Supplier fail to comply with this obligation, it shall be liable to sonnen for losses resulting at sonnen from such failure. For each delivery the Supplier shall send/hand over the certificate of origin to the relevant sonnen buyer without being requested to do so. For recurring annual orders, a Supplier's long-term declaration shall be handed over at the beginning of each year. For each sonnen item, prior to first delivery, the Supplier shall provide either the declaration of conformity (DC) or the relevant binding supplier's declaration.

§13: Technical Documentation

- (1) For standard parts, sonnen shall be authorised to request technical data sheets (incl. approval tests and inspection bodies, e.g. UL), operating manuals and instructions for use, which shall be made available by the Supplier without delay.
- (2) For special parts developed and produced for sonnen, the Supplier shall provide all technical documentation (CAD data, Gerber data, designs, parts lists with order descriptions, test instructions in a standard format) as well as any authorised changes (see Section 7) and shall do so promptly, prior to the first delivery.

§14: Additional Provisions

- (1) Sonnen's "Quality Assurance Guideline for Quality Relevant Materials or Services" in the relevant version.
- (2) Sonnen's "Directive for Initial Samples_en" in the relevant version.



§15: Final Provisions

(1) Unless otherwise stated on the order confirmation, the place of performance and jurisdiction shall be sonnen's registered place of business.

(2) If the Supplier is a registered trader, sonnen's place of jurisdiction shall be the registered place of business; sonnen may, however, take legal action against the Supplier at any other place of jurisdiction.

(3) Should individual provisions of these Terms and Conditions of Purchase or a provision in a different agreement be or become invalid, this shall have no bearing on the validity of the remaining provisions or agreements.