

PRODUCT SUPPLY AGREEMENT GENERAL TERMS & CONDITIONS

Approved by UAB SOLI TEK CELLS Director's order No. I-16-03-25-3

UAB Soli Tek Cells, Mokslininku str. 6A, Vilnius, Lithuania
April 1st, 2018

1. Area of applicability

1.10 Unless otherwise expressly agreed in written form, SOLITEK'S General Terms and Conditions are applicable. Hereinafter determined by UAB SOLI TEK CELLS (hereinafter – SOLITEK) and accepted by customer (hereinafter – CUSTOMER), hereinafter together called "Parties". Unless otherwise agreed in any subsequent amendments, in written form with original signature or secure electronic signature, the General terms & conditions shall be applied to all quotations and purchase contracts.

1.11 Product is considered to be all solar photovoltaic (PV) modules, other complementary parts of solar PV power plant and other services, specified on the order.

2. Ordering, manufacturing and delivery terms

2.10 All offers of SOLITEK shall be made without obligation. Documents supporting the offer such as illustrations, drawings or specifications of weights and measurements shall only give approximate indications. SOLITEK is not bound by obvious mistakes or typographical, printing or arithmetical errors.

2.11 CUSTOMER and SOLITEK fulfil and sign the Special Conditions Annex or Distribution Agreement, where CUSTOMER designates the Authorized person (persons) who has the right to act on behalf of the CUSTOMER by submitting and confirming the orders by email.

2.12 CUSTOMER'S Authorized person submits the order to the SOLITEK by email. SOLITEK determines the delivery times, price and other conditions. The order is considered to be confirmed when the CUSTOMER's Authorized person confirms by email that all conditions noted in the order form are correct. Collateral agreements, reservations etc. to a contract require the written confirmation of SOLITEK to be valid. Every order requires a written order confirmation by SOLITEK (contract acceptance). Work drawings produced by SOLITEK must be approved by the CUSTOMER by email, fax or letter.

2.13 SOLITEK shall start the production process after the order is confirmed, i.e. the order is confirmed by email, payment is made, and the requested material (if needed) is correctly provided by the CUSTOMER.

2.14 SOLITEK shall endeavor to keep to the agreed dates for fulfilment or delivery as far as possible. However there is no legal entitlement to this; all the aforementioned dates of service provision or delivery are non-binding and not guaranteed, unless the delivery period is confirmed by the SOLITEK as being expressly binding.

2.15 Unless otherwise agreed in writing, the Product transportation method and conditions shall be exclusively determined by the SOLITEK. In case of any additional requirements for transportation like special packaging, customs and freight charges, the CUSTOMER shall cover additional expenses.

2.16 The risk of Product loss or damage is transferred to the CUSTOMER once the Product has been handed to a person or entity executing the delivery.

2.17 The delivery period shall not begin until all implementing details have been fully clarified. In the event of an agreed modification to the order, SOLITEK shall be entitled to recalculate the delivery period. The start of the agreed delivery period assumes that all the documents required to implement the contract have been submitted and any agreed payments were made in timely manner.

2.18 SOLITEK shall not be liable for delivery delays caused by pre-suppliers, manufacturers or transporters; nor for force majeure cases or other circumstances not being influenced by SOLITEK. In such cases the delivery period shall be extended by the duration of the impediment plus a reasonable start-up period of at least 2 weeks; SOLITEK is also entitled to withdraw from the contract, in total or in part, with regard to that part of the contract not yet performed.

2.19 If a binding delivery period is exceeded for reasons for which SOLITEK is responsible, CUSTOMER shall be granted, via a registered letter, an appropriate period of grace of at least 8 weeks to provide the service. After unsuccessful expiration of the grace period, the CUSTOMER may withdraw from the contract by giving notice in writing.

2.20 SOLITEK may discontinue the delivery without notice if the CUSTOMER is in default of payment, or unfavorable financial circumstances of the CUSTOMER become apparent afterwards, such as the refusal to honour cheques or bills of exchange, or the presentation of a petition for composition or insolvency proceedings.

2.21 The CUSTOMER shall dispose of regular packaging and pallets at his own expense. The glass transport racks, insofar as these do not represent disposable packaging, shall remain in the possession or ownership of SOLITEK. CUSTOMER is obliged to return these within 3 months at their own expense, failing which the cost of the glass transport racks shall be charged to the CUSTOMER.

2.22 Unless otherwise specified in the written order confirmation, delivery shall be agreed as ex works of SOLITEK. In this regard, delivery is fulfilled following notification that the goods are ready for collection.

2.23 The choice of dispatch type is incumbent upon SOLITEK unless the CUSTOMER has provided express written instructions in this regard. Dispatch is always for the account of and at the risk of the CUSTOMER. Transport insurance shall only be concluded in those cases where the CUSTOMER requests this expressly in writing. The costs incurred in this regard shall be borne by the CUSTOMER.

2.24 CUSTOMER is obliged to examine deliveries immediately for damage and to send immediate notification in writing stating any concrete objections. The statutory period for obvious defects starts with the handover; in the case of hidden defects, with their discovery. Claims under warranty are excluded when the statutory period has expired without any defects being notified. The postmark is taken as proof of defects being notified in time.

2.25 CUSTOMER is responsible for providing appropriate access and unloading facilities. The CUSTOMER shall give notification of any difficulties in good time. If unloading should be delayed or if no one is available for the goods handover on the agreed delivery date, the costs of a repeated delivery attempt shall be borne by the CUSTOMER.

2.26 If the delivery date should be different to the assembly date, SOLITEK is entitled a. to store the goods at the CUSTOMER's expense (entailing a storage fee of €7 /m²/day)

2.27 In both cases liability passes to the CUSTOMER; at the same time, SOLITEK has a claim on fulfilment of contract.

2.28 Slight defects, which do not seriously restrict the function of the goods, do not represent any reason to refuse acceptance.

2.29 All material tests, acceptance costs and construction supervision costs required by the authorities or by the CUSTOMER shall be borne by the CUSTOMER.

3. Cancellation

3.10 SOLITEK shall have the right to refuse or cancel any order if there is a reasonable fear that the CUSTOMER will be unable to fulfil his duties completely or in time.

3.11 Cancellations or orders are generally not possible for products manufactured specifically in accordance to CUSTOMER's individual specifications. Cancellations shall be granted in exceptional cases if the CUSTOMER compensates 90% of the price of the order. Cancellations of orders for special products (such as customized modules) by the CUSTOMER are thus only valid if they have been confirmed by SOLITEK in writing.

3.12 SOLITEK also reserves the right likewise to charge the CUSTOMER for costs associated with the cancellation.

4. Prices, invoices and terms of payment

4.11 In the absence of any other written agreement, cost estimates are non-binding and free of charge. Offers provided by SOLITEK are subject to change and subject to payment.

4.12 Unless otherwise agreed in the order, calculations shall be based on the prices valid at the time of implementation of the order, on the understanding that prices may change at any time. Price increases due to increases in production costs (material costs, purchase prices, wages, customer duties, freight, foreign exchange rates, taxes, bank rates etc.) between the date of order or request and date of delivery shall be borne by the CUSTOMER.

4.13 All prices are EX WORKS Mokslininku str. 6A, Vilnius/Lithuania (INCOTERMS 2010), excluding applicable statutory VAT (i.e. applicable VAT shall be added to indicated prices).

4.14 CUSTOMER undertakes to pay 100% of the agreed price in advance or to be secured by means of bank guarantee, according to the invoice (or pro-forma invoice) issued by the SOLITEK before the production process is started, unless stated otherwise written.

4.15 SOLITEK issues invoices on the day of the delivery. In case of deferred payment, the due date is calculated since issuing day of the invoice. The same rule is applied in case of partial Product delivery.

4.16 All bank transfer costs shall be paid by the CUSTOMER. The payment is considered to be made since the payment is deposited into SOLITEK's account.

4.17 SOLITEK has a right to utilise the payments firstly for outstanding costs like interest, fines, other additional expenses against the oldest outstanding debt, and only afterwards for the Product costs.

4.18 If the CUSTOMER fails to pay in time, the SOLITEK shall have a right to refuse order performance and / or delivery of the Product and /or to cancel the existing periods allowed for payment as well as to demand payment immediately. CUSTOMER shall bear all costs and damages associated with this including any loss of profit as well as all preproduction costs, standby costs and planning costs.

4.19 In the event of delayed payment, CUSTOMER is also obliged to reimburse SOLITEK for all necessary pre-trial costs for an adequate prosecution, in particular, collection expenses, the costs of any intervening debt collection agencies as well as the costs of any lawyers (based on the scale of charges) engaged by SOLITEK. Moreover, in the event of any payments being delayed by the CUSTOMER, invoices shall be due immediately without any discounts.

4.20 All expenses incurred by SOLITEK due to payment delay (including the interests, fines, costs of legal advisers and debt collectors, legal services, etc.) shall have to be paid by CUSTOMER.

4.21 The assertion of any defects shall not release the CUSTOMER from their obligation to pay. CUSTOMER is not permitted to offset any amounts due against claims against SOLITEK that are not approved by the courts or recognised; this applies correspondingly to rights of retention.

5. Warranty

5.10 Unless otherwise specified in customized module data-sheets, for modules from SOLITEK's production plant, being explicitly not prototypes, a guarantee shall apply for 2 years from handover, that, under normal application, installation, operating and maintenance conditions, these modules shall be free from defects in materials and workmanship for a period of 2 years from the date of handover of the modules from SOLITEK to the CUSTOMER. If Product fails to conform to this Warranty during this period under normal application, installation, use and service conditions, SOLITEK will, at its reasonable option, either (a) repair or replace the defective Product to the CUSTOMER for replacement Product or parts, or (b) provide the CUSTOMER with a refund equal to the current market price of a comparable Product at the time of the CUSTOMER's claim. This product warranty does not warrant a specific power output. Excluded from this regulation is breakage of glass, of whatever type and whatever cause.

5.11 If power output was guaranteed in customized module's data-sheet and if it appears that the drop in electricity output can be traced back to defects in SOLITEK's materials or workmanship, SOLITEK has the right to compensate for the shortfall in output of the module either by replacing it by supplying additional modules or by repairing the module. However, in the event of damage to modules (glass breakage or similar irrespective of fault) for which the original cells from the time of the project launch are no longer available, SOLITEK reserves the right to recreate modules with a similar cell or to install replacement modules at a different site.

5.12 Storage of the appropriate quantities of the project-related cell type can be offered to the CUSTOMER, whereby however the CUSTOMER will be invoiced separately by SOLITEK with regard to storage of the appropriate quantities of the project-related cell type desired by the CUSTOMER.

5.13 Such output guarantee excludes and does not justify additional claims brought by the CUSTOMER against SOLITEK, in particular claims for compensation for lost profit, compensation for use, direct or indirect damages and claims for replacement due to damage caused outside of the product.

5.14 Glazing damage which has been caused by exceptional thermal, chemical, dynamic or structural load, is not covered by the guarantee promise, SOLITEK is hereby excluded from any liability.

5.15 Slight or insignificant reductions in the value or usability of the items delivered do not establish a fault from which rights can be derived.

5.16 If technical data-sheets or installation instructions are not followed or if changes to the products are undertaken, then the warranty shall not apply unless the CUSTOMER proves that the defect complained about is not based on any of these circumstances.

5.17 If the CUSTOMER'S plans contain parameters which are recognised by SOLITEK as being critical or infeasible from a manufacturing or engineering point of view, the CUSTOMER shall be informed thereof by submission of a counterproposal. In such cases it is the CUSTOMER'S own responsibility to check whether the proposed modification can be used in their own production process. No assurances or liability shall be assumed by SOLITEK with regard to the suitability of the proposed modification for the CUSTOMER'S intended use. Insofar as SOLITEK provides services based on CUSTOMER guidelines, SOLITEK is excluded from liability for the suitability of the product with regard to the intended purpose of the goods, their proper construction, compliance with safety regulations and design requirements and the suitability of the material.

5.18 There is no primary claim to a price reduction or conversion. Any warranty claims shall, at the discretion of SOLITEK, be fulfilled within an appropriate period of grace by rectification, replacement or exchange. Any exchange, delivery and/or transport costs resulting from the free replacement of goods as well as any assembly costs incurred by the CUSTOMER may not be charged to SOLITEK and shall be borne exclusively by the CUSTOMER. Rectification, replacement, exchange or any other similar action undertaken by SOLITEK shall not extend the warranty and/or guarantee period.

5.19 In any case, all claims for compensation brought against SOLITEK are limited by the amount of the respective order value.

5.20 The product warranty is valid within the European Union, Norway and Switzerland.

5.21 Warranty claims against SOLITEK are not assignable and may only be asserted by the direct party to the contract.

6. Liability

6.10 SOLITEK is entitled to liability limitation in case of violation of certain obligations as well as within the scope of Warranty Terms. SOLITEK is entitled to limit the warranty to measures of supplementary performance or rectification of a defect or waive the warranty in the event of breach of terms and conditions of Warranty Terms.

6.11 SOLITEK'S liability shall be limited to the foreseeable damage typical for such contract and in any event shall not exceed the contract value. If liability is attributable to a specific batch (order) of Product, the value (price) of such Product order shall be considered contract value for the purposes of these General terms & conditions. The general statutory provisions, prescriptions of limitation and liability limitation under Lithuanian law shall apply to injury to life, body or health. Should SOLITEK be guilty of intent or gross negligence, liability under the general statutory provisions of Lithuanian laws shall likewise exist.

6.12 Insofar as the CUSTOMER, according to the provisions of product liability laws, has provided a replacement or compensation to a third party because of a defect of any product, it rests with the CUSTOMER in case of recourse against SOLITEK to submit evidence that such defect in the product was caused wholly or in part by a defect of the Product supplied by SOLITEK.

6.13 The CUSTOMER is obliged to treat the purchase object with care and to protect it from contamination and damage. Furthermore, if SOLITEK so requests, the buyer is obliged to insure the purchase object against fire and water damage and theft at the buyer's own expense, with the insured sum being sufficient to cover the replacement value and to tie the insurance policy for the benefit of SOLITEK, which the buyer must be able to prove to SOLITEK upon request. Insofar as maintenance and inspection work is required, the CUSTOMER must carry this out at the appropriate time at their own expense.

7. Product liability and quality

7.10 The CUSTOMER may only use the goods manufactured, imported or put on the market by SOLITEK as designated and must ensure that these goods (also as base material or subproduct) are only ceded for their intended use to persons familiar with the Product dangers and risks and only placed on the market by such persons.

7.11 Special features of SOLITEK products shall only be deemed to be agreed if they have been specifically assured in writing. SOLITEK is not legally liable for damages arising through defects in the construction of a product into which Product of SOLITEK have been incorporated or which have been caused through instructions of the manufacturer of this product.

7.12 Liability is excluded for Products, used for building-integrated elements if they serve as basic construction parts . This shall apply irrespectively of whether or not the damage to property comes from the CUSTOMER's area of accountability.

7.13 The CUSTOMER is further obliged when using Products supplied by SOLITEK as base material or subproducts for his own products also to fulfil his duty under product liability laws to issue instructions of safety in regard to the Products supplied by SOLITEK when placing such products on the market.

7.14 The CUSTOMER is obliged to continue to monitor Products he has put on the market after their introduction for harmful properties or dangerous consequences of use and to track the development of science and technology in respect of such Products and to notify SOLITEK immediately of defects detected in Products it has supplied by virtue of these observations.

7.15 In order to indemnify SOLITEK, the CUSTOMER is liable for all liabilities, losses, damages, costs and outlays accruing to SOLITEK from the CUSTOMER's failure to comply with the abovementioned obligations.

7.16 CUSTOMER shall examine the Product for defects and completeness immediately upon receipt. If the SOLITEK does not receive any claims in written form within 5 (five) working days since the Product delivery date, it is considered that Product has no defects. Defects of a part of a shipment (order) do not give a right to reject the complete shipment.

7.17 In case of later discovery of Product defects which could not have been noticed upon receipt, but no later than within 14 days after delivery to the CUSTOMER, the SOLITEK shall evaluate the CUSTOMER'S evidence on defects and, in case of acknowledgement of SOLITEK's fault, shall replace the defected Product with appropriate Product by agreeing the delivery time with the CUSTOMER.

7.18 Any faulty Product return shall be executed at CUSTOMER'S expense. If the return of Product is reasonable, SOLITEK shall cover the most economical transportation costs. If the return is impossible for reasons related to CUSTOMER, the CUSTOMER shall lose the right to claim for faulty Product.

8. Creditor's default of acceptance

8.10 In the event of default of acceptance and (or) refusal to accept of longer than 14 days, SOLITEK is entitled, in addition to all other remedies (such as withdrawal and sale on the open market at the CUSTOMER's expense), to place the Product covered by the contract in storage at the CUSTOMER's expense and risk and charge for them as duly handed over and accepted. In this event, the purchase price is due immediately.

8.11 If the CUSTOMER is in default with the payment of amounts due according to the contract, SOLITEK is entitled upon expiry of a period of 14 days after a communication on this matter to the CUSTOMER to hold all further deliveries until the amount in question has been received by SOLITEK. SOLITEK is further entitled in the event of a default of payment by the CUSTOMER according to the contract, after granting an appropriate period of grace, to withdraw from the contract and demand the payment of all outstanding amounts, including not yet due or deferred invoice amounts. In these cases, agreed price reductions (particularly discounts) are terminated, and SOLITEK is entitled to claim the full invoice amount. No liabilities or obligations of SOLITEK (in particular liability to pay compensation to the CUSTOMER) may arise in such instances of creditor's default of acceptance.

8.12 The delivered goods shall remain the property of SOLITEK until there has been full payment of all claims (capital, interest, expenses and costs) arising from the business relationship; however, the buyer has the right to use the goods for their own account and at their own risk. The whole retention of title shall only expire, in any case, on that date when the purchase price has been received in full by SOLITEK and SOLITEK has the right of free disposal over this. Retention of title may – with or without withdrawal from the contract – be asserted with regard to the whole delivery and performance of service.

9. Parties liability

9.1 In case of unexpected events or circumstances beyond the SOLITEK's reasonable control, including strikes, raw material delivery delays, riots, etc., Product delivery time will be respectively extended. Parties shall not be responsible for non-fulfilment or improper fulfilment of General terms & conditions caused by Force Majeure conditions, approved by Lithuanian Government act No. 840.

9.2 Parties confirm that interest and penalty rates in chapters 3.2, 3.3 of General terms & conditions are acceptable and determined in accordance with principles of fairness and justice, and are assimilated to predefined minimal losses of value which is economically based and meets the interests of the Parties.

10. Applicable law and jurisdiction

10.10 Lithuanian law is applicable to the these General Terms and Conditions.

10.11 SOLITEK and CUSTOMER agree that all disputes arising out of these General terms & conditions shall be solved by negotiations. If no joint agreement is made within 30 days, the disputes shall be referred to competent courts of the Republic of Lithuania in Vilnius, and shall be treated according to the laws of the Republic of Lithuania.

11. Final provisions

11.10 Should individual provisions of this contract be void or become void, the validity of the remaining provisions of the contract remains unaffected. The contracting parties shall as fast as possible replace the void provision with a provision which approximates as closely as possible its economic purpose.

11.11 Any changes or supplements of General terms & conditions shall have to be made in writing and signed by the SOLITEK and CUSTOMER representatives.

12. Property rights, copyright

12.10 SOLITEK hereby reserves any industrial property rights and copyrights pertaining to its cost estimates, drawings and other documents. Any transfer to third parties or reproduction requires the written consent of SOLITEK.

12.11 The CUSTOMER is responsible for indemnifying SOLITEK and holding it harmless against claims by others, that goods which have been manufactured by SOLITEK according to the CUSTOMER's specifications do not violate or infringe upon the property rights of third parties. SOLITEK shall only file for litigation in order to avert claims in this regard if the CUSTOMER expressly demands this and confirms their willingness to assume the costs caused hereby and provides SOLITEK with sufficient security with regard to the anticipated legal costs.

12.12 Both the CUSTOMER and SOLITEK are obliged to treat as a trade secret all non-public commercial and technical detailed information which becomes known to them both through the business relationship. Drawings, models, templates, patterns, plans and similar objects may not be surrendered or made available in any other way to third parties. The duplication of such objects is only permissible within the scope of operating requirements and copyright provisions.

12.13 The CUSTOMER is also obliged to use documents, drawings, plans, constructive performance and proposals for the design and manufacture of modules with which it has been provided exclusively for the agreed purpose. Any publication, passing on or making available to third parties is prohibited without SOLITEK's express approval.

13. Project development costs

13.10 Services provided by SOLITEK on the CUSTOMER's instructions in the course of project development or preparation are, in principle, in return for payment. This relates, for example, to grant applications to the competent authorities or detailed technical plans, particularly module drawings, inverter designs and simulations.

13.11 If an order is placed, these services shall apply as services not shown separately in the invoice but satisfied by the agreed price.

13.12 If no order is placed, SOLITEK reserves the right to invoice separately for the costs incurred. This also applies, in particular, in cases where no order is placed despite approval of the grant application by the authority.

13.13 If project-specific preparation of certificates or declarations should be necessary and/or expressly requested from SOLITEK by the CUSTOMER, the CUSTOMER is obliged to compensate SOLITEK for the amount incurred by SOLITEK for the respective certifications, whereby this shall also include the costs of any external certification agencies used in this regard. Therefore, all certifications desired and/or ordered by the CUSTOMER must be paid for and SOLITEK is entitled to assert a separate claim against the CUSTOMER for the costs incurred in this regard.

14. Data protection

14.10 The CUSTOMER has been informed that business transactions are facilitated by data processing equipment. Accordingly, the CUSTOMER's data (address, delivered products, delivered quantities, prices, payments, cancellations etc.) are recorded in an automated data file and stored until the end of the business relationship. The CUSTOMER expressly approves the storage and use of their data to the extent described.