

IBC SOLAR AG
(hereinafter referred to as “Company”):

“General Terms and Conditions of Business”

§ 1 General

The following General Terms and Conditions of Business shall apply to the entire business connections between our Company and our business partners for all deliveries, services and offers. Upon granting the first order with the business partner, they shall be agreed upon and apply to all future orders even if no explicit reference as to their validity is made once again.

The General Terms and Conditions of Business shall apply exclusively; any deviating conditions by the business partner shall be excluded unless the Company explicitly and in writing confirms their validity. This shall also apply if the delivery is executed without reservations in the knowledge of any deviating conditions by the business partner.

§ 2 Offer, subject matter of the contract

1. Any offers – oral or in writing – shall always be non-binding and without engagement. Orders shall only be legally binding if they are confirmed in writing within a reasonable period or executed, as agreed upon, with the business partner’s consent.

2. The written order confirmation shall be decisive for the type, scope and time of the deliveries or services.

3. With regard to the services specified in brochures, illustrations, drawings and other descriptions – in particular with regard to the dimensions, colours, designs and shapes, as well as other deviations by which the use for the contractual purpose will not be impaired – the company reserves the right to commercial deviations

without the business partner deriving any claims there from.

4. Illustrations, drawings, dimensions and weight information, as well as other technical data or information shall not present any guarantee of quality or stability. Promised properties or guarantees of quality or stability must be specially agreed upon in writing.

§ 3 Prices

Insofar as nothing other results from the order confirmation, the prices shall include the delivery ex work or warehouse, including simple packaging; however, they shall be exclusive of freight, customs, insurance, assembly, other side costs and the sales tax valid on the day of delivery; these items shall be separately itemized in the invoice.

§ 4 Delivery, passage of risk

Delivery shall be ex work or warehouse at the business partner’s account and risk, even if freight-free delivery or transport with own transport means of the Company has been agreed upon. Unless otherwise agreed upon in writing, the Company shall have the choice of transport means.

Risk shall pass upon surrender of the goods to the forwarding agent or carrier or upon loading onto own vehicles for the purpose of transport to the business partner.

§ 5 Conditions of returns

1. Returns of goods – i.e. the return of goods ordered and already delivered by us – shall only be allowed in exceptional cases and only if this has been agreed upon in writing with IBC. If the customer wants to return such goods, customer must advise our order department in writing thereof, indicating the article number and order volume, as well as the number of the delivery note and the invoice number.

2. Only after written confirmation by our order department, the customer shall be entitled to send the goods for return to IBC. The customer shall bear any costs connected with the return of the goods, as well as the risk of deterioration or accidental loss of the goods. Any goods which are sent to us freight collect or without prior written consent will not be accepted and will be returned by us at the sender's costs.

3. Goods cannot be returned in any case if they were not directly obtained from us by the customer and if their delivery date is more than 3 months past. The customer shall prove this prerequisite.

4. Excluded from the return shall be all non-salable goods, e.g. goods which are no longer carried in our catalogue, customized parts or products which have meanwhile undergone technical changes.

5. The goods must be returned within 4 weeks, counted from the communication of our consent. Returns coming in thereafter will no longer be accepted and will be returned at the sender's charge and risk.

6. Flawless, properly packaged, resalable returns approved by us according to the above mentioned conditions shall be credited to the customer minus 10% on the net value of the goods. No credit note will be prepared at a net goods value of under fifty (50) EUROS.

§ 6 Period of delivery

1. Should a period of delivery agreed upon in writing be exceeded, the business partner shall be entitled to set a reasonable grace period. Should delivery not be made until expiration of the grace period, the business partner shall be entitled – with the exclusion of other rights – to rescind the contract by written declaration.

Should only one part of the delivery be concerned, the right of rescission is limited to that part, unless the delivery made would be no longer of interest for the business partner. Should the Company be in arrears for reasons which it is responsible for, the business partner shall only have claims for damages if the cause of the default is due to intent or gross negligence.

2. In case of a delivery or performance delay due to force majeure or for reason of events which essentially aggravate the delivery or render it impossible – such as e.g. subsequently occurred difficulties with the procurement of materials, operating failures, strike, lockouts, lack of personnel, lack of means of transport, orders by the authorities etc. even if they occur with suppliers or their subcontractors – the delivery or, respectively, performance can be postponed by the period of the impairment plus a reasonable start-up period, or the contract may be rescinded wholly or partly because of the part not yet performed.

Should the impairment last longer than three (3) months, the business partner shall be entitled – after a reasonable period provided – to rescind the contract with regard to the part not yet performed and to demand the repayment of any possible down-payments made, with the exclusion of any further rights.

In case of partial delivery, the business partner may only withdraw from the entire contract if the remaining contract performance is without interest for the partner.

§ 7 Payment terms

1. Unless otherwise agreed upon, payments shall be made clear net immediately after the invoice date. The Company shall reserve the right to deliver only against cash in advance or cash on delivery; for deliveries abroad against irrevocable letter of credit or prepayment.

2. Notwithstanding any contrary performance determination by the business partner, payments shall first be applied to older debts, namely first to costs, to interest, and finally to the main receivable.

3. The business partner may only offset or claim a right of retention if the business partner's counterclaim has been legally unappealably established, or if it is uncontested or acknowledged in writing.

4. If the business partner is in default of payment, default interest shall be charged at the amount of eight (8) percentage points above the corresponding basic interest rate – irrespective of any further claims. A non-commercial business partner only has to pay default interest at the amount of five (5) percentage points above the corresponding basic interest rate.

5. In case of default by the business partner, bill protests, and other justified doubts in the partner's ability to pay, all outstanding invoices shall be due for immediate payment.

6. Bills and checks shall not be considered served in lieu of payment. Bills, checks and negotiable instruments shall only be accepted subject to all rights and without the guarantee of on-time presentation. The business partner shall bear any discount and incidental expenses.

§ 8 Reservation of ownership

1. Until payment of any existing receivables under the business relationship with the business partner, the reservation of ownership in all delivered goods shall apply (conditional goods). The business partner shall

safeguard the conditional goods at no charge for the Company. The partner shall be obligated to store the conditional goods separately and to advise the place of storage upon request.

2. The business partner may sell the conditional goods in proper business, as long as he/she is not in arrears. Pledges or assignments as security shall be inadmissible. The business partner shall now already assign to the Company, for the purpose of security, any receivables arising from the further sale or any other legal reason; however, the partner shall be revocably authorized to collect the receivables in its own name.

If circumstances arise or if circumstances become known which justify a higher risk assessment of the receivables versus the business partner, the business partner shall disclose the assignment upon request and give the Company the required information and documents. In case of third-party access to the conditional goods, the business partner shall make reference to the reservation of ownership and immediately inform the Company. The business partner shall bear any costs and damages.

In case of the business partner's conduct in violation of the contract – in particular in case of default in payment – the Company may take back the conditional goods at the business partner's costs or, if necessary, demand assignment of the business partner's right to recover possession against third parties. Taking back as well as pledging the conditional goods by the Company shall not constitute any rescission from the contract – unless the German Consumer Credit Law (Verbraucher-Kreditgesetz) applies.

3. If the delivered goods – or the goods manufactured thereof by the business partner, in which there is an existing reservation of ownership – are sold by the business partner, or if they are built in or processed at a third party on the basis of a contract for work or a contract for services, the claim by the business partner versus its contract partner – if necessary in the amount of the co-ownership share of the Company in the sold or used goods – shall pass over to the Company up to the amount of the purchase

price claims by the Company versus the business partner. To that extent, the business partner shall now already assign the claims to the Company.

§ 9 Defect claims, limitation of liability and inspection duty

1. If the business partner is a merchant, Sect. 377 of the German Commercial Code (HGB) shall apply for the partner. If the business partner is a consumer, he/she shall be obligated to inspect the (partial) performance within four (4) weeks after transfer and to examine it for any possible deviations from the order volume and for defects. Complaints of any obvious errors and defects shall be claimed within this period in writing with the Company. After expiration of this period, the performance shall be considered accepted. Any defects which cannot be discovered within this period even with careful inspection shall be complained about immediately after their discovery within the period of warranty.

2. In the event that the notice of defects is on time and well-founded, the claim by the business partner is limited to post-performance, with the Company optionally delivering a defect-free article as a replacement or remedy the defect at the place of installation or in the delivery plant. If the post-performance fails twice, the business partner may demand a reduction or a rescission of contract. Prerequisite for these claims shall be that there was a defect in quality at the time of transfer and that this was claimed within the period of limitation. The commercial business partner shall have to prove that there was a defect in quality at the time of transfer; the non-commercial business partner shall render this proof only after expiration of the first six (6) months.

3. These claims for defect do not exist if – without the explicit consent by the Company – repairs, modifications or reconditioning work is/are performed on the delivered articles by the business partner or by a third party, or if defect remedy work is impeded

by the business partner or by third parties, if commissioning is done against the instructions in the Company, or if a defect is to be traced back to incorrect or negligent treatment or to natural wear.

4. With the commercial business partner, all claims for defects in quality shall be statute-barred in twenty-four months after delivery of the equipment at the business partner. For a business partner who is a consumer as defined by the Sect. 13 of the German Civil Code (BGB), there shall be a twelve (12) month warranty period for used goods, and - for new goods - a warranty period of two (2) years as delivery of the equipment at the business partner. This shall not apply only if the law prescribes longer periods (recourse claims, cases of injury to life, limb or health, intentional or grossly negligent breach of duty, as well as bad-faith concealment of a defect). The statutory regulations shall remain unaffected regarding the suspension of the statute of limitations, or the stay, and the recommencement of the periods.

5. Claims for damages shall be excluded – for whatever legal reason. This shall apply in particular for any type of consequential damages. The exclusion of damage claims shall not apply as far as there is intent or gross negligence or if there is liability due to injury to life, limb or health. Any possible damage claims for the breach of major contract obligations shall be limited to the contract-typical foreseeable damage; however, they may not exceed the amount of the corresponding nominal capital, unless there is intent or gross negligence or in case of liability due to injury to life, limb or health. Even such claims shall be statute-barred after twelve months – unless the business partner is a consumer. This shall not apply for claims according to the German Product Liability Act (Produkthaftungsgesetz) and for contracts in which part B of the German Standard Building Contract Terms (VOB/B) is included overall.

§ 10 Place of performance, applicable law, venue, separability clause, language

1. As far as legally allowed, Lichtenfels shall be the place of payment and performance; Coburg shall be the place of legal venue.

2. These General Terms and Conditions of Business shall be exclusively governed by and interpreted, construed and enforced in accordance with the internal laws of the Federal Republic of Germany.

3. Should one or several clauses in these General Terms and Conditions or a provision within the scope of other agreements be or become invalid, the validity of all other provisions or agreements shall not be affected thereby. In that case, the pertinent legal regulation shall apply for this valid provision.

4. The German version of these General Terms and Conditions of Business is the only valid version. Should translations into other languages be made, they may only serve for the better understanding. Should differences between the German version and versions in other languages exist, the solely the German version is authoritative.

§ 11 Invalidation of earlier terms and conditions

These General Terms and Conditions shall render invalid any previous terms and conditions by the Company.

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