
Power Purchase Agreement: Solar Photovoltaic (PV) Installation

Powermeg _____ (Pty) Ltd
(Powermeg (Pty) Ltd)

_____ **(Client)**

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Parties **Powermeg** _____ **(Pty) Ltd** (**Registration Number:** _____), a company registered in South Africa, having its registered office at _____, Cape Town, 7700 ("**Powermeg (Pty) Ltd**")"; and

_____ (**Registration Number:** _____), a company registered in South Africa, having its registered office _____, _____,

(each a **Party** and together the **Parties**).

Recitals

- A Powermeg (Pty) Ltd specialises in providing seamless solutions to its clients, by deploying energy saving systems in a programmatic and coordinated manner.
- B The Client wishes to engage Powermeg (Pty) Ltd to install a PV Plant at the Premises for the provision of electricity from a renewable source in accordance with the provisions of this Agreement.
- C The PV Plant will generate electricity and the Client will pay Powermeg (Pty) Ltd for such generated PV Electricity according to the terms of this Agreement.

Operative provisions

1 Preconditions

- 1.1 Notwithstanding the signature hereof, the implementation of this Agreement is subject to the fulfilment of the following conditions precedent to the written satisfaction of Powermeg (Pty) Ltd within a period of 6 (six) months from the date of signature of the Agreement by the last party in time to sign the Agreement (or such extend period as Powermeg (Pty) Ltd may agree to in writing):
 - (a) the owner of the Premises (if the Client is not the owner thereof), as well as the relevant homeowner's association or body corporate, to the extent applicable, providing its written consent to the installation of the Equipment to the written satisfaction of Powermeg (Pty) Ltd;
 - (b) all consents and approvals required for the installation and operation of the Equipment at the Premises, including consent from Eskom and/or the relevant municipality, having been obtained by the Client (with the assistance of Powermeg (Pty) Ltd, to the extent required) to the written satisfaction of Powermeg (Pty) Ltd;
 - (c) approval of this Agreement by one of Powermeg (Pty) Ltd's financing parties;

Any requirements from our commercial lenders regarding further surety or deposits after evaluating the financials of the client, will be agreed

upon between the client and Powermeg (Pty) Ltd and incorporated in this agreement.

- (d) if requested by Powermeg (Pty) Ltd, the owner of the Premises committing, in writing, to assume the obligations of the Client in terms of this Agreement in the event of the Client vacating the Premises for whatsoever reason; and
 - (e) completion by Powermeg (Pty) Ltd of a site audit to confirm the suitability of the Premises for the installation and operation of the Equipment.
- 1.2 The preconditions in clause 1.1 are for the benefit of Powermeg (Pty) Ltd, and may be waived and deferred by Powermeg (Pty) Ltd in writing in its sole discretion.
- 1.3 Powermeg (Pty) Ltd may terminate this Agreement at any time without any liability, if, in Powermeg (Pty) Ltd's reasonable opinion, any of the preconditions in 1.1 will not be satisfied.

2 Relationship between the Parties

Engagement

- 2.1 The Client engages Powermeg (Pty) Ltd to provide the Services and Powermeg (Pty) Ltd accepts the engagement on the terms and conditions of this Agreement.

Cooperation

- 2.2 The Parties agree to fully cooperate with each other in relation to the subject matter of this Agreement and in accordance with its terms.
- 2.3 Each Party will provide to the other Party all reasonable and relevant information and assistance including access to documentation in connection with its rights and obligations pursuant to this Agreement. For the avoidance of doubt, such information and assistance shall be provided free of charge except as otherwise provided in this Agreement.

3 Services

- 3.1 In consideration for the remuneration payable by the Client to Powermeg (Pty) Ltd in accordance with clause 5, Powermeg (Pty) Ltd undertakes to:
- (a) supply, install and operate the Equipment in accordance with clause 4;
 - (b) maintain the Equipment in accordance with clause 7; and
- (together, the **Services**).
- 3.2 Powermeg (Pty) Ltd shall ensure that the Equipment is installed with due diligence and efficiency, acting as an RPO and in conformity with appropriate engineering and environmental and health and safety practices.

4 Equipment

Supply and Installation

- 4.1 The Equipment will be installed at the Premises.
- 4.2 Powermeg (Pty) Ltd shall be responsible for the supply and installation of the Equipment.
- 4.3 Powermeg (Pty) Ltd shall use its reasonable endeavours to complete the installation of the Equipment within 6 (six) months of the fulfilment or waiver, as the case may be, of the last in time of the pre-conditions set out in clause 1.1 above, subject to the Client complying with the requirements of clause 4.4.
- 4.4 The Client shall:
- (a) grant Powermeg (Pty) Ltd and its appointed contractors reasonable access to the Premises for purposes of:
 - (i) taking any action reasonably necessary in respect of installing, constructing, operating, owning, maintaining, repairing, removing and/or replacing the Equipment or making additions thereto, as may be required by Powermeg (Pty) Ltd on reasonable notice to the Client;
 - (ii) enforcing Powermeg (Pty) Ltd's rights in respect of the Equipment and in respect of this Agreement,which access shall continue for up to 90 (ninety) days after the expiry or termination of this Agreement to provide Powermeg (Pty) Ltd with time to remove the Equipment, if required by Powermeg (Pty) Ltd;
 - (b) provide Powermeg (Pty) Ltd and its appointed contractors, on request, with copies of all available building plans, including all approved amendments, deviations and departures in respect of "as built" improvements on the Premises, to the extent required for purposes of assisting Powermeg (Pty) Ltd with the installation of the Equipment and the design of the proposed system;
 - (c) provide Powermeg (Pty) Ltd and its appointed contractors with any additional information or reports available to the Client that may be useful to Powermeg (Pty) Ltd for purposes of the installation of the Equipment, with Client being required to disclose to Powermeg (Pty) Ltd all known structural or material defects in the Premises that would impact on the installation;
 - (d) Any additional costs due to the specific requirements of the client will be for the account of the client.
 - (e) Any infrastructure costs (roof or ground mounted), will be for the client and invoiced separately.

Ownership

- 4.5 The Client agrees that the Equipment and all data generated therefrom will be owned by Powermeg (Pty) Ltd and shall at all times remain the property of Powermeg (Pty) Ltd, save for any transfer of ownership to the Client, as contemplated in this

Agreement. The Equipment shall be clearly labelled as the property of Powermeg (Pty) Ltd and shall not be sold, leased, licensed or otherwise disposed of by the Client or its agents or administrators or be the subject of any encumbrance to title.

- 4.6 The Client shall at all times keep the Equipment free and clear of all liens, claims, levies and legal processes not created by Powermeg (Pty) Ltd and shall, at the Client's expense, protect Powermeg (Pty) Ltd against same. In this regard, the Client agrees to exclude, and shall timeously submit any waiver reasonably requested by Powermeg (Pty) Ltd for purposes of excluding, the Equipment from any security provided to a third party.
- 4.7 The Client shall have exclusive use of the Equipment during the Term and the right to purchase only the PV Electricity generated by the Equipment and used by the Client (and/or its permitted assigns).
- 4.8 After the expiry of the Term, full legal title and risk in and to the Equipment will transfer to the Client, as is. Upon the Client assuming ownership of the Equipment at any time, the Client shall assume all maintenance and repair obligations in respect of the Equipment, with Powermeg (Pty) Ltd being indemnified and held harmless by the Client in respect of all claims in relation to the Equipment and the operation thereof.
- 4.9 For the avoidance of doubt, the Parties agree that the Equipment is a movable asset and has not acceded to the Premises. The Client shall, to the extent that it is not the owner of the Premises, procure the written confirmation of this agreed position from the owner of the Premises to the satisfaction of Powermeg (Pty) Ltd.

Purchasing the Equipment

- 4.10 In addition to the automatic transfer of ownership and risk to the Client upon the expiry of the Term in terms of clause 4.8, the Client has the option to purchase the Equipment:
 - (a) at any time prior to the Installation Date;
 - (b) on every anniversary of the Installation Date;
 - (c) at any time when the Client sells the Premises (where the Client is the owner of the Premises) in terms of a *bona fide* sale or the Client vacates the Premises.
 - (d) if Powermeg (Pty) Ltd ceases its operations.
- 4.11 The price the Client will pay for the Equipment will be the Original Installed Cost less Specified Depreciation less the deposit for the ground mounted infrastructure, plus any additional costs that Powermeg (Pty) Ltd and the lenders will incur, plus VAT.
- 4.12 To exercise the option to purchase the Equipment, the Client must be in good standing under this Agreement and the Client must have given Powermeg (Pty) Ltd at least 1 (one) month prior written notice (unless otherwise agreed by Powermeg (Pty) Ltd).
- 4.13 The Equipment will be sold to the Client on a voetstoots or "as is" basis, in the condition that it is in on the date of transfer of ownership from Powermeg (Pty) Ltd to the Client.
- 4.14 For purposes of clause 4.11, the "Specified Depreciation" will be determined as follows:

- (a) for the first 5 years after the Installation Date, the Specified Depreciation will be nil;
- (b) thereafter, the Specified Depreciation will be 10% of the Original Installation Cost for every year after the fifth anniversary of the Installation Date.

Vacating or selling the Premises

4.15 If the Client vacates or sells the Premises, the Client can:

- (a) cede its rights and obligations under this Agreement to the person assuming occupancy or ownership of the Premises (if applicable) who can sign a transfer agreement assuming all of the Client's obligations under this Agreement, subject to Powermeg (Pty) Ltd giving its written consent to such assignment, which approval cannot be unreasonably withheld;
- (b) subject to Powermeg (Pty) Ltd's written approval, which approval can be withheld at Powermeg (Pty) Ltd's discretion, the Equipment can, at the Client's cost, be moved to the Client's new property; or
- (c) the Client can purchase the Equipment in accordance with clause 4.10.

4.16 If the Client vacates or sells the Premises, as the case may be, and does not implement at least one of the options in 4.15 above, the Client shall be in breach of this Agreement.

4.17 For the duration of the Term, the Client will not assign, sell, pledge or in any way transfer the Client's interest in the Equipment or this Agreement without Powermeg (Pty) Ltd's prior written consent, which shall not be unreasonably withheld.

5 Remuneration

5.1 The Client shall, as from the Installation Date and for the duration of the Term, purchase from Powermeg (Pty) Ltd all the PV Electricity generated by the Equipment (and/or its permitted assigns) at the Premises.

5.2 The Client shall pay Powermeg (Pty) Ltd, on a monthly basis from the Installation Date, for all the PV Electricity generated by the Equipment at the Premises during the relevant period at a rate of **ZAR1.35** per kilowatt hour exclusive of VAT, with a fixed tariff increase as follows:

Year	Increase Rate
Every year, on the 1 January	CPI + 1%

5.3 Any other upgrades that are required to ensure the operation of the solar PV system, the linking into existing electrical infrastructure, or off grid solar integration will be for the cost of the client. This will be costed and agreed separately.

Invoices

- 5.4 Within ten (10) Business Days of the end of each month, Powermeg (Pty) Ltd shall provide:
- (a) written notice to the Client of the calculation of the Electricity generated by the Equipment in respect of the relevant month, with such calculation being final and binding on the Parties, save in the case of manifest error; and
 - (b) an invoice in respect of the calculations in clause 5.4(a) above.
- 5.5 Amounts invoiced by Powermeg (Pty) Ltd in accordance with this clause 5 shall be paid by the Client to Powermeg (Pty) Ltd within 7 days of the date of the relevant invoice.
- 5.6 Payment shall be made into the bank account nominated by Powermeg (Pty) Ltd and specified on the invoice, which payment shall be made by the Client without any deduction or set-off.

Currency

- 5.7 All payments to be made under this Agreement shall be made in South African Rand.

6 Taxes

Taxes

- 6.1 Unless otherwise specifically stated herein, all amounts reflected in this Agreement are reflected exclusive of VAT.
- 6.2 All payments under this Agreement shall be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any Applicable Law, as modified by the practice of any relevant governmental authority, then in effect.

7 Maintenance and Warranty

- 7.1 Powermeg (Pty) Ltd undertakes to maintain the Equipment as an RPO to ensure the performance of the Equipment according to its manufacturer's specifications.
- 7.2 Where a piece of Equipment is not functioning in accordance with its specifications and it results in its performance not complying with the output requirements of this Agreement as a result thereof, Powermeg (Pty) Ltd shall, during the Term or during the period that Powermeg (Pty) Ltd is still the owner of the Equipment (whichever is the shorter period) ("**the Warranty Period**"):
- (a) repair the relevant piece of Equipment within a reasonable period of time; or
 - (b) where Powermeg (Pty) Ltd determines that it is impractical or uneconomical to repair the Equipment, Powermeg (Pty) Ltd shall provide replacement equipment, at no cost to the Client,
- ("**the Warranty**").
- 7.3 The Warranty is subject to the following conditions and exclusions:
- (a) the Warranty does not cover theft, tampering or vandalism of the Equipment;

- (b) the Warranty is inclusive of labour and travel costs incurred in replacing or repairing the Equipment; and
 - (c) Powermeg (Pty) Ltd shall not be held liable for any damage caused to the Equipment through the incorrect usage or handling of the Equipment by the Client or any damage caused to the Equipment through the negligence of the Client or that of any employee, contractor or agent of the Client;
 - (d) the Client shall not, for the duration of the Term, make any modifications, improvements, revisions or additions to the Equipment or do anything that would void any manufacturer's warranties in respect of the Equipment without first obtaining Powermeg (Pty) Ltd's prior written consent to do so. If the Client makes any modifications or additions to the Equipment, it will become part of the Equipment and shall become the property of Powermeg (Pty) Ltd.
 - (e) any modification to the Premises that would impact on the Equipment and its operation in any way shall only be undertaken with the prior written consent of Powermeg (Pty) Ltd.
 - (f) in the event that the Warranty Period expires as a result of Powermeg (Pty) Ltd no longer being the owner of the Equipment, then Powermeg (Pty) Ltd's liability to the Client shall be limited to transferring to the Client the balance remaining of any manufacturer's warranty (if available) in respect of such Equipment.
- 7.4 The Client shall be required to take out insurance with a reputable insurance company, acceptable to Powermeg (Pty) Ltd, for the duration of the Warranty Period in respect of all damage to the Equipment that would not be covered by Powermeg (Pty) Ltd under the Warranty. Without derogating from this general obligation, the Client shall, in particular, ensure that it has sufficient insurance in place to cover any loss or damage to the Equipment in instances contemplated in clause 7.3(c) above. The Client shall be required to provide Powermeg (Pty) Ltd with proof of such insurance upon request.

8 Carbon Potential

- 8.1 The Parties agree and acknowledge that Powermeg (Pty) Ltd has the right, but not the obligation, to develop the Project under a Carbon Credit Standard.
- 8.2 The Client agrees to cooperate with Powermeg (Pty) Ltd and provide all information necessary to enable Powermeg (Pty) Ltd to develop the Project under a Carbon Credit Standard and to generate Carbon Credits. The sharing, if any, of any potential Carbon value will be governed by way of a separate agreement between the Parties.

9 Events of Default

Events of Default

- 9.1 The Client will be in default under this Agreement in the event that any one or more of the following occurs:
 - (a) the Client fails to make any payment when it is due and such failure continues for a period of 7 (seven) days;

- (b) the Client fails to perform any material obligation that the Client has undertaken in terms of this Agreement (or does something that the Client has agreed not to do) and such failure is not remedied by the Client within a period of 14 (fourteen) days after it has received written notice from Powermeg (Pty) Ltd requiring it to remedy such act or omission;
 - (c) the Client assigns, transfers, encumbers, sublets or sells this Agreement or any part of the Equipment without Powermeg (Pty) Ltd's prior written consent;
 - (d) the Client commits an act of insolvency, compromises with its creditors, is placed into liquidation whether provisional or final, or is placed under judicial management or business rescue proceedings are initiated in respect of the Client.
- 9.2 If the Client is in default, Powermeg (Pty) Ltd may take any one or more of the following actions (which shall always include the right to claim damages):
- (a) terminate this agreement;
 - (b) take any reasonable action to correct the Client's default or to prevent Powermeg (Pty) Ltd's loss, and any amount Powermeg (Pty) Ltd incurs in this regard will be added to the amount owing by the Client to Powermeg (Pty) Ltd and shall be immediately due and payable;
 - (c) require the Client, at the Client's expense, to return the Equipment to Powermeg (Pty) Ltd or make it available to Powermeg (Pty) Ltd in a reasonable manner for collection;
 - (d) proceed, by appropriate court action, to enforce performance of this Agreement or any part thereof and to recover damages for the Client's breach;
 - (e) disconnect, turn off or take back the Equipment by legal process or self-help and the Client hereby gives its consent for Powermeg (Pty) Ltd to affect such self-help and the Client agrees to do all things necessary to enable Powermeg (Pty) Ltd to disconnect, turn off and take back the Equipment;
 - (f) charge the Client a reasonable reconnection fee for reconnecting the Equipment to the Client's utility or turning the Equipment back on after disconnecting or turning off the Equipment due to the Client's default; or
 - (g) use any other remedy available to Powermeg (Pty) Ltd in this Agreement or in law.
- 9.3 The Client agrees to repay Powermeg (Pty) Ltd for any reasonable amounts paid to correct or cover the Client's default (including costs at an attorney-own client rate).
- 9.4 The Client also agrees to reimburse Powermeg (Pty) Ltd for any costs and expenses Powermeg (Pty) Ltd may incur relating to returning the Equipment to Powermeg (Pty) Ltd as a result of early termination of the Agreement.
- 9.5 Powermeg (Pty) Ltd will be in default if Powermeg (Pty) Ltd fails to perform any material obligation that Powermeg (Pty) Ltd had undertaken in terms of this Agreement and fails to remedy same within a period of 30 (thirty) days after receipt of written notice from the Client requiring it to remedy such act or omission.

- 9.6 If Powermeg (Pty) Ltd is in default, the Client may take any one or more of the following actions:
- (a) terminate this Agreement, thereby requiring Powermeg (Pty) Ltd, at its expense, to remove the Equipment;
 - (b) take any reasonable action to correct Powermeg (Pty) Ltd's default or to prevent the Client's loss;
 - (c) proceed, by appropriate court action, to enforce the performance of the Agreement;
 - (d) use any other remedy available to the Client in this Agreement or in law.
- 9.7 By choosing any one or more of these remedies (in whole or in part), a Party does not give up its right to use another remedy solely or in combination with any other remedy.
- 9.8 By deciding not to use any remedy available to it in the event of a default by the other Party, a Party does not give up its right to use that remedy in case of a subsequent default.
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10 Term

Term

- 10.1 This Agreement shall come into force and effect upon its execution by both Parties and shall continue in effect for a period of fifteen years (15) years as from the Installation Date ("**the Term**"), unless terminated earlier or extended in accordance with its terms.
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11 Miscellaneous Provisions

Amendments to the Agreement

- 11.1 This Agreement may not be amended except by a written agreement executed by both Parties.

Confidentiality

- 11.2 The Parties shall treat the terms of this Agreement and all information provided under or in connection with it (collectively, **Confidential Information**) as confidential and may not either disclose Confidential Information or use it other than for *bona fide* purposes connected with the Agreement without the prior written consent of the other Party.

Assignment

- 11.3 Powermeg (Pty) Ltd may assign this Agreement to another group company or to one or more of its financing partners at any time.
- 11.4 The Client agrees that Powermeg (Pty) Ltd may assign, sell or transfer the Equipment and this Agreement, or any part thereof, where such assignment, sale or transfer includes a simultaneous delegation of its obligations to maintain and repair the Equipment, as set forth in the Warranty, without the Client's prior consent. In all other

cases, such assignment, sale or transfer will require the prior consent of the Client, which consent shall not be unreasonable withheld.

12 General

Notices

- 12.1 Any notice, communication, request or correspondence required or permitted under the terms of this Agreement shall be in writing, in the English language (it being understood that any such communication in a language other than English shall be of no force and effect), and shall be delivered personally, or via courier or email to the addresses provided below.

13

For the Client:

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For Powermeg (Pty) Ltd:
Johann Wolmarans
Powermeg _____ (Pty) Ltd trading as Powermeg.
Montagu, 6720, South Africa
Email: johann@powermeg.co.za

Entire Agreement

- 13.1 This Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes and extinguishes any agreement and representations previously given or made with respect to its subject matter other than those given or made in the Agreement, provided that nothing in this clause limits or excludes any liability for fraud in relation to those representations. Any warranties, conditions or terms, statutory or otherwise, which are not contained or referred to in this Agreement, are hereby excluded.

Limitation of Liability

- 13.2 Neither Party shall be liable to the other for any indirect, special or consequential damages howsoever arising even if notification of the possibility of such damages is given to the other Party.
- 13.3 Powermeg (Pty) Ltd's liability to the Client shall be limited to direct damages only and shall further be limited by the provisions of the Warranty set out in clause 7. The aggregate amount of all claims that the Client may bring against Powermeg (Pty) Ltd in terms of this Agreement is capped to a maximum amount equal to the Original

Installed Cost (i.e. the total amount of all claims by the Client against Powermeg (Pty) Ltd in terms of this Agreement shall not exceed the Original Installed Cost).

Indemnities

- 13.4 To the fullest extent permitted by law, the Client shall indemnify, defend, protect, save and hold harmless Powermeg (Pty) Ltd, its employees, officers, directors, agents, successors and assigns from any and all third party claims, actions, costs, expenses (including reasonable attorney's fees and expenses), damages, liabilities, penalties, losses, obligations, injuries, demands and liens of any kind or nature ("Indemnified Loss") arising out of, connected with, relating to or resulting from the Client's negligence or wilful misconduct; provided that nothing herein shall require the Client to indemnify Powermeg (Pty) Ltd for its own negligence or wilful misconduct.
- 13.5 The Client acknowledges that the Equipment is warranted solely under the Warranty and that there are no other representations or warranties, expressed or implied, as to the merchantability, fitness for any purpose, condition, design, capacity, suitability or performance of the Equipment or its installation.
- 13.6 The Client expressly acknowledges and agrees that no liability whatsoever shall be attributed to Powermeg (Pty) Ltd in relation to the Equipment or its operations, installation, functioning or Indemnified Loss on and subsequent to the expiry of the Term and the Client hereby indemnifies Powermeg (Pty) Ltd from any such Indemnified Loss as from the expiry of the Term.
- 13.7 The provisions of clause 13.4 to this clause 13.7 (both inclusive) shall survive the termination or expiration of this Agreement.

Dispute Resolution

- 13.8 If any dispute, disagreement or claim arises between the Parties ("**the dispute**") concerning this Agreement, the Parties shall first meet, upon written notice by either Party to the other, to try to resolve the dispute. Should the Parties be unable to resolve the dispute within 10 (ten) Business Days after receipt of such written notice, then either Party may refer the dispute to arbitration for final resolution in accordance with the rules of AFSA by an arbitrator or arbitrators appointed by AFSA.
- 13.9 Unless otherwise agreed in writing by all the Parties, any such arbitration shall be held in Cape Town.
- 13.10 This clause 13.8 shall not preclude any Party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending decision of the arbitrator.

Force Majeure

- 13.11 A Party shall not be liable for a failure to perform any of its obligations in terms of this Agreement insofar as it is able to prove that it is due to Force Majeure.
- 13.12 Relief from liability for non-performance by reason of Force Majeure shall commence on the date upon which the Party seeking relief gives notice of the impediment relied upon and shall terminate upon the date upon which such impediment ceases to exist, provided that if a Party is relying on the Force Majeure event and the impediment continues for a period of more than 90 (ninety) days, the other Party shall be entitled

to terminate this Agreement by written notice to the Party relying on the Force Majeure event.

Governing Law

13.13 This Agreement, and the whole of the relationship between the Parties to it, is governed by South African law. The Parties agree that all disputes arising out of or in connection with it, or with the negotiation, validity or enforceability of this Agreement, and the relationship between the Parties, and whether or not the same shall be contractual claims, shall be exclusively governed by and determined only in accordance with South African law.

Execution

Executed as an agreement.

Signed for and on behalf of
Powermeg_____ **(Pty) Ltd**
by its duly authorised representative

Signed for and on behalf of

by its duly authorised representative

Signature of authorised representative

Signature of authorised representative

Name of authorised representative
(please print)

Name of authorised representative
(please print)

Date: _____

Date: _____

Schedule 1

Definitions

AFSA means, the Arbitration Foundation of Southern Africa.

Agreement means this Power Purchase Agreement, including all annexures and schedules thereto, if any.

Applicable Laws means all legally binding constitutions, treaties, statutes, laws, ordinances, rules, regulations, orders, interpretations, permits, judgments, decrees, injunctions, writs and orders of any governmental authority or arbitrator that apply to any one or more of the Parties or the terms of this Agreement.

Business Day means a day other than a Saturday, Sunday or public holiday in South Africa.

Carbon Credit Standard means an internationally recognised emission reduction trading scheme or voluntary emission reduction accreditation standard

Carbon Credits means emission reductions generated under a Carbon Credit Standard and other emission reductions or benefits

Confidential Information has the meaning given in clause 11.2

Equipment means the Rooftop PV Electricity Generation Equipment up to 500kW, civil and steel infrastructure and electrical upgrades and connections to the 11KV distribution line.

Force Majeure means without limitation any act of God, fire, flood, typhoon, earthquake, act of war, terrorism, riots, civil disorders, revolutions, strikes or lockouts or any other cause or events or circumstances whatsoever that are beyond the reasonable control of the affected Party, acting (and having acted) as an RPO provided that, for the avoidance of doubt, the fact that a party has insufficient funds to make a payment owing under this Agreement does not constitute an event of Force Majeure.

PV Electricity means the PV electricity generated by the Equipment and available to be purchased by the Client.

Installation Date mean the dates on which the respective pieces of Equipment have been fully installed and is turned on and generating PV Electricity for the first time.

Premises means _____

Price means the amount of R1,500,000 (one million, five hundred thousand Rands) the Client will pay for the Equipment, which will be the Original Installed Cost less Specified Depreciation, less the deposit for the ground mounted infrastructure, plus any additional costs that Powermeg (Pty) Ltd and the lenders will incur, plus VAT

Project means the project to install the Equipment at the Premises and for the sale and purchase of the electricity.

Reasonable and Prudent Operator or **RPO** means a person seeking in good faith to perform its contractual obligations and in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator complying with all Applicable Laws, engaged in the same type of undertaking, under the same or similar circumstances and conditions, and any reference to the standards of a Reasonable and Prudent Operator shall be construed accordingly.

Rooftop PV Electricity Generation Equipment has the meaning given to that term in Schedule 2.

Services has the meaning given in clause 3.1.

Taxes means all national, state, regional, provincial, local, foreign and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, fuel, gas import, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever imposed by any governmental entity, whether in effect at the time of this Agreement or thereafter imposed, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

Term has the meaning given to that term in clause 10.

Warranty Period has the meaning given in clause 7.2.

Schedule 2

Commercial Terms

Rooftop PV Electricity Generation Equipment

Term	Description			
Rooftop PV Electricity Generation Equipment	Commercial PV plant as well as relevant monitoring and verification equipment. Based on a 100kW PV system estimated to generate approximately 170,000 kilowatt hours (kWhrs) per annum.			
Estimated PV Electricity Plant Output	Month	Estimated PV Electricity output (kWhrs) per month	ZAR/kWhr	ZAR/month (to be invoiced)
	1	14,167	1.35	19,125
	2	14,167	1.35	19,125
	3	14,167	1.35	19,125
	4	14,167	1.35	19,125
	5	14,167	1.35	19,125
	6	14,167	1.35	19,125
	7	14,167	1.35	19,125
	8	14,167	1.35	19,125
	9	14,167	1.35	19,125
	10	14,167	1.35	19,125
	11	14,167	1.35	19,125
	12	14,167	1.35	19,125