

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 2  
to  
Form S-1  
REGISTRATION STATEMENT**

Under  
THE SECURITIES ACT OF 1933

**SunPower Corporation**

(Exact name of registrant as specified in its charter)

**California (prior to reincorporation)**

**Delaware (after reincorporation)**

(State or other jurisdiction of  
incorporation or organization)

**3674**

(Primary Standard Industrial  
Classification Code Number)

**94-3008969**

(I.R.S. Employer  
Identification No.)

**430 Indio Way  
Sunnyvale, California 94085  
(408) 991-0900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Thomas H. Werner  
Chief Executive Officer  
SunPower Corporation  
430 Indio Way  
Sunnyvale, California 94085  
(408) 991-0900**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

**Jorge del Calvo, Esq.  
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(650) 470-4500**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

## Explanatory Note

The purpose of this Amendment No. 2 to the Registration Statement is solely to file an exhibit to the Registrant Statement, as set for the below in Item 16(a) of Part II.

### PART II INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the various expenses expected to be incurred by the Registrant in connection with the sale and distribution of the securities being registered hereby, other than underwriting discounts and commissions. All amounts are estimated except the Securities and Exchange Commission registration fee, the National Association of Securities Dealers, Inc. filing fee and The Nasdaq National Market listing fee. No expenses shall be borne by the selling stockholders.

Securities and Exchange Commission and registration fee	\$ 13,536
National Association of Securities Dealers, Inc. filing fee	12,000
Nasdaq National Market listing fee	100,000
Blue Sky fees and expenses	*
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and engraving fees	*
Registrar and Transfer Agent's fees	*
Miscellaneous fees and expenses	*
Total	*

\* To be provided by amendment.

#### Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Article VIII of the Registrant's Amended and Restated Certificate of Incorporation (Exhibit 3.(i)2 hereto) and Article 6 of the Registrant's Restated Bylaws (Exhibit 3.(ii)2 hereto) provide for indemnification of the Registrant's directors, officers, employees and other agents to the extent and under the circumstances permitted by the Delaware General Corporation Law. The Registrant also intends to enter into agreements with its directors and officers that will require the Registrant, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers to the fullest extent allowed. The Underwriting Agreement (Exhibit 1.1) provides for indemnification by the underwriters of the Registrant, its directors and officers, and by the Registrant of the underwriters, for certain liabilities, including liabilities arising under the Act and affords certain rights of contribution with respect thereto.

#### Item 15. Recent Sales of Unregistered Securities

From January 1, 2002 to July 31, 2005, the Registrant has issued and sold an aggregate of 704,892 shares of common stock to directors, officers, employees, former employees and consultants at prices ranging from \$0.15 to \$2.15 per share, for aggregate cash consideration of approximately \$182,979.

Between September 2001 and June 2002 the Registrant issued an aggregate of 47,805 shares of common stock in exchange for an aggregate of \$2,868 from the exercise of warrants.

In November 2004, immediately prior to and conditioned upon its merger with Cypress, the Registrant issued an aggregate of 1,263,441 shares of common stock in exchange for \$75,806 from the exercises of warrants.

In November 2004, immediately prior to and conditioned upon its merger with Cypress, the Registrant issued an aggregate of 3,342,129 shares of common stock upon conversion of \$1.95 million of promissory notes.

In November 2004, immediately prior to and conditioned upon its merger with Cypress, the Registrant issued a total of 1,393,039 shares of common stock upon conversion of outstanding shares of series one preferred stock.

The Registrant has issued Cypress promissory notes in the aggregate amount of \$6.1 million during 2003.

The Registrant has issued various promissory notes to Cypress under a May 2004 note purchase and line of credit agreement in the aggregate principal amount of \$29,190,862.

From March 2003 to June 2005, the Registrant issued a combination of demand and promissory notes to Cypress in the aggregate principal amount of \$36,500,000.

From March 18, 2004 to October 18, 2004, the Registrant issued warrants to purchase 7,642,859 shares of class A common stock to Cypress with exercise prices of \$0.07 per share, in connection with certain loans.

On January 18, 2005, as contemplated by the merger with Cypress, the Registrant issued and sold 32,000,000 shares of series two convertible preferred stock to Cypress at \$0.50 per share for aggregate consideration of \$16,000,000, all of which will be converted into 32,000,000 shares of class B common stock in connection with this offering.

On March 17, 2005, the Registrant issued and sold 35,151,515 shares of class A common stock to Cypress at \$1.65 per share for aggregate consideration of \$58,000,000 consisting of debt and accounts payables cancellation, and cash.

On July 18, 2005, the Registrant issued and sold 24,000,000 shares of class A common stock to Cypress at \$3.50 per share for aggregate consideration of \$84,000,000 consisting of debt and accounts payables cancellation, cash, and warrant forfeitures.

On September 30, 2005, the Registrant issued 59,151,515 shares of class B common stock in exchange for 59,151,515 shares of class A common stock pursuant to the terms of an exchange agreement.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in such transactions. All recipients had adequate access, through their relationship with the Registrant, to information about the Registrant.

## Item 16. Exhibits and Financial Statement Schedules

### (a) Exhibits.

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.(i)1**	Articles of Incorporation of the Registrant, prior to reincorporation.
3.(i)2**	Form of Restated Certificate of Incorporation of the Registrant, to be filed upon the closing of the offering to which this Registration Statement relates.
3.(ii)1**	Bylaws of the Registrant, prior to reincorporation.
3.(ii)2**	Form of Amended and Restated Bylaws of the Registrant, to be effective upon the closing of the offering to which this Registration Statement relates.
4.1*	Specimen Class A Common Stock Certificate.
5.1*	Opinion of Pillsbury Winthrop Shaw Pittman LLP.
10.1**	Form of Indemnification Agreement between the Registrant and its officers and directors.

Exhibit Number	Description
10.2**	1988 Incentive Stock Plan and form of agreements thereunder.
10.3**	1996 Stock Plan and form of agreements thereunder.
10.4**	Form of Amended and Restated 2005 Stock Incentive Plan and form of agreements thereunder.
10.5**	Industrial Lease, dated March 28, 2000, between the Registrant and The Irvine Company.
10.6**	First Amendment, dated January 20, 2005, to Lease, dated March 28, 2000, between the Registrant and The Irvine Company.
10.7**	Contract of Lease, dated January 1, 2003, between SunPower Philippines Manufacturing Limited-Phil. Branch and Cypress Manufacturing Ltd.-Phil. Branch.
10.8**	Offer Letter dated May 22, 2003, between the Registrant and Thomas H. Werner.
10.9**	Offer Letter dated January 14, 2005, between the Registrant and PM Pai.
10.10**	Offer Letter dated April 1, 2005, between the Registrant and Emmanuel Hernandez.
10.11**	Offer Letter dated January 1, 1990, between Registrant and Dr. Richard Swanson.
10.12**	Master Separation Agreement between the Registrant and Cypress Semiconductor Corporation.
10.13**	Indemnification and Insurance Matters Agreement between the Registrant and Cypress Semiconductor Corporation.
10.14**	Investor Rights Agreement between the Registrant and Cypress Semiconductor Corporation.
10.15**	Employee Matters Agreement between the Registrant and Cypress Semiconductor Corporation.
10.16**	Tax Sharing Agreement between the Registrant and Cypress Semiconductor Corporation.
10.17**	Master Transition Services Agreement between the Registrant and Cypress Semiconductor Corporation.
10.18**	Wafer Manufacturing Agreement between the Registrant and Cypress Semiconductor Corporation.
10.19**	Contract of Lease between the Registrant and Cypress Semiconductor Corporation.
10.20**	Note Purchase and Line of Credit Agreement dated May 30, 2002, held by Cypress Semiconductor Corporation (previously filed as Exhibit 10.21 to the initial filing).
10.21**	Amendment No. 1 to Note Purchase and Line of Credit Agreement dated May 25, 2004 (previously filed as Exhibit 10.22 to the initial filing).
10.22†	Supply Agreement, dated August 23, 2005, between the Registrant and Wacker-Chemie GmbH.
10.23†**	Supply Agreement, dated April 14, 2005, between the Registrant and Solon AG fur Solartechnik.
10.24†**	Supply Agreement, dated April 17, 2004, between the Registrant and Conergy AG, and Appendixes thereto.
21.1**	List of Subsidiaries.
23.1**	Consent of Independent Registered Public Accounting Firm.
23.2*	Consent of Pillsbury Winthrop Shaw Pittman LLP (included in Exhibit 5.1).
24.1**	Power of Attorney.
24.2**	Power of Attorney.

\* To be filed by amendment.

\*\* Previously filed.

† Confidential treatment has been requested for portions of this exhibit.

#### (b) Financial Statement Schedule

Schedules have been omitted because they are not applicable, not required or the information required to be set forth therein is included in the consolidated financial statement or notes thereto.

#### Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Act"), may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a

claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) It will provide to the underwriters at the closing(s) specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Sunnyvale, State of California, on the 11th day of October 2005.

SUNPOWER CORPORATION

By /s/ Thomas H. Werner

\_\_\_\_\_  
 Thomas H. Werner  
*Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Thomas H. Werner</u> Thomas H. Werner	Chief Executive Officer (Principal Executive Officer) and Director	October 11, 2005
<u>/s/ Emmanuel T. Hernandez</u> Emmanuel T. Hernandez	Chief Financial Officer (Principal Financial and Accounting Officer)	October 11, 2005
<u>*</u> T. J. Rodgers	Chairman of the Board	October 11, 2005
<u>*</u> W. Steve Albrecht	Director	October 11, 2005
<u>*</u> Betsy S. Atkins	Director	October 11, 2005
<u>*</u> Patrick Wood	Director	October 11, 2005
* <u>/s/ Emmanuel T. Hernandez</u> Attorney-in-Fact		

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\* To be filed by amendment.

\*\* Previously filed.

† Confidential treatment has been requested for portions of this exhibit.

CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTIONS OF THIS  
DOCUMENT HAVE BEEN REDACTED AND HAVE BEEN SEPARATELY FILED WITH  
THE COMMISSION

**WACKER**            POLYSILICON

**SUPPLY AGREEMENT**

between    Wacker-Chemie GmbH  
              Hanns-Seidel-Platz 4  
              81737 Munich  
              Federal Republic of Germany  
  
              - hereinafter referred to as “WACKER” –

and            SunPower Corporation  
              430 Indio Way  
              Sunnyvale, CA 94085  
              U.S.A.  
  
              - hereinafter referred to as “BUYER” -

**Preamble**

BUYER has requirements for polycrystalline Silicon. WACKER is willing to supply BUYER with polycrystalline Silicon.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

Now, therefore, in consideration of the foregoing and the mutual premises hereinafter contained, WACKER and BUYER agree as follows:

**1. Product**

WACKER agrees to sell and deliver and BUYER agrees to purchase and take the poly-crystalline Silicon manufactured by WACKER as defined per specification set forth in **Appendix A** (hereinafter referred to as "PRODUCT").

**2. Quantities**

2.1 The BUYER shall make the agreed prepayment according to the payment schedule set forth in **Appendix A**.

WACKER shall sell and deliver to BUYER and BUYER will purchase and take from WACKER the annual quantities of PRODUCT set forth in **Appendix A**.

**3. Prices / Payment Terms**

3.1 The prices for the PRODUCT are set forth in **Appendix A**.

3.2 The prices under Section 3.1 above shall be firm and not subject to any change until 31.12.2017.

3.3 WACKER shall invoice BUYER with each shipment of PRODUCT. BUYER shall pay such invoices net within \*\*\* (\*\*\*) days from the date of such invoices.

**4. Delivery**

4.1 PRODUCT shall be delivered ex Works Burghausen (Incoterms 2000).

4.2 All deliveries of PRODUCT are subject to WACKER's General Conditions of Sale set forth in **Appendix B** and hereby made part of this Agreement, provided, however, that if there is any conflict between the terms of this Agreement and the said Conditions of Sale the terms of this Agreement shall prevail.

4.3 The agreed annual quantities will be shipped in about equal monthly installments.

**5. Quality / Inspection and Testing**

5.1 The PRODUCT supplied by WACKER shall conform to the specifications set forth in **Appendix A**.

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\*\*\* CONFIDENTIAL MATERIAL REDACTED AND SEPARATELY FILED WITH THE COMMISSION.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

- 5.2 It is understood and expressly agreed that the PRODUCT delivered by WACKER hereunder are PRODUCTS of technical quality only and BUYER is exclusively responsible for fitness for purpose, handling, use and application of the PRODUCT.
  - 5.3 Upon receipt of each shipment of PRODUCT BUYER shall inspect the PRODUCT. Unless BUYER notifies WACKER within \*\*\* (\*\*\*) days after the arrival of the shipment at Buyer's premises or warehouse, that it does not conform to the quantity ordered or WACKER's certificate of quality does not conform to the specifications set forth in **Appendix A**, said shipment shall be deemed to have been delivered as ordered and WACKER's certificate of quality shall be deemed to conform to the specifications.
- 6. Warranty / Liability**
- 6.1 WACKER warrants solely that the PRODUCT delivered shall conform to the specifications set forth in **Appendix A**. Except for the warranty provided above, WACKER disclaims any and all other express or implied warranties with respect to the PRODUCT, and any warranty of merchantability or fitness for a particular purpose is expressly disclaimed.
  - 6.2 BUYER's exclusive remedy and WACKER's sole obligation for any claim or cause of action arising under this Agreement because of defective PRODUCT is expressly limited to either (i) the replacement of non-conforming PRODUCT or the repayment of the purchase price of the respective quantity of PRODUCT; OR (ii) payment not to exceed the purchase price of the specific quantity of PRODUCT for which damages are claimed. Any remedy is subject to BUYER giving WACKER notice as provided for in Section 5.3.
  - 6.3 The parties agree that the remedies provided in this Agreement are adequate and that except as provided for above, neither party shall be liable to the other, whether directly or by way of indemnity or contribution for special, incidental, consequential or other damages arising from the breach of any obligation hereunder or for any other reason whatsoever, including actions for tort, strict or product liability, patent or trademark infringement except as provided for herein.
- 7. Confidentiality**
- 7.1 BUYER may use all the information disclosed by WACKER under this Agreement only for the purposes contemplated herein.
  - 7.2 BUYER agrees to keep secret such information and to take the necessary measures to prevent any disclosure to third parties.
  - 7.3 BUYER is responsible for assuring that secrecy is maintained by its employees and agents.

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\*\*\* CONFIDENTIAL MATERIAL REDACTED AND SEPARATELY FILED WITH THE COMMISSION.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

7.4 The secrecy obligation does not apply to information

- where BUYER can prove that it was known to BUYER prior to its receipt;
- which is or has become generally available to the public prior to its receipt;
- which is or has become generally available to the public without being the result of a breach of this Agreement;
- which is in accordance with information BUYER received or got access to from an entitled person without any obligation of secrecy;
- where WACKER approved the disclosure in a particular case in writing.

7.5 The secrecy obligation shall survive the term of this Agreement.

#### **8. Security Interest**

BUYER hereby grants WACKER a continuing security interest in any PRODUCT and in the proceeds (including proceeds of sale or insurance) until the entire purchase price for the PRODUCT currently or previously sold to BUYER is paid and until all late payment interest, legal fees and expenses required to enforce WACKER's rights and any costs, expenses, taxes or other charges required to be paid by BUYER to WACKER have been paid in full. BUYER specifically agrees that WACKER may file one or more financing statements or other documents and take all necessary or appropriate in order to create, perfect, preserve or enforce WACKER's security interest in the PRODUCT pursuant to the Uniform Commercial Code and other applicable law, and hereby grants to WACKER a power of attorney to execute such statements or documents in BUYER's name. WACKER's reasonable costs and expenses (including, but not limited to, attorney's fees and expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the PRODUCT shall be paid by BUYER who shall remain liable for any deficiency resulting from a sale of the PRODUCT and shall pay any deficiency forthwith on demand. The requirement of reasonable notice of sale shall be met if such notice is mailed and addressed to BUYER at its last address appearing on WACKER's records at least 30 days prior to the date of sale.

#### **9. Force Majeure**

9.1 If either party should be prevented or restricted directly or indirectly by an event of Force Majeure as hereinafter defined from performing all or any of its obligations under this Agreement, the party so affected will be relieved of performance of its obligations hereunder during the period that such event and its consequences will continue, but only to the extent so prevented, and will not be liable for any delay or failure in the performance or any of its obligations hereunder or loss or damage whether direct, general, special or consequential which the other party may suffer due to or resulting from such delay or failure, provided always that prompt notice is given by the affected party to the unaffected party by facsimile or telephone of the occurrence of the event constituting the Force Majeure, together with details thereof and an estimate of the period of time for which it will continue.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

9.2 The term Force Majeure shall include without limitation strike, labour dispute, lock out, fire, explosion, flood, war (accident), act of god or any other cause beyond the reasonable control of the affected party, whether similar or dissimilar to the causes enumerated above.

**10. Assignment**

This Agreement or any part thereof is not assignable by either party without the prior written consent of the other party.

**11. Entire Agreement**

11.1 This Agreement constitutes the whole agreement between the parties as to the subject matter thereof and no agreements, representations or warranties between the parties other than those set out herein are binding on the parties.

11.2 No waiver, alteration, or modification of this Agreement shall be valid unless made in writing and signed by authorized representatives of the parties.

**12. Severability**

In the event, any provision of this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**13. Headings**

The headings of the articles of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the construction hereof.

**14. Duration / Termination**

14.1 This Agreement will commence on the 01.01.2006 and will endure for a defined period of 12 years.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

**15. Applicable Law/ Jurisdiction**

This Agreement shall be construed and the legal relations between the parties hereto shall be determined in accordance with the laws of Germany; the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

Exclusive place of jurisdiction shall be Munich.

WACKER-Chemie GmbH  
WACKER POLYSILICON

SunPower Corp.

Date: 23.08.05

Date: 8-23-05

/s/ E. Schindlbeck

/s/ R. Huber

/s/ PM Pai

\_\_\_\_\_  
Ewald Schindlbeck  
President

\_\_\_\_\_  
Reimund Huber  
Director Marketing & Sales

\_\_\_\_\_  
PM PAI  
COO

Supply Agreement SunPower Corp./WACKER August 21st, 2005

Appendix AProducts:

Specification PCL-NCS (A)

Annual quantities / Prices:

<u>Calendar year</u>	<u>Quantity</u>	<u>Price (Euro/kg)(*1)</u>
2008	*** kg	***
2009	*** kg	***
2010	*** kg	***
2011	*** kg	***
2012	*** kg	***
2013	*** kg	***
2014	*** kg	***
2015	*** kg	***
2016	*** kg	***
2017	*** kg	***

Prepayment schedule

The BUYER will pay the below stated amounts to the account of WACKER on the specified date.

01.01.2006 EURO \*\*\* (\*\*\*) and (\*\*\*)

(\*1) WACKER will repay the above prepayment with each shipment by \*\*\* the agreed price of \*\*\* Euro/kg by \*\*\* Euro/kg for the above agreed annual quantity. WACKER's invoice will state the agreed price of Euro/kg \*\*\* on the invoice, but will make note, that the buyer has only to pay Euro/kg \*\*\*. In case the BUYER does fail to take the full amount of the annual quantity in one respective calendar year the \*\*\* does not have to \*\*\* the respective amount.  
 \*\*\* CONFIDENTIAL MATERIAL REDACTED AND SEPARATELY FILED WITH THE COMMISSION.

Supply Agreement SunPower Corp./WACKER August 21st, 2005

**Appendix B****General Conditions of sale****1. Generally:**

All our supplies and services as well as all contracts concluded with us are exclusively subject to the following conditions of sale. Terms of the Purchaser which contradict or which deviate from our sales terms and which are not expressly recognised by us are not valid even if we do not expressly object to them. Where a continuing business relationship exists, all future contracts, supplies and services are also subject to our conditions of sale.

**2. Offer, Conclusion of Contract:**

Our offers are subject to change and non-binding. Orders are only valid if confirmed by us in writing or if recognised by us through the act of delivery. Any additional verbal agreements, supplements and modifications are also only valid if confirmed in writing.

**3. Delivery, Default:**

3.1 Unless otherwise agreed, any dates quoted for delivery are non-binding.

3.2 We are entitled to make partial deliveries as far as the Purchaser must reasonably accept this in the circumstances of an individual case. The corresponding invoices issued are payable without regard to whether complete delivery has been made

3.3 In the event delivery is delayed, the Purchaser may set us a reasonable grace period with the notice that he rejects the acceptance of the delivery item after expiry of the grace period. After the expiry of the grace period, the Purchaser is entitled to cancel the contract of sale through written notice or to request damages instead of performance. At our request the Purchaser is obligated to state within a reasonable period whether he cancels the contract due to delay in delivery, seeks damages instead of performance or insists on performance.

3.4 Our liability is set forth in para. 9. Furthermore in the event of slight negligence, our liability is limited to the invoice value of the respective delivery item.

**4. Return of loan packaging:**

In the event of delayed return (meaning in the event normal unloading times are exceeded) of loading equipment loading tanks and other loan packaging we reserve the right to charge the Purchaser for the costs incurred by us.

**5. Prices:**

5.1 unless otherwise expressly agreed, prices are quoted "ex works" excluding packaging and plus delivery and shipping costs as well as plus any applicable Value Added Tax.

5.2 The prices valid on the day of dispatch shall apply. Should the latter be higher than the contractual price, the Purchaser is entitled to cancel the contract with regard to the quantities still to be delivered. Cancellation shall be made within 14 days after notification of said price increase.

**6. Payment:**

6.1 The payment shall be made in Euro to one of our bank accounts indicated on the reverse side.

6.2 Should Purchaser be in arrears with payment, interest for default shall be due and payable at 12%, but at least 8% above the respective base interest rate. We reserve the right to claim further damages. If the interest we claim is higher than the statutory interest for delayed payment, the Purchaser has the right to demonstrate lower damages just as we have the right to show that greater damages were incurred.

6.3 Should Purchaser be in arrears with payment or should there be reasonable doubts as to Purchaser's solvency or credit rating, we are without prejudice to our other rights – entitled to require payment in advance for deliveries not yet made, and to require immediate payment of all our claims arising from the business relation.

6.4 Bills of exchange and cheques shall be accepted upon separate agreement and only by way of payment. All expenses incurred in this regard shall be borne by the Purchaser.

6.5 Only uncontested or legally proved claims shall entitle the Purchaser to set-off or withhold payment.

**7. Force Majeure:**

Events of Force Majeure, in particular strikes, lock outs, operation or transport interruptions, including at our suppliers, shall suspend the contractual obligations of each party for the period of the disturbance and to the extent of its effects. Should the delays caused exceed a period of 6 weeks, both parties shall be entitled to cancel the contract, with respect to the contractual performance affected by such delays. No other claims exist.

**8. Quality:**

8.1 All our data especially data relating to product suitability, processing and use, as well as to technical support have been compiled to the best of our knowledge. The Purchaser, however, must still perform his own inspections and preliminary trials.

8.2 The Purchaser undertakes to examine the goods immediately after delivery with respect to any defects concerning quality and suitability of purpose and object to ascertainable defects. Sample testing shall also be performed if this can be reasonably expected of the Purchaser. Failure to proceed in aforesaid manner shall result in the goods being regarded as accepted.

8.3 Complaints must be made within 8 days after receipt of the goods. In case of hidden faults, however, complaints are to be made immediately on discovery, within one year after receipt of the very latest. Said claims shall only be taken into consideration if and when made in writing and with the relevant documentation attached. To comply with the time limit it shall be sufficient if the complaint is sent in good time.

8.4 We are not liable on the basis of public statements by us, the manufacturer or his agents. If we were not aware of the statement or were not required to have knowledge thereof, the statement was already corrected at the time of the purchase decision or the Purchaser cannot show that the statement influenced his purchase decision.

8.5 We are not liable for defects which only marginally reduce the value or the suitability of the object. A marginal defect exists in particular if the defect can be removed by the Purchaser himself with insignificant effort.

8.6 If the Purchaser requests replacement performance due to a defect, we may choose whether we remove the defect ourselves or deliver a defect-free object as a replacement. The right to reduce the price or cancel the contract in the event of unsuccessful replacement performance shall remain unaffected.

8.7 Where complaints are justified, the goods may only be returned to us at our expense if after we receive notice of the defect we do not offer to collect or dispose of the goods.

8.8 If increased costs arise because the Purchaser has transferred the goods to a place other than his commercial place of business, we shall charge the Purchaser for the increased costs in connection with the removing of the defect, unless the transfer corresponds to the designated use of the object.

8.9 Damage and claims for reimbursement of expenses shall remain unaffected as far as not excluded by para. 9.

8.10 All claims due to a defect are subject to a limitation period of one year after delivery of the object. No warranty is made for used objects. The statutory limitation period for objects which are used for a building structure in accordance with their usual manner of use, and which cause the defectiveness thereof, shall remain unaffected.

8.11 The rights of the Purchaser under §§ 478, 479 German Civil Code remain unaffected.

#### **9. Liability:**

Our liability is excluded regardless of the legal grounds.

This shall not apply in the event of intentional actions or gross negligence by us or our legal representatives or agents or in the event of breach of material contractual duties.

In the event of a slightly negligent breach of material contractual duties, our liability is limited to twice the invoice value of the respective delivery item. For damages due to delayed performance para. 3.4 shall also apply. Our liability for damages due to injury to life, the body or health, the liability based on a guarantee and under mandatory statutory provisions, in particular the Product Liability Act, remain unaffected.

#### **10. Reservation of Ownership:**

10.1 The goods that have been sold remain our sole property until all outstanding debts arising from the business connection with the Purchaser have been paid in full. The Purchaser has power of disposal of the purchased goods in the ordinary course of business, or he may process the goods until revocation by us.

10.2 Reservation of ownership and power of disposal as laid down in clause 10.1. also apply to the full value of the manufactured goods produced by processing, mixing and blending or combining our goods. In each case we qualify as the manufacturer. In cases where the goods are processed, mixed and blended or combined with those of a third party and where the reservation of the latter continues to apply, then we acquire joint ownership in proportion to the invoice value of those processed goods. If security rights of a third party are in fact or in law below that share, the difference will be to our benefit.

10.3 If the Purchaser resells our goods to third parties he hereby assigns the entire resulting payment claim – or in the amount of our joint share therein (see para. 10.2) – to us. In the event the parties agree on a current account, the respective balance amounts shall be assigned. However, the Purchaser shall be entitled to collect such payment claim on our behalf until we revoke such right or until his payments are discontinued. The Purchaser is only authorized to make assignment of these claims – even only for the purpose of collection by way of factoring – with our express written consent.

10.4 The Purchaser shall immediately give notice to us if any third party raises any claim with respect to such goods or claims which are owned by us.

10.5 If the value of the collateral exceeds our accounts receivable by more than 20% then we will release collateral on demand and at our discretion.

10.6 We are also entitled to take back goods on the basis of the reservation of title, even if we have not previously cancelled the contract. If products are taken back by way of the exercise of the reservation of ownership, this shall not constitute cancellation of the contract.

10.7 If the laws of the country in which the goods are located after delivery do not permit the Vendor to retain the title to said goods, but allow the retention of other similar rights to the delivery item the Purchaser shall provide us with such other equivalent right. The Purchaser undertakes to assist us in the fulfillment of any form requirements necessary for such purpose.

#### **11. Place of Fulfillment, Applicable Law and Jurisdiction:**

11.1 The originating point of the goods shall, in each case, be the place of fulfillment for the delivery. Munich shall be the place of fulfillment for payment.

11.2 Exclusively the laws of the Federal Republic of Germany shall apply between the parties. The application of the 1980 Unified Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

11.3 If the Purchaser is a merchant or does not have a general place of jurisdiction in Germany, the place of jurisdiction is Munich. We shall, however, have the right to also bring a claim against the Purchaser at his general place of jurisdiction.

Munich, 15th May 2002

Supply Agreement SunPower Corp./WACKER August 21st, 2005