CROWD SALE

OWN & EARN

Solar PV cells powering a 55.08 kW solar plant for Plumstead High School, Cape Town, South Africa

OVERVIEW

Buy solar cells that will solar power Plumstead High School and earn an estimated rental income equivalent to 9.14% IRR* through a 20-year lease.

Offer	Purchase silicon solar cells to be installed in a complete solar system leased via a special purpose corporation for the Plumstead High School Solar Project.
Eligibility	Anyone, subject to identity verification, may purchase solar cells
Price	Fixed at South Africa Rand (ZAR) 73 per cell. ZAR and BTC accepted.
Quantity	14,688 cells available (~3.75 W per cell)
Lease Term	20 years from date system becomes operational
Lease Rate	ZAR 1.20 per kWh to the energy consumer. After insurance and servicing fees, Cell Owners estimated to receive ZAR 0.78 per solar cell, equivalent to a ZAR linked 9.14% Internal Rate of Return (IRR) for 20 years.

Currency Guide*

ZAR	73
USD	**4.59**
BTC	**0.00012**

* As of 29/04/2022

** Forecast maximum internal rate of return if leased for the full term. Includes insurance premiums, taxes, fees and expenses to IMPower, The Sun Exchange (SunEx) and others. Forecast is based on a P50 solar yield. Effective lease rate may be higher or lower due to home country tax benefits, currency values, and others. Please read the terms and risk factors in this Product Information document for more details.*

The Solar Cells Owners Lease becomes effective when this sale ends, and terminates 20 years after the solar system becomes operational. You may notify us of your intention not to enter the lease and physically receive your solar cell and forgo its installation into the project, otherwise you will be deemed to enter into the lease agreement.

Each nation and jurisdiction has its own laws and regulations governing the offering of financial and other products that enable a purchaser to earn income over time. In the event we reasonably determine that the sale of solar cells and subsequent payment of lease rental to you in excess of your original purchase price would require us to register the sale as a securities offering, or obtain an exemption under securities laws or regulations in your jurisdiction, we have the option to not pay you rental income in excess of your original solar cells purchase price, and instead donate only those excess rental amounts received from Plumstead High School to the project's designated charity.

EARN FOR 20 YEARS

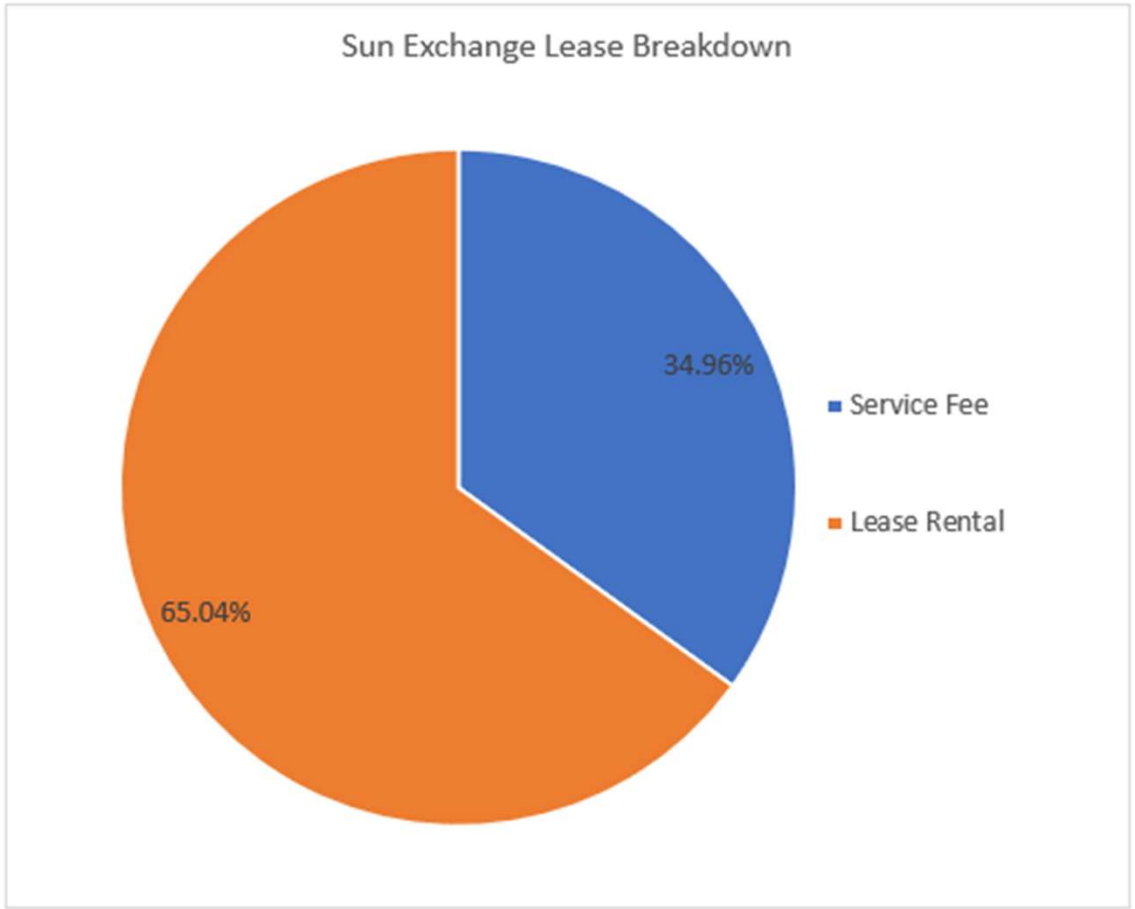
In Year 1, Plumstead High School will pay ZAR 1.20 per kWh of solar electricity generated by your solar cells.

The rental rates for your solar cells is set to increase by CPI + 2% per year. This chart shows how your rental income is expected to increase over time assuming CPI is 5%.

RENTAL INCOME & FEES

This pie chart shows how your income will be divided in Year 1.

'Service Fee' covers insurance (fire, theft and damage/liability), ongoing maintenance (annual cell cleaning), contributions to a maintenance reserve and administration services.



ENVIRONMENTAL IMPACT

Each solar cell you own and lease to Plumstead High School is expected to offset 117kg of carbon over the 20 year lifespan of the project. This energy output is equivalent to:

~1.9 Seedlings grown for 10 years

~4.4 incandescent light lamps switched to LED

~290 km driven by an average passenger vehicle

Good for your pocket and the planet

In South Africa each kWh of electricity embodies 2.16 lbs (about 0.98 kg) of CO_2, almost double that of the USA and Western Europe. Each solar cell in this project will off-set 4 times the green house gas emissions than it would installed in many places in Europe,

Sources: *US Environmental Protection Agency, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator*
Department of Energy's Energy Information Administration

HOW IT WORKS

Your solar cells will be leased to Plumstead High School as part of a 55.08 kWp solar energy system

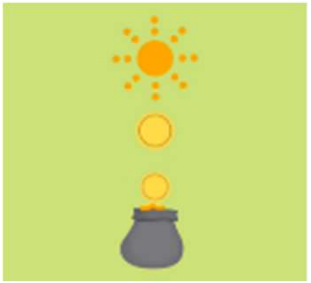
Your solar cells produce electricity on a predictable schedule

Plumstead High School will pay you for the use of each solar cell you own

The Sun Exchange platform arranges all the leasing and rental collection so you receive a solar-powered rental stream automatically.

Track solar project performance and earnings through your personalised Sun Exchange dashboard.

Video Tutorial 1:
How it works



LEASE AGREEMENT: INITIAL PHASE

RENTAL STARTS WHEN THE SYSTEM IS CONSTRUCTED

Crowd Sale End

Construction Complete

"Commercial Operation Date"

End of Year 1

There is zero rental before the Commercial Operation Date

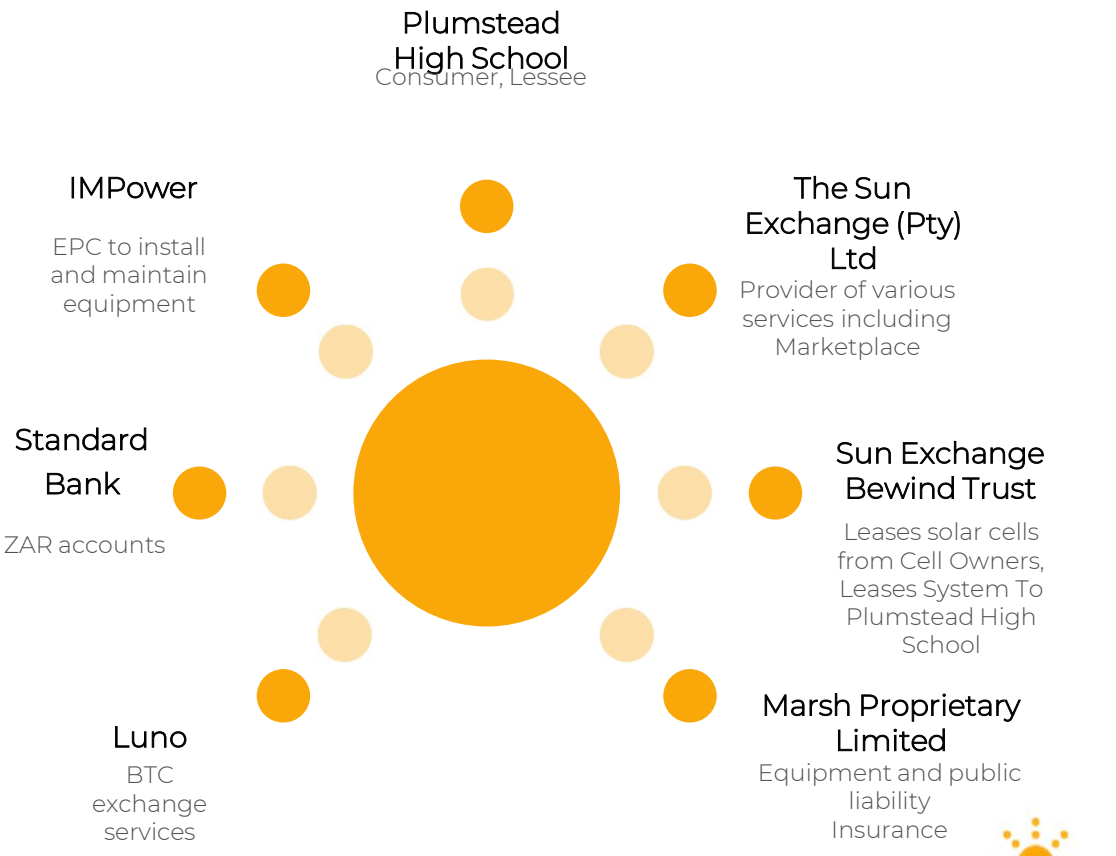
Construction period estimate

Planning	Construction	Total
4 - 8 weeks	6-8 weeks	10 - 16 weeks

SYSTEM PARTICIPANTS

LEASE OF THE SYSTEM INVOLVES THE FOLLOWING PARTIES:

PARTY	ROLE
You / Lessor	Lessor of the solar cells to Special Purpose Corp
Plumstead High School	Solar energy Consumer, that leases the system from Special Purpose Corporation
IMPower	Engineering, procurement, construction and maintenance of the solar system
Standard Bank, or other financial institution	ZAR accounts for solar cell rental collection and payments
Luno	Digital currency exchange transactions
Sun Exchange Bewind Trust	Lessor of the entire solar system to Plumstead High School
The Sun Exchange	Provider of marketplace and services. Owns and leases the balance of system equipment to Sun Exchange Bewind Trust



ABOUT THE SOLAR PV PLANT

EQUIPMENT

Solar PV System	55.08 kWp DC
Solar Panel Type	Crystalline Silicon
PV Manufacturer	JA Solar
Standard Compliance	IEC-62103 (EN50178), IEC-62109, AS3100
Installation Standard	To meet NRS097 and SANS10164 codes.
Mounting system	Roof mounted

SOLAR YIELD

Est. Annual Generation	84.33 MWh
Probability Factor	50%
Y1. R/solar per kWh	1.20

Principal system components

- Photovoltaic modules
- Mounting system/rack for the PV modules
- Inverter/s and transformer (where required)
- Switch gear and cabling at site

Smart Meter Monitoring

The solar plant is kept under surveillance over the internet. The system data is viewable through a portal and can be viewed online by all owners.

SITE

Site Name	Plumstead High School

SYSTEM LEASE RENTAL ADJUSTMENTS

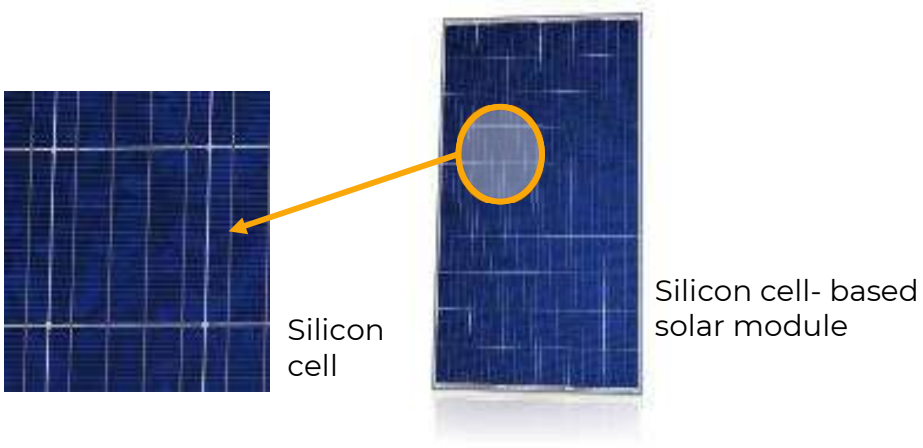
The base price for system usage will be charged per kilowatt-hour for energy consumed. Adjustments to the base price for Lessee's payments shall be made on the basis of the following table. The base unit price, as adjusted, will be multiplied by the Asset Output to determine the payments due from Lessee to the Lessor.

Initial charge	Adjustment Basis	Adjustment Frequency	Adjustment Base Month
R 1.20 per kWh	Escalate at CPI +2% per year.	Annual	To coincide with annual anniversary of the COD.

YOUR SOLAR CELL

Your solar cells are manufactured by JA Solar. (1)

Solar cells are the 'business end' of a solar energy system and are mounted in modules of 144 cells. Plumstead High School requires 14,688 solar cells totalling 55.08 kWp, that is 102 x 540W solar modules.



Silicon cell

Silicon cell- based solar module

Your solar cells will be installed as part of a 55.08 kWp shown in the image below:

(1) The indicative solar system data sheet is included in this product information document. The final choice of the manufacturers and the type of components may differ from the product described, but will be equal to the requirements and quality standards as indicated here

DESIGNATED CHARITY

African Parks is a non-profit conservation organization that takes on direct responsibility for the rehabilitation and long-term management of protected areas in partnership with governments and local communities.
https://www.africanparks.org/

Plumstead High School

Founded in 1958, Plumstead High School was the first school in the Western Cape to become multi-racial towards the end of apartheid in South Africa and has been officially recognised and awarded for its early racial transformation.

Based in the Metro South Education District, the school continues to serve over 1,000 learners from very diverse socio-economic backgrounds with a wide range of academic abilities.

IMPOWER PTY LTD WILL INSTALL AND MAINTAIN THE SYSTEM

IMPOWER PTY LTD IN SOUTH AFRICA

IMPower Pty Ltd, formerly All Power Systems (underwent a name change in 2019 due to a naming conflict with a similar company operating in S.A) is a leader in the solar rooftop, battery storage and energy management industry in South Africa.

IMPower has approx. 10Megawatts of operational projects based in locations all across South Africa with a further 30MW under development. Their solutions have assisted numerous commercial, industrial and agricultural clients with their power needs, saving millions of Rands in energy costs whilst assisting in promoting a greener and cleaner economy and environment.

With expert skills and experience in the solar energy, storage (battery) and energy management sectors, IMPower is considered to be 'ahead of the curve' when it comes to their bespoke engineered solutions. Their national footprint guarantee's a superior after-sales and overall system management service.

Their veteran team is driven by the desire to provide world-class end-to-end energy solutions in a professional and ethical manner.

RISK FACTORS

A number of risk factors are discussed in the annex section of this document.
We cannot set out all the risks that may be involved by purchasing and leasing solar cells.
You should consider whether making this purchase is suitable for you in the light of your own personal circumstances and take advice as necessary.

THINGS YOU NEED TO KNOW ABOUT PURCHASING SOLAR CELLS

Solar cell leases are long-term commitments and you should consider what is the right amount to spend given your own circumstances.

Where we have made estimates or projections of anticipated rentals, costs, or inflation these are based on our current beliefs and assumptions at the date of publication – we won't necessarily update them. These statements may involve known or unknown risks, uncertainties and other important factors which could cause actual results, performance or achievements to differ from those we expect. In particular, while we believe that any predictions or forecasts we give are reasonable and based on reasonable assumptions supported by objective data, they may be affected by risks and other factors not set out in this document and therefore are not reliable indicators of future performance.

The solar cell Owners Lease Agreement & Terms of Service in place between you, The Sun Exchange and the Sun Exchange Bewind Trust are legally binding, however there is no guarantee that you will receive the whole or any part of the expected Lease Rental, or the return of your initial purchase money. In such an instance lost rentals may be sought through legal arbitration.

CONTACT US

The Sun Exchange (Pty) Ltd
Registered Office:
192 Main Road
Muizenberg
Cape Town South Africa
Registration Number:
2015/164280/07

Email: hello@thesunexchange.com

Legal Disclaimer:
The role of The Sun Exchange ("SunEx") is to provide a platform for selling solar cells which buyers can then lease for use in a project. Neither SunEx nor any of its affiliates is offering or selling any securities, or arranging the offer or sale of any securities. SunEx is not advising you as to the merits of, or making a personal recommendation to you in relation to, purchasing or leasing solar cells. You should consider carefully whether purchasing or leasing solar cells in this Project is suitable for you in the light of your own personal, financial and tax circumstances. You should consider carefully all the information set out in this product information document, including the information set out in 'The Risks'.

The rate and value of the rental payments can go down as well as up. Forecasts, estimates and projections as to lease rental rates and amounts are not a reliable indicator of these matters and may be impacted by various factors – see 'The Risks'.

If you are in any doubt as to any aspect of purchasing or leasing solar cells in the project, including any accounting or tax issues, you should seek independent advice from an authorized person who has experience in advising on such matters. Nothing in this this document should be read or understood to be financial, investment, tax or accounting advice.

Plumstead High School, IMPower, The Sun Exchange, the Sun Exchange Bewind Trust, and other parties to the transaction are not subject to electrical utility, securities and banking laws or financial regulatory oversight in South Africa and other countries. Neither this sale of solar cells nor this product information document, the Owner Lease, Terms of Service, nor any related document will be registered with any government, regulator, central bank, securities exchange, or authority.

There is no guarantee that you can sell your solar cells after purchasing them. Neither Plumstead High School nor The Sun Exchange is obligated to purchase or early redeem your solar cells. The solar cells have not been admitted to listing on any electricity or commodities market or other regulated market and are not expected to be dealt on any exchange or other such market.

Where we have made estimates or projections of anticipated revenues, costs or inflation these are based on our current beliefs and assumptions at the date of issue – we won't necessarily update them. These statements may involve known or unknown risks, uncertainties and other important factors which could cause performance to differ from those we expect. In particular, while we believe that any predictions or forecasts are reasonable and based on reasonable assumptions supported by objective data, they may be affected by risks and other factors not set out in this document and therefore are not reliable indicators.

APPENDIX

BUYING SOLAR CELLS

Buying solar cells through The Sun Exchange is easy.

1. Create an online account at www.thesunexchange.com
2. Complete the identity verification process
3. Choose your currency and make payment in ZAR 73 or ~BTC 0.00012 increments (the price of each cell). You can pay by credit card, bank transfer, Bitcoin and directly from your Sun Exchange ZAR or Bitcoin wallet.
4. Your payment is held in a separate account [1] until the required number of cells are sold or the sale ends.

This crowd-sale ends 30 days after crowdsale open announcement or when all the solar cells have been sold, whichever is sooner [2]

You cannot cancel your order before the crowd-sale ends. If we terminate the sale early, or if all the solar cells are not purchased, your money will be returned in full in your payment currency.

(1) See the Foreign Exchange Schematic for more details. ZAR payments kept at in trust in Standard Bank. BTC is kept in cold storage.
(2) Our website will show sale progress towards the target. Sale end many occur quickly and without warning.

GETTING PAID

How you get paid your rental income depends on your purchase currency and where you live.

IF YOU PURCHASE YOUR SOLAR CELLS IN ZAR FROM A ZAR ACCOUNT

You will receive lease rental at least monthly paid in ZAR into your nominated ZAR account but you can opt in to receive Bitcoin at any point.

IF YOU PURCHASE YOUR SOLAR CELLS IN BITCOIN OR FROM A NON-ZAR ACCOUNT

We will convert your ZAR rental income into BTC and send payments via the universal Bitcoin digital currency network. ZAR is converted to BTC once a month using the ZAR/BTC spot price at that time.

IF YOU PURCHASE YOUR SOLAR CELLS USING SUN EXCHANGE WALLET BALANCES

You can contribute to an order or pay for an entire order using BTC or ZAR balances on your Sun Exchange dashboard. You can supplement your balance with an additional payment by credit or debit card, bank transfer or Bitcoin payment.

COLLECTIONS

The Sun Exchange will set up the system through which lease rental is globally distributed to the solar cell lessors

As part of its responsibilities under the Owner Lease and the Terms of Service, The Sun Exchange will:

- Calculate and collect rental due from Plumstead High School for use of the solar system
- Maintain a register of current Solar Cell Owners and Solar Cell Lessors
- Calculate and pay fees, expenses, insurance premiums, and scheduled deposits to reserves
- Pay to you the lease rental for our use of the solar cells, to the extent there are sufficient funds from the rental under the lease to Plumstead High School and subject to a monthly maximum amount
- Notify you if a Force Majeure or other event occurs that delays collection or payment
- Provide other notices relating to Plumstead High School and other transaction parties, as necessary

The Terms of Service for all our Website Users is posted on www.thesunexchange.com;

Copies of the Owner Lease and all relevant documents will be made available to account holders considering purchase and lease of solar cells. Upon placing an order to purchase solar cells on our website and also opting to lease one or more solar cells if purchased, you indicate your agreement with all of the terms and conditions of these agreements, and will be deemed a signatory to those agreements when they become effective

TAXATION

YOU MAY BE ELIGIBLE FOR TAX BENEFITS

Over 60 countries have implemented policies to promote solar power generation. The type of subsidy varies considerably, and may include

- tax credits
- accelerated depreciation
- direct payments / grants
- tax holidays
- educational benefits

Furthermore, if you elect to lease your solar cells under our operating lease agreement, you may be able to deduct depreciation expenses.

In this product information document, we cannot summarise the many national and state tax policies and incentives that exist for clean energy equipment ownership and use. However, as a start, you may find a variety of useful guides available freely available on the Internet

We encourage our customers to consult a tax specialist to learn about potential tax benefits of owning and leasing solar cells.

COMMUNICATING WITH YOU

The Sun Exchange aims to empower our solar cell Owners by maintaining high standards of transparency and timely access to information

The Sun Exchange undertakes to make frequently available, online or via email:

- Plumstead High School lease rental historical payment data
- Historical and/or real-time plant operation data
- Maintenance and repairs required and completed
- Current balances in Plumstead High School system lease rental account
- Copies of all contracts and other documents relevant to ownership and leasing solar cells
- Material information relating to service providers (EPC, O&M, Luno, and others)
- Adjustments and escalations of lease rental rates, and system expenses
- Insurance premiums, claims and payments. Changes in insurance providers and terms
- Amendments to accounts and payment methods
- When available, how to access information via the blockchain
- Other information relevant to the solar cells

FAQ

WHAT IF THE SOLAR PLANT BREAKS DOWN?

The solar plant will be under an installation defects warranty for the first 2 years. The inverter is under warranty for 10 years and the solar panels have 25 year power output guarantee. After year 2 a pre-determined portion of the lease rental income will go into a reserve maintenance fund to finance any remedies that are not covered by the fire, theft and damage insurance policy that will be in place for the duration of the lease period. The estimated lease rental income illustrated to you takes into account these maintenance reserve payments.

ARE THE CELLS STILL MINE AFTER THE 20 YEAR LEASE?

At the end of the 20 lease term your solar cells still belong to you but they are approaching the end of their design life. Sun Exchange will assist in negotiating an additional 5 year lease, or, selling the cells and the rest of the system to the customer for an estimated residual value which will be returned to you.

WHY IS THE PROJECT NOT FUNDING THE SOLAR PLANT THEMSELVES?

Leasing the solar plant reduces their overall energy costs without having to deploy their own capital. Many organisations view electricity as a variable cost and would rather not use their working capital to fund energy generating hardware. Leasing the solar plant is an easier business decision as it gives them instant access to lower energy bills with a fully serviced solution without having to own it.

CAN I BUY SOLAR CELLS IN MULTIPLE PROJECTS?

Of course and we encourage this. Owning solar cells across multiple project mitigates the economic impact on you in the event of an isolated default on a single project and spreads the social and economics impact you can create.

FAQ

ARE THERE ANY GUARANTEES IN PLACE THAT THE SOLAR CELL LESSEE WILL HONOUR THE 20 YEARS OF LEASE PAYMENTS?

The lease is legally binding for 20 years. In the event of a default the solar plant may be relocated to another project or a new building occupier may take over the lease. We have conducted a due diligence on Plumstead High School and a report can be provided upon request. The Sun Exchange also has 'skin in the game' as we own the remainder of the solar plant and receive on-going service fees. We don't host projects that we don't believe will fulfil the lease term.

ARE THE ESTIMATED RETURNS GUARANTEED?

The income you will receive is entirely linked to the amount of electricity your solar cells produce and which is purchased by Plumstead High School. The income estimates provided are based on forecasts of the electrical production of your solar cells with a >50% probability of meeting or exceeding the forecast.

IF I PAY FOR CELLS BY CREDIT CARD / ZAR, CAN I GET MY RENTAL INCOME PAID IN BITCOIN?

Yes you can. There is a setting for this when you place an order and you can change this setting at any time from your dashboard.

RISK FACTORS

Plumstead High School insolvency or restructuring risk

Together with any supplier, partner or contractor on the system can be the subject of insolvency or restructuring procedures which may affect whether they can perform their obligations. This may also mean that, in relation to suppliers or contractors, it may not be possible to secure the same level of service at the same price resulting in greater costs.

Force majeure

There is always the possibility that an event could occur that is completely out of our control and completely unexpected. This includes events such as natural disasters or acts of terrorism.

General contractual risks

We are reliant for some services on third party providers. Whilst we are thorough in checking who we work with and in ensuring proper contractual arrangements are in place, we cannot guarantee that those providers will perform their contractual obligations adequately. Pursuing providers for breach of contract can result in delays and legal expenses. Any supplier or partner can undergo insolvency or restructuring procedures which may affect whether or not they can perform their obligations.

Withholding taxes

Any withholding taxes assessed payments will be deducted prior to payment to solar cell purchasers and lessors. Plumstead High School and The Sun Exchange will not increase amounts paid in order to compensate Lessors.

RISK FACTORS

Government Policy

The South African Government have set renewable energy targets under their Integrated Resource Plan which are favorable to solar energy. There may be changes in laws, regulation or government policy which might impact how you can purchase and lease solar cells. These may include, for example:

- Changes to tax law which might affect us or make it less advantageous for you to own solar cells.
- Regulatory issues which might entail expenditure, costs or operational restrictions which we have not foreseen.
- Changes to the basis on which the CPI is calculated.
- General economic circumstances which may lead to increases in costs or unforeseen expenditure.
- Lower than expected ESKOM tariff increases.

Currency Risk

Lease Rental payments for energy generated will be denominated in South African Rand. From time to time, we will convert our ZAR lease rental balances to BTC for the purpose of payment to lessors located outside of South Africa. Non-SA Owners will be exposed to the currency volatility risk and to the timing of our currency conversions, which we will make at our sole and absolute discretion.

Interconnection and Export

Final approval to interconnect from the municipality or utility is issued at COD of the solar plant. If interconnection approval is not provided, then the export of energy may not be permitted. In this case, the energy consumer will only be billed for energy consumed and your estimated earnings may be lower.

RISK FACTORS

Insurance Risk

We, or a contractor, may, where economically practicable and available, endeavor to mitigate some of the project risks by procuring relevant insurance cover. However, such cover may not always be available or economically justifiable, or the policy provisions and exclusions may render a particular claim outside the scope of the insurance cover. There will also remain the risk that an insurer defaults on a legitimate claim.

Solar Irradiation

We have based the estimated output of the solar plant on a HelioScope simulation with a high level of certainty. We have used a solar energy production assessment with a 50% probability factor.

Inflation

The financial forecasts for this project are based on a tariff escalation of CPI + 2% per year each year over the 20 year lease term. However, the relative value of rental received will be relative to the actual rate of inflation. The average inflation rate in South Africa is around 5%.

Construction

Construction is anticipated to start as soon as the relative utility permissions are in place, which includes the Small Scale Embedded Generator (SSEG) permission to build, amongst others. While all efforts are targeted at receiving all permissions timeously, delays may occur.

RISK FACTORS

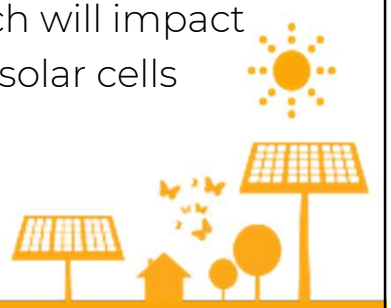
Operational Issues

Pre and post-operational issues relating to the quality of installations could result in the loss of solar yield and therefore rental amounts. The design agreement with the EPC provides for an audit upon completion. In the event that there are any installation or operational issues with the PV systems, the installer will pursue the relevant party on the Sun Exchange Bewind Trust's behalf, if relevant. If there is an issue with any of the equipment, the installer will ensure the relevant manufacturer is pursued under the terms of the warranties if it makes commercial sense to do so. Although they may use equipment made by different manufacturers, it will be of similar type and quality.

The terms of the lease contain key rights including access rights, maintenance obligations and our rights to revenue and the ability to remove the system equipment upon lease termination.

Adverse Economic Conditions

Adverse economic conditions beyond our control may affect Plumstead High School's ability to pay project lease rental. Factors such as declining revenues or increased operating expenses, ability of Plumstead High School to collect on accounts receivable or other amounts owed, lawsuits brought or legal judgments against the Plumstead High School changes in commercial lending terms including the calling of letters of credit or other debt obligations, unexpected changes in management of Plumstead High School or other impacts on the operations and finances of Plumstead High School that result in a shortage of cash available to satisfy its obligations under the lease with the Sun Exchange Bewind Trust, which will impact the amount of lease rental to pay solar cells lessors.



RISK FACTORS

Service Disruption

If a catastrophic event resulted in a platform outage and physical data loss, The Sun Exchange's ability to perform its servicing obligations would be materially and adversely affected. The satisfactory performance, reliability, and availability of The Sun Exchange's ("SunEx") technology and its underlying hosting services infrastructure are critical to our operations, level of customer service, reputation and ability to attract new users and retain existing users. SunEx's hosting services infrastructure is provided by a third party hosting provider (the "Hosting Provider"). Any interruptions or delays in SunEx's service, whether as a result of an error by the Hosting Provider or other third-party error, SunEx's own error, natural disasters or security breaches, whether accidental or willful, could harm our ability to service the solar cell Owners or maintain accurate accounts, and could harm SunEx's relationships with its clients and its reputation. SunEx's disaster recovery plan has not been tested under actual disaster conditions, and it may not have sufficient capacity to recover all data and services in the event of an outage at a facility operated by the hosting provider. These factors could prevent us from processing or posting payments to solar cell Owners, damage SunEx's brand and reputation, divert its employees' attention, and cause users to abandon our service platform.

To mitigate the risks of service disruption discussed above, SunEx intends to migrate many of its services to a blockchain ledger and autonomous smart contracts. By decentralizing information storage and functionality, SunEx intends to increase the security and reliability of its services

RISK FACTORS

Loss of Books and Records

Events beyond our control may damage SunEx's ability to maintain adequate records, maintain the online financing platform, or perform our servicing obligations.

If a catastrophic event resulted in a platform outage and physical data loss, our ability to perform our servicing obligations would be materially and adversely affected. Such events could include, but are not limited to, fires, earthquakes, terrorist attacks, natural disasters, computer viruses and telecommunications failures. If SunEx's electronic data storage and back-up storage system are affected by such events, we cannot guarantee that you would be able to recoup all the money spent on your purchase.

To mitigate the risks of service disruption discussed above, SunEx intends to migrate many of its services to a blockchain ledger and autonomous smart contracts. By decentralizing information storage and functionality, SunEx intends to increase the security and reliability of its services

Limitation on Individual Claims

When you create a SunEx account, you enter into SunEx's standard Terms of Service which sets forth your principal rights and obligations. To protect SunEx from having to respond to multiple claims by lessors in the event of an alleged breach or default, the Terms of Service restrict rights to pursue remedies individually in connection with such breach or default. Except in limited circumstances, such remedies may only be pursued by a representative designated by the holders of a majority-in-interest of a particular SunEx project.

RISK FACTORS

Reliance on product and service providers in the solar industry

Volatility in the business environment for providers of products and services related to solar power could adversely affect the ability of the Sun Exchange Bewind Trust, Sun Exchange and the OM to service the solar plant.

Our business is dependent on products and services provided by wide array of third party developers, equipment suppliers, installers and service providers. In recent years, the business environment relating to solar power generation has been highly volatile and has been adversely affected by changes in government funding, tax incentives and foreign competition. As a result, many companies doing business in the solar power industry have encountered significant financial difficulties or been forced to discontinue operations altogether.
In the event such difficulties affect a company that is delivering important products or services to a Project, the completion of the project or its ongoing operations could be jeopardized, which could result in a default in payments to the lessors of the solar cells.

A counterparty providing necessary services may become insolvent. The Sun Exchange and/or the Sun Exchange Bewind Trust will endeavor to hire a replacement party on substantially similar terms, although there is no assurance this will be possible, and Sun Exchange and the Sun Exchange Bewind Trust bear no responsibility in this case.

RISK FACTORS

Regulation of the Internet, blockchains, and digital currencies

As global finance develops, governments may adopt new laws to regulate Internet commerce, digital currencies, and block-chain technologies which may negatively affect our ability to service Owners of solar cells.

The cost to comply with such laws or regulations could be significant and would increase our operating expenses, and we may be required to pass along those costs to holders of solar cells in the form of increased fees. Governments may impose taxes on services provided, which would adversely affect the viability of our platform.

Committed Funds

When you commit to purchase a solar cell, you must complete payment prior to Sale End. Deposits to purchase solar cells are irrevocable and
during the period between the time of your purchase and the time when your allocation of solar cells is completed, you will not have access to your funds.

Western Cape Education Department

Final approval from the education department is still outstanding. The application was submitted on 3 March, with written communication I that it would take a month to process the application.

RISK FACTORS

Regulation of SunEx

SunEx believes it conducts its businesses in a manner that does not result in being characterized as an electrical utility subject to regulation in any nation or state.

Furthermore, as an e-commerce platform we believe we are not an investment company, broker-dealer, bank, or other regulated financial institution and we consider solar cells to not be a financial product as are hardware items being leased under a commercial contract.

If, however, in future SunEx is deemed to be conducting a business requiring registration or regulation, it may be required to institute burdensome compliance requirements and its activities may be restricted, which would affect its business to a material degree.

We are not subject to the electrical utility or banking regulations of any state or national regulatory agency.
We are not subject to the periodic examinations to which such electrical utilities, commercial banks ,
broker-dealers or other such institutions are subject. Consequently, we are not subject to regulatory oversight relating to our capital, asset quality, management or compliance with laws.

RISK FACTORS

No Appointed Agent

Lessors of solar cells will not have an appointed agent to represent and protect their interests under the terms of the Owner Lease, Terms of Service, and other related documents.

Solar cell lessors may assemble to discuss and decide material matters relating to their purchases and the lease contract. At his option, any lessor may appoint a third-party agent or trustee.

Installation Delays

For a solar project of this type, the risk of installation delay is low. We believe we have allowed plenty of time to complete the installation of the PV system. It is possible that the Project experiences unforeseen installation delays that could hamper COD, although in all such circumstances the lease period will only begin once the solar plant has been commissioned and is fully operational.

Permitting Delays

Some delays may be as a result of delays in receiving required permits, such as the Small Scale Embedded Generator (SSEG) permission to build and operate. While all efforts are targeted at receiving these permissions timeously, there still exists a risk which are out of Sun Exchange's control.

RISK FACTORS

In some circumstances, we have the right to donate certain rental income from your solar cells to a charity that you select, instead of paying it to you.

Each nation and jurisdiction has its own laws and regulations governing the offering of financial and other products which provide the purchaser to earn income over time.

In the event we determine that the sale of solar cells and subsequent payment of lease rental to you in excess of your original purchase price would require us to register the sale as a securities offering or seek an exemption under securities laws or regulations in your jurisdiction, we have the option to not pay pay you rental income in excess of your original solar cells purchase price, and instead donate only those excess rental amounts to African Parks.

Load Shedding

South Africa sometimes suffers rolling power cuts when the national grid is under stress. When these events occur the solar power production from your solar cells is disconnected for safety and technical reasons. These events are rare and unpredictable, but when they do happen, power losses for a couple of hours can be expected. The rental forecasts in this document have not taken into consideration load-shedding events as it is impossible to predict the frequency of these events. There are however monthly minimum charges to the offtaker, so even in the event of a total failure of the grid, half of the predicted power in any given month will be billed.

SOLAR CELLS SUMMARY TERMS

Product offered:	Solar cells. Each solar cell is one crystalline silicon cell, with unique identifier, with the technical specifications described in this product information document
Unit Price:	ZAR 73 per solar cell
Payment Currencies:	South Africa Rand (ZAR) and Bitcoin (BTC)
Sale Period:	Beginning upon the announcement and ending when total purchases reach the Target Cells Amount, or after 30 days, which ever is sooner
Sale Period Extension:	The Sun Exchange reserves the right to extend the sale period up to an additional 60 days
Pro-User Bonus:	Payable to The Sun Exchange (SunEx) supporters that backed our Indiegogo Campaign. Bonus payments and others available
Payment Accounts:	ZAR trust account, and digital wallet at Luno, as indicated on www.thesunexchange.com
Total Cells Available:	As listed on the crowdsale webpage. If fewer are sold, SunEx will cancel the sale, and return money in the payment currencies. SunEx may reduce the Target Cells Amount at its discretion

Please refer to the Glossary and Terms of Service for definitions. Contact SUNEX with questions at hello@thesunexchange.com

SOLAR CELLS SUMMARY TERMS

Bitcoin Payment	Account holders purchasing in Bitcoin outside South Africa will secure the number of cells afforded by the value of BTC at the time the sale ends. Any BTC excess payments will be returned to the account holder in full in ZAR equivalent.
Allocation Method:	First come first served, with consideration for the number of cells to be deployed into the system, as monitored by Sun Exchange
Purchase Method:	Users that have successfully completed the sign-up process for a Sun Exchange account on www.thesunexchange.com may review solar cell purchase and lease terms and at the time of ordering cells may choose either to take physical possession of solar cells or lease cells within the solar system.
The Sun Exchange Remuneration:	1. Dealer Markup, which is 23% of the system cost including installation 2. Service Fee, which is 34.96% of the gross rental revenue which covers insurance costs, operations and maintenance and contributions to a maintenance reserve fund. 3. Grant of certain related balance of system equipment to The Sun Exchange (Pty) Ltd. (note: all forecast IRR figures are net of Dealer Markup, service costs, insurance and maintenance)

OWNER LEASE SUMMARY TERMS

Option To Lease:	SunEx account holders that purchase solar cells via this sale have the opportunity to opt out of the lease their cells to the Sun Exchange Bewind Trust established by SunEx. The Sun Exchange Bewind Trust will otherwise deploy those purchased cells together with other solar equipment into the system described in this product information document. The operating lease terms can be found in the Owner Lease.
Lessors:	Solar Cell Owners who elect to enter the Solar Cells Owner Lease Agreement (Owner Lease)
Lessee:	Sun Exchange Bewind Trust established by SunEx
Authority To Sub-Lease	Sun Exchange Bewind Trust will lease the entire solar system to Plumstead High School, including the solar cells, under the terms of a SunEx Lease
Lease Rental Commencement Date:	The Commercial Operation Date (COD). Your money will not accrue lease rental prior to this date, including during the sale period
Events of Default:	Failure to pay amounts payable within 30 days, breach of other terms of the Lease and other agreements not remedied within 30 days, insolvency or analogous event, cessation of business, etc
Lease Rental Accounts:	Accounts for escrow of lease rental paid by the Sun Exchange Bewind Trust
Lease End Date:	The 20th anniversary of the COD

Please see SunEx's Terms of Service, Solar Cell Owners Lease Agreement, and Glossary for more information.
Contact SunEx with questions at hello@thesunexchange.com

OWNER LEASE SUMMARY TERMS

EPC	IMPower will provide engineering, procurement and construction services to Sun Exchange Bewind Trust for the system
O&M	IMPower will provide system operations and maintenance services to Sun Exchange Bewind Trust
The Sun Exchange Lease-Related Fees:	Servicing fees, paid monthly, equal to 34.96% of the rental collected from the Plumstead High School under the Owners Lease.
SunEx Rental:	In the Owner Lease, for each calculation period, Sun Exchange Bewind Trust will pay SunEx Rental in ZAR calculated as the Available Balance minus the Project Expenses due. The Available Balance is the Base Rental amount (based on the EEP and subject to a maximum amount per period, as stated in the Owner Lease) or the balance in Plumstead High School's rental account, whichever is smaller. Lessors without ZAR accounts will receive amounts converted and paid in BTC
Rental Payment Frequency:	SunEx Rental is due at least monthly, but may be paid more frequently at Sun Exchange Bewind Trust's option
Output:	Electricity (DC) generated by the rooftop PV generation plant (the Project) measured in kWh. Live energy data will be made viewable on a data monitoring portal provided by Sun Exchange.

Please see SunEx's Terms of Service, Solar Cell Owners Lease Agreement, and Glossary for more information.
Contact SunEx with questions at hello@thesunexchange.com

OWNER LEASE SUMMARY TERMS

EEP Adjustment Basis:	Rental will escalate annually at CPI + 2% per year on the anniversary of COD.
Commercial Operation Date (COD):	The date on which the EPC partner signs the electrical completion certificate (CoC) confirming the system has been installed and is operational
The Contracts:	Each solar cell deployed in the system will be subject to the terms of the Owner Lease and SunEx's Terms of Service, which may be amended from time to time. By placing an order to purchase solar cells through SunEx's website and electing to deploy the cells into the system at that time, each account holder signifies his agreement with those terms, and will be deemed a signatory to the Owner Lease at the end of the sale period as determined by SunEx in its sole and absolute discretion

Please see SunEx's Terms of Service, Solar Cell Owners Lease Agreement, and Glossary for more information.
Contact SunEx with questions at hello@thesunexchange.com

SPEAKING SOLAR

There are many words and acronyms in the world of solar energy and money that are daunting and sometimes even downright bizarre. We don't want these words to scare you away. More often than not, the concepts behind these words are actually quite simple!

We want to help you learn to 'speak solar' so we have put together this glossary of terms for you so you can fully understand the opportunities we are hosting, even if you have never invested in anything before. If you are still confused, drop us an email or contact an Independent Financial Advisor.

- Solar cells: A solar cell is physical product. Purchased through The Sun Exchange, you are provided with legal contracts relating to the cells, which make possible its lease. Solar cell ownership enables The Sun Exchange to arrange for the lease of electricity generation equipment to the Consumer, and can generate lease rentals that directly depend on the timing and amount of energy generation, among other things

- Unit Price: The cost of one solar cell, which is stated on page 2 of this document.

- Project Lease Agreement: An agreement between the Sun Exchange Bewind Trust and Plumstead High School establishing the duration, pricing, and other terms of lease of the Solar cells and Solar Equipment.

- Solar cell Owners Lease Agreement: An agreement between the Sun Exchange Bewind Trust and Owners establishing the lease of the solar cells to Sun Exchange Bewind Trust

Sources: Wikipedia, Investopedia

SPEAKING SOLAR

- **Solar cells Lease Rental:** The amount paid to each lessor by the Sun Exchange Bewind Trust. Lease Rental will effectively be paid to you in return for allowing usage of the solar cells. The Lease Rental is calculated at fixed monthly price, less expenses, taxes, fees, and deposits to reserves

- **Sale period:** The window of time where you can place an order for solar cells. The sale is open for up to 30 days and at our discretion an additional 60 days. Purchases are arranged on a "first come, first served" basis.

- **Equivalent Energy Price:** The price at which Plumstead High School must pay for the use of your cells. The price in the initial year is stated on page 2 of this document; thereafter the price is adjusted annually.

- **Kilowatt hour (kWh):** A kilowatt hour, kWh, is a unit of electricity – a kilowatt hour is equivalent to one kilowatt (1 kW) of electrical power for one hour (1 h) of time. A megawatt hour, MWh, is one thousand kilowatt hours.

- **Kilowatt peak (kWp):** Kilowatt or kilowatts peak are used in the solar photovoltaic industry to measure the maximum potential output,
the peak output, of a photovoltaic module. By setting certain standard conditions, the industry can compare the potential output of one module with another.

Sources: Wikipedia, Investopedia

SPEAKING SOLAR

- **Sale End:** Once valid orders sufficient to purchase the total available solar cells have been received, we estimate that within 20 days all of the conditions precedent will be satisfied and we will be ready to sign all the documents, and the system construction can officially begin.

- **Target Cell Number:** The total number of solar cells sold such that we can pay for the engineering, procurement, and construction of the solar energy system at Plumstead High School and to pay various other fees and expenses associated with the project.

- **Internal Rate of Return:** The IRR. The discount rate at which the present value of all future cash flow is equal to the amount of capital utilised.

- **USD:** United States Dollars

- **BTC:** Bitcoin

- **PV:** Photovoltaic. The photovoltaic effect is the creation of voltage or electric current in a material upon exposure to sunlight. Sunlight is absorbed, causing excitation of an electron or other charge carrier to a higher-energy state. This creates an electric potential (or voltage) is produced by the separation of charges.

- **Balance equipment:** All of the equipment in the solar system excluding the solar modules.

- **ZAR:** South Africa Rand currency

- **Lessee:** A participant of a leasing contract, having the right of use of property from its real owner.

Sources: Wikipedia, Investopedia

SPEAKING SOLAR

- **Lessor:** A participant of a leasing contract, who takes possession of the property and provides it as a leasing subject to the lessee for temporary use

- **Consumer Price Index:** A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The South African CPI can be viewed at www.statssa.gov.za/?page_id=1871

- **EPC:** Engineering, procurement and construction company. Designs, purchases, and installs the equipment creating the plant

- **O&M:** The company charged with administration, conduct of operations, equipment status control, and preventive and corrective maintenance of the plant. Controls the performance of maintenance in an efficient and safe manner such that economical, safe, and reliable plant operation is optimized

- **Delinquency:** Commonly refers to a situation where a Lessee is late or overdue on a payment. In the case of The Sun Exchange, failure to pay on the scheduled date, and post due for up to 30 days

- **Default:** Default can occur when Plumstead High School fails to pay Lease Rental for more than 60 days. Default may also occur if Plumstead High School is insolvent, is petitioned to bankruptcy, or applies for bankruptcy. Other events of default are listed in the Project Lease Agreement. If an event of Default occurs, unpaid amounts become immediately due. Failure to pay could result in loss of principal and future Lease Rental

- **Inverter:** A power inverter, or inverter, is an electronic device or circuitry that changes direct current (DC) to alternating current (AC).

Sources: Wikipedia, Investopedia