



POWER PURCHASE AGREEMENT

-- Between --

Legal Name: _____.

Identity Number: _____

With Address: _____

- and -

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AGREEMENT

BETWEEN:

WICORP (PTY) LTD (“Service Provider”). Registration: 2019/334756/07 Trading as WiSolar and with its principal place of business 56 Kruger Street, Forum Building Bronkhorstspuit 1020 and

[Legal name, of User/Buyer entity])

("User") having its residential/installation address at

[complete Address of User entity].

ID number:

. Service Provider and User may be referred to individually as a "Party" and collectively as "Parties" made this date, *[date of agreement execution]*_____.

WHEREAS:

(A) Property Developer (“Developer”) agrees to complete construction and Commissioning of its

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[name, description, location, and capacity or energy output of project]

(B) Service Provider agrees to make available and to sell the Prepaid Solar Energy to User ("Project"); and

(C) User wishes to purchase the electrical energy generated by the Project pursuant to the terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived, the representations, warranties, conditions and promises contained in this Agreement, and intending to be legally bound by this Agreement, the Parties agree as follows.

1. INTERPRETATION AND DEFINED TERMS

1.1 In interpreting this Agreement, capitalised terms and expressions shall have the meanings given them in Schedule A (Defined Terms) or the text in which they appear. Terms not defined in Schedule A (Defined Terms) shall have the meanings ascribed to them in the Oxford English dictionary or, for terms of art or where the context indicates, the meanings given the terms by common usage in the industry.

1.2 Further, in interpreting this Agreement:

1.2.1 Except where expressly stated otherwise, the headings of the Paragraphs are primarily for convenience and in the event of a conflict between a heading and the more specific provision of a Paragraph, the language of the Paragraph shall control in construing the provisions of this Agreement;

1.2.2 The singular includes the plural and vice versa;

1.2.3 References to Sections, Paragraphs, Schedules and similar designations are, unless the context otherwise requires, references to designations in this Agreement; and

1.2.4 References to any agreement, enactment, ordinance or regulation includes any amendment thereof or any replacement in whole or in part.

2. SALE AND PURCHASE OF ENERGY

2.1 Sale to User. Subject to, and in accordance with, the terms of this Agreement, the Service Provider shall make available and sell to User, and User shall purchase from Service Provider (on a “pay as you go” basis) by purchasing recharge tokens which will be dispensed automatically through an app from the vendors and loaded onto the meter by the user, the Net Energy Output of the Project, beginning on the Commissioning Date.

2.2 As Available Energy Take. Upon and after the Commissioning Date, User shall accept energy as available up to a maximum total energy equivalent of 9,351 to 12,023 kWh per annum plus or minus five percent, provided that User may accept energy above this level at its sole discretion.

2.3 Energy Price. The amount of the payments due from User to Service Provider for Net Energy Output from the Project shall be calculated in accordance with Schedule 2 (Calculation of Payments) using the Energy Price defined in that schedule. The payments shall be made at the times specified in Paragraph 4.2 (Billing and Payment).

3. TERM

3.1 Initial Term. The initial term of this Agreement shall commence on the date of this Agreement and shall end 15 Years from the Commissioning Date, unless this Agreement is terminated earlier pursuant to the provisions of this Agreement allowing for termination in the event of a breach or default by either of the Parties ("Early Termination"). Any Early Termination of this Agreement shall be without prejudice to all rights and obligations of the parties accrued under this Agreement prior to such termination.

3.2 Renewal Term. This Agreement may be extended by either Party for a single additional period of _ [agreed renewal term] _ years, on the terms defined by this Agreement, provided that:

(a) The Party seeking an extension has made a prior written request to extend the agreement to the other Party, such request to be made not more than 36 months and not less than 24 months before the end of the initial term of this Agreement;

(b) The Party receiving a request to extend the agreement has not rejected the request in a written response to the Party seeking an extension, given not more than 3 months following receipt of the request for extension; and

(c) There is not an event of default of either Party, as defined in Paragraphs 10.2 (Developer Defaults) and 10.3 (User Defaults), on the date the extension begins.

3.3 System Purchase Options. This may occur at any point during the life of the contract. The buyout clause is phrased as the greater of fair market value (FMV) or “termination” value which includes the present value of the electricity that would have been generated under the remaining life of the PPA.

4. CURRENCY, PAYMENTS AND BILLING

4.1 Currency. All payments required pursuant to any provision of this Agreement (including provisions applicable in the event of any breach, default, or other failure of performance) shall be calculated and paid in *South African Rands*.

4.2 Billing and Payment.

4.2.1 *Pay per use.* User shall recharge meter at defined tariff by purchasing prepaid token and inputting token into prepaid meter for required power in Kwh.

4.2.2 *Take or Pay Clause Fee.* A monthly fee of R2 500 minus the purchase amount applies if user uses 865 units or less of the power produced by solar product within a 30 day period. The fee is to be automatically debited from the user’s bank account.

4.2.3 *Special Invoices.* If there is an event of default, breach, or other failure to perform for which this Agreement specifies payment of amounts as liquidated damages or otherwise, the Party to be compensated shall prepare and deliver to the other Party a special invoice that shows the calculation of any amounts due pursuant to this Agreement, specifies the provisions applied, and details the periods of delay or other factors on which the claim is based.

5. PRE-OPERATION OBLIGATIONS

5.1 Construction and Commissioning. Service Provider shall undertake and be obligated (a) to complete construction of the Project and (b) to achieve successful completion of the required test operations prescribed in Schedule 3 (Testing and Commissioning) no later than the Required Commercial Operations Date.

5.2 Permits and Licenses. Service Provider in collaboration with the Developer, shall acquire and maintain in effect all permits, licenses and approvals required by all local agencies, commissions and authorities with jurisdiction over Developer or the Project, so that Service Provider may lawfully perform its obligations under this Agreement.

5.3 Credits, Grants, and Preferences. Developer shall be responsible for applying for and obtaining any available and applicable tax credits, grants, loans or preferences from governmental or other institutions. User shall cooperate with Developer by providing requested documentation or other confirmation relating to the Project or to this Agreement, subject to the confidentiality terms of Paragraph 16.4 (Confidentiality).

6. INTERCONNECTION

6.1 Service Provider's Responsibilities. In accordance with the requirements of Schedule 4 (Interconnection), Developer shall design, construct, install, commission, operate and maintain the Interconnection Facilities, and any parts thereof, in accordance with the terms of this Agreement. Service Provider Developer shall design, construct, install, commission, own, operate and maintain all auxiliary and interconnecting equipment on the Service Provider 's side of the Interconnection Point, provided that User shall have the right to view such equipment and to object to the use of any equipment if, in the reasonable opinion of User, the use of such equipment would adversely affect User's home or system. Service Provider 's Interconnection Facilities shall be connected to User's Home by means of suitable switchgear and protective devices.

6.2 User's Responsibilities. User will use its best endeavour to assist the Service Provider in obtaining, in a timely manner and at a reasonable cost, all permits, permissions and way leaves necessary for the construction, installation, and commissioning of system. Such assistance not to be unreasonably withheld. The reasonable expenses of User's assistance shall be the responsibility of Service Provider.

7. METERING

7.1 Ownership of Metering System. User operate and maintain the Metering solar electricity system used to acquire the performance measurements from which payments to Service Provider pursuant to this Agreement are calculated. Service Provider shall design, finance, construct, install, own, operate and maintain solar electricity system and metering devices. The metering point shall be at the User's Home

7.2 Testing and Inspection of Metering Equipment. Testing, inspection, repair, recalibration and replacement of the Metering System and of the backup metering equipment shall be performed by the Parties in accordance with THE agreed operations and maintenance procedures.

7.3 Measurement of Net Energy Output.

7.3.1 *Notice of Reading.* Service Provider shall read the Metering System for the purpose of measuring the Net Energy Output of the Project after giving reasonable notice to the User. Service Provider may have the Metering System tested at its own expense at any time.

7.3.2 *Inaccurate Meters.* In the event that the Metering System is found to be inaccurate or functioning improperly, the correct amount of Net Energy Output delivered to User during the period for which inaccurate measurements were made shall be determined using in the Backup Metering System or other procedures as appropriate.

7.4 Meter Tampering User shall not make any adjustments or tamper with metering system. Meter tampering may attract a penalty up to R50, 000.

In the event of meter tamper and system lock, recalibration of system after tamper will be R10, 000 at User's expense.

8. OPERATIONS AND MAINTENANCE

8.1 Operating Standards. During the term of this Agreement, Service Provider shall operate and maintain the Project in accordance with the technical specifications and requirements. The hybrid solar system is both grid-tied and storage-ready.

8.2 Operation by the Service Provider. During the term of this Agreement, beginning on the Commercial Operations Date, Developer shall keep User's designated control centre, from which User will interface with the Project for operational purposes, informed as to the capacity of electrical energy available at the Project and shall immediately advise the designated control centre of any change in this capacity.

8.3 Operating Personnel.

8.3.1 *Qualifications and Coverage*. For the purposes of (a) operating and monitoring the Project and (b) coordinating operations of the Project with the User home, Service Provider shall employ, directly or indirectly, only personnel who are qualified and experienced. Developer shall ensure that the Project is being monitored by such personnel, remotely or otherwise, at all times, 24 hours each day and 7 days each week commencing 14 days prior to the Commercial Operations Date. For the purposes of operating and monitoring the hybrid grid tied solar system, Service Provider shall employ, directly or indirectly, only personnel who are qualified and experienced. Developer shall ensure that the system operates accordingly and may switch to the grid as a power source if needs be by such personnel, remotely or otherwise. User shall not make any adjustments or tamper with solar system.

8.3.2 *O&M Contractor*. Service Provider may appoint an Operation and Maintenance ("O&M") Contractor to operate and maintain the Project throughout the term of this Agreement. Service Provider shall submit such appointment and the appointment of any successor O&M Contractor to User for its prior written approval, which approval shall not be unreasonably withheld or delayed. No such appointment nor the approval thereof by User, however, shall relieve Service Provider of any liability, obligation, or responsibility resulting from a breach of this Agreement.

9. MUTUAL WARRANTIES AND COVENANTS OF THE PARTIES

9.1 Warranties. Each Party warrants to the other that:

9.1.1 It is duly formed, validly existing and in good standing under the laws of [country of Developer entity] and is qualified to do business in [country where Project is located] and has complied with all applicable laws;

9.1.2 It has full power to carry on business and to enter into, legally bind itself by, and perform its obligations under this Agreement;

9.1.3 The signatories to this Agreement on its behalf are duly authorised and competent to execute and deliver this Agreement as being valid and legally binding on it;

9.1.4 The execution, delivery, and performance of this Agreement, subject to the granting and maintenance of the Relevant Consents, does not, and will not, constitute a violation of any legal or contractual constraint validly applied to Developer.

9.1.5 There are, to the best of its knowledge, no existing or threatened legal, contractual, or financial matters of any kind that could reasonably be expected to affect materially either its ability to perform its obligations under this Agreement or the enforceability of this Agreement; and

9.1.6 No information given by it in relation to this Agreement contains any material misstatement of fact or omits to state a fact that would be materially adverse to the enforcement of the rights and remedies of the other Party.

9.2 Service Provider Covenants. Service Provider hereby covenants as follows:

9.2.1 Unless otherwise stated in this Agreement, the Developer shall design, finance, construct, own, operate and maintain the Project or any part thereof in

accordance with this Agreement and its applicable Schedules, and all laws, rules, regulations and ordinances that are enforceable or binding upon Service Provider;

9.2.2 Service Provider shall successfully complete the test operations required for the Project on or before the Required Commercial Operations Date;

9.2.3 In addition to the Technical Specifications, Service Provider shall operate and maintain the Project in such a manner so as not to have an adverse effect on User voltage level and/or voltage waveform, power factor and frequency or produce adverse levels of voltage flicker and/or voltage harmonics;

9.2.4 In addition to the Technical Specifications, Service Provider shall at all times cause the Project to be operated and maintained consistent with Prudent User Practice;

9.2.5 Service Provider shall in accordance with the Technical Specifications, install protective relays within the Project approved ratings. Such approval shall not constitute a User any warranty or representation and shall not operate to increase the liability of User with respect to third parties

9.2.6 Service Provider shall notify User in writing of all apparatus that is from time to time included in Service Provider 's Project installations and that is likely to cause undue disturbance of User's system. Such apparatus shall be utilised only with the approval of, and as specified by, User, in writing. Such approval shall not constitute a User any warranty or representation and shall not operate to increase the liability of User with respect to third parties.

9.2.7 Where approval is granted pursuant to Paragraph 9.2.6 above, Service Provider shall use all reasonable efforts to prevent any apparatus being utilised in such a manner as to cause any undue disturbance of User' system. If User finds that any such apparatus is being utilised in a manner that causes such disturbance, Service Provider shall, upon receiving notice of such finding from User, immediately cease to so utilise such apparatus until steps have been taken to the reasonable satisfaction of User to eliminate such disturbance; alternatively, Service Provider shall replace such apparatus by other apparatus approved by User. In cases of emergency, oral notice will suffice for the purposes of this Paragraph, provided that such oral notice shall be confirmed in writing within 48 hours of being given to Service Provider .

9.3 User Covenants.

9.3.1 User covenants to purchase Net Energy Output as required by this Agreement.

9.3.2 Where User must approve or User and Service Provider jointly must establish specifications for connections of the Project and related apparatus, User covenants to act reasonably in so doing, with the objective of coordinating Project and User's Home operations so as to maximize Project Net Energy Output.

10. DEFAULTS AND TERMINATION

10.1 Time. Where the Parties or a Party is required to perform any act or to fulfil an obligation under this Agreement within a specified time, and for any reason that Party cannot perform within the time stated, then that Party may request an extension of the time for performance. The non-requesting Party shall give such requests for extensions of time due and reasonable consideration and shall not unreasonably deny a request, but the non-requesting Party may grant such a request on terms and conditions as to future performance.

10.2 Service Provider Defaults. User may give a notice of default under this Agreement (a "User Notice of Default") upon the occurrence of any of the following events, unless caused by a breach by User of this Agreement (each a "Service Provider Event of Default").

10.2.1 Abandonment of construction of the Project by the Service Provider after the commencement of Construction, without the written consent of User.

10.2.2 Failure of Service Provider to achieve the requirements for the Commissioning Date within 1 calendar year after the Required Commercial Operations Date. Unless, prior to the expiration of such 1-year period, User and Service Provider agree on the length, and terms and conditions of an extension of the Required Commercial Operations Date.

10.2.3 Wilful alteration of or tampering by Service Provider or its employees or agents with the Interconnection Facilities without the prior written consent of User, except in situations where such actions are taken to prevent immediate injury, death, or property damage and the Service Provider uses its best efforts to provide User with advance notice of the need for such actions.

10.2.4 Abandonment of operation of the Project by the Service Provider after the Commissioning Date, without the written consent of User.

10.3 User Defaults. Service Provider may give a notice of default under this Agreement (a "Service Provider Notice of Default") upon the occurrence of any of the following events, unless caused by a breach by Service Provider of this Agreement (each a "User Event of Default").

10.3.1 Wilful alteration of or tampering by User or agents with the Project or Interconnection Facilities without the prior written consent of Service Provider, except in situations where such actions are taken to prevent immediate injury, death, or property damage and User uses its best efforts to provide Service Provider with advance notice of the need for such actions; or

10.3.2 Any material breach by User of any representation, warranty or covenant in this Agreement.

10.4 Notice and Cure. A User Notice of Default or a Service Provider Notice of Default shall specify in reasonable detail the Service Provider Event of Default or User Event of Default, respectively, giving rise

to the Notice of Default. In the case of a default set forth in Paragraphs 4.2.2 and 10.2.2, or 10.2.4 the defaulting party shall have 5 working days (*i.e.*, non-holiday weekdays) within which to cure the default. In the case of a default defined in any other subParagraph of Paragraphs 10.2 and 10.3, the defaulting party shall have 30 calendar days to cure the default. Failure to remedy the default in 30 calendar days will result in legal action being taken against User resulting in them being liable for the additional legal costs, and a judgment recorded against their name; and the solar assets may be removed and sold on auction. They will remain liable for the shortfall, should the auctioned asset not sell for the full amortized balance, meaning they will have to continue paying for the solar asset debt, without even having the asset.

10.5 Rights and Remedies Upon an Event of Default.

10.5.1 *Service Provider Default.* If a Service Provider Event of Default has occurred and the Service Provider Event of Default has not been cured within the period specified in Paragraph 10.3, User, in its sole discretion, may take any or all of the following actions:

- (a) terminate this Agreement by delivering written notice to the Service Provider (UserTermination Notice) or
- (b) proceed in accordance with Paragraph 14 (Resolution of Disputes) to protect and enforce its rights and to recover any damages to which it may be entitled, including all costs and expenses reasonably incurred in the exercise of its remedy, or
- (c) at its election, take such steps as are reasonably necessary to cure the default before so proceeding.

10.5.2 *User Default.* If a User Event of Default has occurred and the User Event of Default has not been cured within the period specified in Paragraph 10.3, Service Provider , in its sole discretion, may take any or all of the following actions:

- (a) terminate this Agreement by delivering written notice to User (Service Provider Termination Notice) or
- (b) proceed in accordance with Paragraph 14 (Resolution of Disputes) to protect and enforce its rights and to recover any damages to which it may be entitled, including all costs and expenses reasonably incurred in the exercise of its remedy, or
- (c) at its election, take such steps as are reasonably necessary to cure the default before so proceeding.

10.5.3 *Nature of Rights on Default.* These rights and remedies shall not be exclusive but, to the extent permitted by law, shall be cumulative and in addition to all other rights and remedies existing at law, in equity or otherwise. The Parties may seek to exercise such rights and remedies only in accordance with the procedures set forth in Paragraph 14 (Resolution of Disputes). The Parties may exercise each right and remedy afforded by this agreement or by law from time to time and as often as reasonably deemed expedient by the Party exercising this right. No delay by, or omission of, Service Provider or User to exercise any right or remedy arising upon any event of default of the other Party shall impair any such right or remedy or constitute a waiver of such event or an acquiescence thereto.

10.5.4 Notwithstanding the above, the total amount of damages that Service Provider shall be entitled to for any breach of this Agreement by User shall not exceed, in the aggregate, the greater of the actual value

of the remaining term of the agreement and the fair market value of the payments for Net Energy Output required over the remaining term of this Agreement.

10.6 Survival. Notwithstanding anything to the contrary contained in this Agreement, where applicable the rights and obligations set forth in this Paragraph 10 shall survive the termination of this Agreement.

11. FORCE MAJEURE

11.1 Meaning of Force Majeure. In this Agreement, "Force Majeure" means any event, circumstances, or combination of events or circumstances beyond the reasonable control of a Party that materially and adversely affects the performance by that Party of its obligations or the enjoyment by that Party of its rights under or pursuant to this Agreement, provided that such material and adverse effect has not occurred due to the failure of Service Provider or User to design, finance, construct, own, operate or maintain the Project, Interconnection Facilities or the User's Home as required by this Agreement and in accordance with Good User Practice. Without limiting the generality of the foregoing, and conditioned on performance of the requirements of Paragraph 11.1.3, "Force Majeure" shall expressly include the following categories of events and circumstances, to the extent that the events or circumstances satisfy the definitional requirements.

11.1.1 *Natural Events*. "Force Majeure - Natural" includes, but is not limited to:

- a) Acts of Nature;
- b) Epidemic or plague;

11.1.2 *Other Events of Force Majeure*. "Force Majeure - Political" includes, but is not limited to:

- a) Act of war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or sabotage;
- b) Strikes, work to rule, or go slows; and
- c) Except where Paragraph 11.2 applies, (1) any of the Relevant Consents not being granted or renewed (unless previously revoked for cause) upon application having been duly made, (2) any of the Relevant Consents, having been granted, ceasing to remain in full force and effect (unless revoked for cause), or (3) the attachment to any Relevant Consents, subsequent to its grant, of any terms or conditions preventing performance,

11.1.3 Upon the occurrence of a Force Majeure event or circumstances, the nonperforming Party shall, within forty-eight (48) hours, give the other Party written notice describing the particulars of the occurrence. The suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. The nonperforming Party shall use its best efforts to remedy its inability to perform; and when the non-performing Party is able to resume performance of its obligations under this Agreement, that Party shall promptly give the other Party written notice to that effect.

11.2 Exclusion from Force Majeure. Force Majeure shall expressly not include the following conditions, except to the extent they result from an event or circumstances of Force Majeure:

11.2.1 unavailability, late delivery or changes in cost of plant, machinery, equipment, materials, spare parts, or consumables for the Project;

11.2.2 a delay in the performance of any Contractor;

11.2.3 non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment; and

11.2.4 non-performance caused by, or connected with, the non-performing Party's (a) negligent or intentional acts, errors or omissions, (b) failure to comply with applicable laws, or (c) breach of, or default under, this Agreement.

11.3 Consequences of Force Majeure.

11.3.1 Neither Party shall be deemed in breach of this Agreement because of any failure or delay in complying with its obligations pursuant to this Agreement due solely to Force Majeure. The periods allowed for performance by the Parties of their obligations (other than that specified in Paragraph 10.4 (Notice and Cure) shall be extended on a day-for-day basis, provided that (1) no relief shall be granted to the Party claiming Force Majeure pursuant to this Paragraph 11 to the extent that such failure or delay would have occurred even had such Force Majeure not occurred, and (2) the Party not claiming Force Majeure may immediately terminate this Agreement without further obligation, if Force Majeure delays a Party's performance for a period greater than fifteen (15) months. Other than for breaches of this Agreement by the Party not claiming Force Majeure, and without prejudice to the right of the Party claiming Force Majeure to indemnification pursuant to Paragraph 12, the Party not claiming shall not bear any liability for any loss or expense suffered by the Party claiming Force Majeure as a result of a Force Majeure.

12. INDEMNIFICATION AND LIABILITY

12.1 Indemnity by Service Provider. In addition to Service Provider's obligations and User's remedies provided elsewhere in this Agreement, Service Provider shall indemnify User for any loss of or damage to property, or injury to person, and any other liabilities, damages, losses and reasonable costs and expenses.

12.1.1 During the design, construction, ownership, operation or maintenance of the Project, and Damages resulted from any negligent act or omission of Service Provider's workers or agents, and through no fault of User or its agents;

12.1.2 In connection with, arising out of, or resulting from, any breach of warranty, material misrepresentation by Service Provider, or non-performance of any term, condition, covenant or obligation to be performed by Service Provider under this Agreement; and

12.1.3 In connection with any claim, proceeding or action brought against User under any applicable national or local environmental laws or regulations, and Damages resulted from Service Provider's ownership of the site or operation of the Project;

Service Provider 's indemnities, however, shall not extend to any loss, damage, injury, liability, costs or expenses (or any claim in respect thereof) to the extent that they were caused by any act or omission of User, its servants or agents, or the failure of User, its servants or agents, to take reasonable steps in mitigation thereof.

12.2 Indemnity by User. In addition to User' obligations and Service Provider 's remedies provided elsewhere in this Agreement, User indemnify Service Provider for Damages suffered by Service Provider , where Service Provider suffered Damages:

12.2.1 During the design, financing, construction, ownership, operation or maintenance of the Project and its Interconnection Facilities and Damages resulted from any negligent act or omission of User or its agents and through no fault of Service Provider , its workers or agents; and

12.2.2 In connection with, arising out of, or resulting from, any breach of warranty, any material misrepresentation by User or non-performance of any term, condition, covenant or obligation to be performed by User under this Agreement.

User' indemnities, however, shall not extend to any loss, damage, injury, liability, cost or expense (or any claim in respect thereof) to the extent that it was caused by any act or omission of the Service Provider or the failure of the Service Provider to take reasonable steps in mitigation thereof.

12.3 Notice of Proceedings. Each Party shall promptly notify the other Party as soon as reasonably practicable after the relevant party becomes aware of any claim or proceeding.

12.4 Obligation to Defend. Each Party on reasonable grounds shall have the right, but not the obligation, to contest, defend and litigate (and to retain legal advisers of its choice for that purpose) any claim, action, suit or proceeding by any third party brought against it, with respect to which the Party is entitled to be indemnified pursuant to this Paragraph 12, with the Party's reasonable costs and expenses of such action subject to said indemnity. The indemnifying Party shall be entitled, at its option, to assume and control the defence of such claim, action, suit or proceeding at its expense and through legal advisers of its choice, if it (a) gives notice of its intention to do so to the Party entitled to indemnification, b) acknowledges in writing its obligation to indemnify that Party to the full extent provided by this Paragraph 12, and (c) reimburses that Party for the reasonable costs and expenses previously incurred by it prior to the assumption of such defence by the indemnifying Party. Neither Party shall settle or compromise any claim, action, suit or proceeding in respect of which it is entitled to be indemnified by the other Party without the prior written consent of the indemnifying Party, which consent shall not be unreasonably withheld.

13. INSURANCE

13.1 Insurance Coverage. At all times during the term of this Agreement, User must have comprehensive home insurance as a condition of service. Supplementary Certificate Of Compliance will be provide to allow solar electricity system install to be added to home insurance coverage for the facilities relating to

the Project sufficient to indemnify Service Provider against loss or damage arising with respect to that facility. Such Insurance shall include the types of coverage usually maintained in respect of facilities of this kind.

Service Provider 's insurance shall include, but not be limited to:

13.1.1 *All Risks Marine Cargo Insurance* in an amount sufficient to cover the replacement cost of all plant and equipment shipped to and intended to become part of the Project on a warehouse to warehouse basis.

13.5 Certificates of Insurance. Each Party shall on request, cause its insurers or agents to provide the other Party with certificates of insurance evidencing the insurance policies and endorsements required by this Paragraph 13. Failure to deliver certificates of insurance does not relieve the Party in default of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Paragraph 13 shall in no way relieve or limit the Party's obligations and liabilities under other provisions of this Agreement.

14. RESOLUTION OF DISPUTES

14.1 Mutual Discussions. If any dispute or difference of any kind whatsoever (a "Dispute") arises between the Parties in connection with, or arising out of, this Agreement, the Parties within 30 days shall attempt to settle such Dispute in the first instance by mutual discussions between Service Provider and User.

14.2 Arbitration

14.2.1 If the Dispute cannot be settled within 30 days by mutual discussions, then the Dispute shall be finally settled under the provisions of this Paragraph 14.2.

14.2.2 Subject as hereinafter provided, any Dispute arising out of, or in connection with, this Agreement and not settled by Paragraph 14.1 may (regardless of the nature of the Dispute) be submitted by either Party to arbitration and finally settled in accordance with UNCITRAL Rules of International Arbitration.

14.3 Continued Performance. During the pendency of any arbitration (a) Service Provider shall continue to perform its obligations under this Agreement to, among other things, provide Net Energy Output; (b) User shall continue to pay all amounts when due, in accordance with Paragraph 4 (Currency, Payments and Billing); and (c) neither Party shall exercise any other remedies hereunder arising by virtue of the matters in dispute.

15. NOTICES

15.1 Procedure for Giving Notice. All notices or other communications (together "notices") to be given or made hereunder shall be in writing, shall be addressed for the attention of the person indicated in Paragraph 15.2 below and shall either be delivered personally or sent by prepaid post (with receipt acknowledgment required) or by email. Notices given by telex or fax shall be confirmed by a written copy of the notice delivered or sent as prescribed in this Paragraph. The failure to so confirm shall not vitiate actual notice.

15.2 Addresses for Notices. The addresses for service of Parties and their respective telex and fax number shall be:

1. For User:

Attention:

Address:

Email.:

Copied to:

2. For Service Provider :

Attention:

Address:

Email:

Copied to:

A Party may modify its address information by notice provided as prescribed in this Paragraph. The information shown above shall be deemed correct unless and until modified as provided herein.

15.2 Effectiveness of Notice. Notices under this Agreement shall be effective only upon actual delivery or receipt thereof.

16. MISCELLANEOUS PROVISIONS

16.1 Variations in Writing. All additions, amendments or variations to this Agreement shall be binding only if in writing and signed by duly authorised representatives of both Parties.

16.2 Entire Agreement. This Agreement and its accompanying Schedules together represent the entire understanding between the Parties with respect to the subject matter of this Agreement and supersede any or all previous agreements or arrangements (whether oral or written) between the Parties with respect to the Project.

16.3 Waivers.

16.3.1 *Limited Effect*. No waiver by either Party of any default by the other in the performance of any of the provisions of this Agreement shall: (a) operate or be construed as a waiver of any other or further default whether of a like or different character; or (b) be effective unless in writing duly executed by an authorised representative of the non-defaulting Party.

16.3.2 *Indulgences*. The failure by either Party to insist on any occasion upon the performance of the terms, conditions or provisions of this Agreement or time or other indulgence granted by one Party to the other shall not thereby act as a waiver of such breach or acceptance of any variation.

16.4 Confidentiality.

16.4.1 *Treatment of Confidential Information*.

(a) Each Party shall hold in confidence all documents and other information, whether technical or commercial, relating to the design, financing, construction, ownership, operation or maintenance of the Project supplied to it by or on behalf of the other Party that is of a confidential nature and is designated as such. The Party receiving such documents or information shall not publish or otherwise disclose them or use them for its own purposes (otherwise than as may be required by the Party, its professional advisers, potential lenders or investors to perform its obligations under this Agreement).

(b) The provisions of Paragraph 16.4.1(a) above shall not apply to any information:

that is or becomes available to the public other than by breach of this agreement;

that is in or comes into the possession of the receiving Party prior to the aforesaid publication or disclosure by the other Party and was or is not obtained under any obligation of confidentiality;

that was or is obtained from a third Party who is free to divulge the same and was or is not obtained under any obligation of confidentiality; or

that is required by law or appropriate regulatory authorities to be disclosed, provided that the Party supplying the information is notified of any such requirement at least 5 business days prior to such disclosure and the disclosure is limited to the maximum extent possible.

16.4.2 *Similar Provisions.* For the avoidance of doubt, nothing herein contained shall preclude the use of provisions similar to those contained in this Agreement or other referenced agreements in any agreements prepared and issued in connection with other projects.

16.5 Successors and Assigns. Except where Service Provider assigns any of its rights to a principal lender whose existence has been disclosed to User prior to the Commercial Operations Date, Service Provider may not assign or transfer its rights or obligations under, pursuant to

or associated with this Agreement without the prior written consent of User, which consent shall not be unreasonably withheld or delayed. If User, on reasonable grounds, objects to the assignment of any of Service Provider 's rights to a principal lender, User shall (a) promptly notify Service Provider of its objection, specifying the reasons for the objection and (b) provide Service Provider a reasonable opportunity to effect a commercially reasonable cure to the objections. If Service Provider is unable to cure the objections, User may immediately terminate this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the Parties.

16.6 No Liability for Review. No review or approval by a Party of any agreement, document, instrument, drawing, specification or design proposed by the other Party shall relieve the proposing Party from any liability that it would otherwise have had for its negligence in the preparation of such agreement, document, instrument, drawing, specification or design or from the failure to comply with applicable laws with respect thereto, nor shall a Party be liable to the other Party or any other person by reason of its review or approval of an agreement, document, instrument, drawing, specification or design of the other Party.

16.7 No Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties. Nothing in this Agreement shall be construed to create any duty to, standard of care with reference to, any liability to, or any right of suit or action in, any person not a Party to this Agreement.

16.8 Governing Law. The rights and obligations of the Parties under or pursuant to this Agreement shall be governed by and construed according to the laws of the Republic of South Africa.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day, month and year first mentioned above.

Witness)

Signed for and on behalf of)
)

[Legal Name of Service Provider]

Witness)
Signed for and on behalf of)
)

[Legal Name of User]

NOTES

SCHEDULE A

DEFINED TERMS

"**Abandonment**" - Either (a) the cessation of substantially all activities relating to the construction or operation and maintenance of the Project, as appropriate, or (b) the physical absence, during a period when the Project is not generating despite adequate renewable energy resources, of substantially all technical employees of Service Provider and its contractors from the site of the Project in either case (a) or (b) for at least 168 consecutive hours. This definition does not apply in cases of force majeure.

"**Commercial Operations Date**" - The date on which the Project actually and successfully completes the test operations required by Schedule 4 (Commissioning Requirements).

"**Project**" - All facilities on the Service Provider 's side of the Interconnection Point at the facility described in the first Whereas clause of this Agreement that are required to provide the Net Energy Output to the User’s Home and necessary for the Service Provider to honour its obligation under the terms and conditions of this Agreement.

"Emergency" - A condition or situation that, in the reasonable opinion of User, does materially and adversely, or is likely materially and adversely to (i) affect the ability of User to maintain safe, adequate and continuous electrical service to its customers, or (ii) endanger the security of person, plant or equipment.

"Energy Price" - The price User will pay Service Provider per kWh for Net Energy Output delivered to the User's home, as determined in accordance with Schedule 2.

"Forced Outage" - An immediate full or partial interruption of the generating capability of the Project that is not the result of (i) a request by User in accordance with this Agreement , (ii) a Scheduled Outage or (iii) an event or occurrence of Force Majeure:

"Force Majeure" - An event or occurrence specified in Paragraph 11 (Force Majeure).

"Government" - The lawful government of the country in which the Project is located.

"Interconnection Facilities" - The facilities that interconnect the Project to the User's Home. This includes all of the equipment that measures capacity and energy output from the Project, as well as the associated protection equipment specified in Schedule 4 (Interconnection).

"Interconnection Point" - The physical point(s) where the Project and the User's Home are connected.

"User's Home" - User's system of transmission or distribution facilities on User's side of the Interconnection Point, through which Net Energy Output of the Project will be distributed by User to users of electricity.

"Liquidator" - Person duly appointed by a Court, members or shareholders of Service Provider or User, or creditors of Service Provider of User for the purpose of winding up, respectively, Service Provider's or

User's operations.

"Metering System" - All meters and metering devices or equipment owned by User and used to measure the delivery and receipt of dependable capacity and Net Energy Output from the Project.

"Net Energy Output" - Net energy delivered by Service Provider for sale to User at the agreed Interconnection Point as measured in accordance with Paragraph 7.3 (Measurement of Net Energy Output) and the general terms and conditions of the agreement.

"Prudent User Practice" - The practices generally followed by the electric User industry with respect to the design, construction, operation, and maintenance of electric generating, transmission, and distribution facilities, including, but not limited to, the engineering, operating, and safety practices generally followed by such User industries; provided that such practices must be relevant and applicable to the management and operation of a solar project.

"Relevant Consents" - Any approval, consent, authorisation or other requirement that is required from the Government or any public sector entity under the applicable Laws of the Government for Service Provider with respect to the Project.

"Required Commercial Operations Date" - The date by which the Project must successfully complete the required test operations prescribed in Schedule 4 (Testing and Commissioning). That date is agreed to be _
[commercial operations deadline for Project]._.

"Scheduled Outage" - A planned full or partial interruption of the Project's generating capability that (i) is not a Forced Outage; (ii) has been scheduled and allowed by User in accordance with Paragraph 8.3.2; and (iii) is for inspection, testing, preventive maintenance, corrective maintenance or improvement of the Project.

SCHEDULE B

CALCULATION OF PAYMENTS

This schedule defines the calculation of the specified payments and other monetary values that may be required by the provisions of this Agreement. In particular, it defines: the calculation of the payments by

User to Service Provider for Energy Output of the Project, and the calculation of liquidated damages payments. This Schedule 2 is divided into three sections:

- B1: Prices and Adjustments
- B2: Currency Risk and Other Conditions

The table headings indicate the particular payments and periods to which the calculations and adjustments apply.

B1. Price and Adjustments

B1.1 Payments for Energy Output. The price per kilowatt-hour for Energy Output of the Project shall be as shown in the following table. Adjustments to the base price for User’s payments for Net Energy Output, if any, shall be made when and on the basis shown in the following table. The unit price, as adjusted (the “Energy Price”), shall be multiplied by the Energy Output amount to determine the payments due Service Provider from User for Energy Output of the Project.

Table B1.1.1 Payments for Energy Output

For 15 Years

Component	Base Price (/kWh)	Adjustment Basis	Adjustment Frequency	Adjustment Base Month
Base Price (/kWh)	<i>R2.90C</i>	<i>10% increase</i>	<i>yearly</i>	
VAT	<i>15%</i>			

SCHEDULE C

TESTING AND COMMISSIONING

This schedule is a technical document that necessarily varies from project to project. It must take account not only of the characteristics of the renewable energy technology being utilised, but also the capabilities and limitations of the project's design and equipment. The operational characteristics of the Project and the User's Home taken into account.

Service Provider shall, at its own expense, carry out the testing and commissioning of the Project and the connecting transmission infrastructure in accordance with the provisions of this Schedule C, the specifications, and Prudent User Practice. User shall be given 24 hours prior notice of any testing or commissioning procedure and User shall be entitled to have representatives present for purposes of observing any such procedures. If User or representatives are unable to attend for any reason, the testing may proceed without them.

C1. TESTS PRIOR TO INITIAL COMMERCIAL OPERATION

(details to be agreed)

C2. TESTING & GUARANTEES

(details to be agreed)

C3. TESTING OF INTERCONNECTION FACILITIES

(details to be agreed)